

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

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2022 TO 31 DECEMBER 2022
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 2301482 号

The Board of Directors of Jinjiang International Holdings Co, Ltd.:

Opinion

We have audited the accompanying financial statements of Jinjiang International Holdings Co, Ltd. ("Jinjiang International") set out on pages 1 to 172, which comprise the consolidated balance sheets as at 31 December 2022, 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 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 2022, 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.

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 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.

AUDITOR'S REPORT (continued)

毕马威华振沪审字第 2301482 号

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

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

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:

- (1) 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.
- (2) 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.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) 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.

AUDITOR'S REPORT (continued)

毕马威华振沪审字第 2301482 号

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

- (5) 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.
- (6) 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

Huang Feng

Shanghai, China

Ni Yingjun

Date: 27 April 2023

Jinjiang International Holdings Co, Ltd.
Consolidated balance sheet
as at 31 December 2022
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Assets			
Current assets			
Cash at bank and on hand	1	17,216,196,509.05	18,792,100,583.21
Financial assets held for trading	2	915,617,761.40	1,378,195,748.76
Derivative financial assets	3	85,505,527.94	86,274,298.15
Bills receivable	4	23,725,686.37	41,083,963.29
Accounts receivable	5	3,167,043,634.75	2,678,882,779.74
Receivables under financing	6	21,308,877.83	4,015,299.25
Prepayments	7	314,893,138.97	344,233,607.29
Other receivables	8	1,165,925,651.12	1,477,234,235.84
Inventories	9	376,377,186.25	368,148,950.05
Contract assets	10	35,746,455.48	28,817,788.42
Assets held for sale	11	-	18,726,874.00
Non-current assets due within one year	12	55,067,211.88	1,288,620,744.46
Other current assets	13	793,280,924.23	1,046,029,740.27
Total current assets		24,170,688,565.27	27,552,364,612.73

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated balance sheet
as at 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Assets (continued)			
Non-current assets			
Loans and advances	14	55,023,322.00	33,834,344.00
Long-term receivables	15	488,572,440.84	523,884,768.62
Long-term equity investments	16	2,813,162,345.67	6,685,092,710.81
Investments in other equity instruments	17	13,029,948,544.16	11,137,044,071.52
Other non-current financial assets	18	795,289,206.32	583,730,934.02
Investment properties	19	482,827,645.03	532,473,983.73
Fixed assets	20	13,290,126,533.35	15,042,823,964.98
Construction in progress	21	2,319,203,740.31	1,985,556,635.65
Right-of-use assets	22	11,098,087,470.12	11,058,546,527.80
Intangible assets	23	16,854,144,696.83	18,647,666,151.27
Goodwill	24	13,580,238,621.07	13,680,717,494.31
Long-term deferred expenses	25	2,859,694,516.00	3,043,436,663.34
Deferred tax assets	26	2,604,965,461.36	2,603,707,978.25
Other non-current assets	27	2,193,153,640.81	3,398,555,768.18
Total non-current assets		<u>82,464,438,183.87</u>	<u>88,957,071,996.48</u>
Total assets		<u>106,635,126,749.14</u>	<u>116,509,436,609.21</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
 Consolidated balance sheet
 as at 31 December 2022 (continued)
 (Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2022</i>	<i>2021</i>
Liabilities and owners' equity			
Current liabilities			
Short-term loans	30	4,929,064,860.47	5,722,676,747.31
Bills payable	31	65,000,000.00	79,050,000.00
Accounts payable	32	3,146,643,981.82	2,582,966,678.65
Advance payments received	33	91,065,667.89	137,059,908.39
Contract liabilities	34	1,300,072,188.40	1,367,047,362.01
Customer deposits and deposits from banks and other financial institutions	35	128,084,305.58	98,693,752.31
Employee benefits payable	36	2,460,434,033.13	2,372,208,869.94
Taxes payable	37	1,524,764,654.18	1,319,444,339.57
Other payables	38	3,561,913,374.18	3,806,036,881.48
Non-current liabilities due within one year	39	10,713,536,951.66	12,203,546,123.94
Other current liabilities	40	<u>584,262,175.94</u>	<u>644,890,579.73</u>
 Total current liabilities		 <u>28,504,842,193.25</u>	 <u>30,333,621,243.33</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated balance sheet
as at 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2022</i>	<i>2021</i>
Liabilities and owners' equity (continued)			
Non-current liabilities			
Long-term loans	41	27,588,445,845.68	25,121,527,653.84
Customer deposits	42	158,500,000.00	210,500,000.00
Debentures payable	43	5,707,969,828.85	8,905,108,945.60
Lease liabilities	44	11,889,046,967.00	11,680,037,796.62
Long-term payables	45	9,935,694.84	456,680,596.65
Long-term employee benefits payable	46	931,195,678.63	1,062,852,936.32
Provisions	47	260,125,386.22	49,139,321.00
Deferred income	48	85,779,505.21	91,447,343.17
Deferred tax liabilities	26	2,920,833,154.36	3,052,148,432.87
Other non-current liabilities	49	<u>364,554,273.47</u>	<u>634,208,053.24</u>
Total non-current liabilities		<u>49,916,386,334.26</u>	<u>51,263,651,079.31</u>
Total liabilities		<u>78,421,228,527.51</u>	<u>81,597,272,322.64</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated balance sheet
as at 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Liabilities and owners' equity (continued)			
Owners' equity			
Paid-in capital	50	2,000,000,000.00	2,000,000,000.00
Other equity instruments	51	3,003,988,193.33	3,003,988,193.33
Including: Perpetual bonds		3,003,988,193.33	3,003,988,193.33
Capital reserve	52	6,401,107,533.85	6,636,124,126.51
Other comprehensive income	75	(2,289,075,074.08)	(744,430,650.22)
Specific reserve	53	-	-
Surplus reserve	54	783,608,658.65	783,608,658.65
Retained earnings	55	<u>6,020,229,078.33</u>	<u>7,538,127,424.74</u>
Total equity attributable to owners of the Company		15,919,858,390.08	19,217,417,753.01
Non-controlling interests		<u>12,294,039,831.55</u>	<u>15,694,746,533.56</u>
Total owners' equity		<u>28,213,898,221.63</u>	<u>34,912,164,286.57</u>
Total liabilities and owners' equity		<u>106,635,126,749.14</u>	<u>116,509,436,609.21</u>

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

The financial statements on page 1-172 are signed off by following persons:

_____ Zhao Qi Legal representative (Signature and stamp)	_____ Sun Yu The person in- charge of the accounting affairs (Signature and stamp)	_____ He Yichi The head of the accounting department (Signature and stamp)	(Company stamp)
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Date: 27 April 2023

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated income statement
for the year ended 31 December 2022
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Total operating income		29,153,618,386.14	27,777,773,908.20
Including: Operating income	56	29,043,067,185.16	27,649,150,679.33
Interest income of financial institutions	57	110,551,200.98	128,623,228.87
Less: Total operating costs		22,389,685,743.67	21,560,998,043.08
Including: Operating costs	58	22,330,334,643.67	21,499,766,332.08
Interest expense of financial institutions	57	59,351,100.00	61,231,711.00
Taxes and surcharges	59	332,588,021.22	376,237,754.54
Selling and distribution expenses	60	2,429,344,766.91	2,323,783,008.63
General and administrative expenses	61	5,348,289,897.15	5,328,226,670.34
Research and development expenses	62	18,707,177.17	51,001,601.14
Financial expenses	63	1,235,459,838.02	1,410,791,835.38
Including: Interest expenses		1,616,642,950.23	1,512,593,670.40
Interest income		360,565,875.62	285,278,188.81
Exchange (gains) losses of financial institution	64	(4,522,351.00)	994,786.00
Add: Other income	65	247,128,807.15	529,856,691.88
Investment income	66	743,018,073.50	2,104,680,673.33
Including: Income from investment in associates and joint ventures		(32,453,586.50)	357,512,182.63
Gains (losses) from changes in fair value	67	125,032,799.63	(289,741,595.17)
Credit impairment (losses) reversal	68	(340,604,634.47)	17,010,424.95
Impairment losses	69	(22,368,106.83)	(124,178,519.19)
Gains from asset disposals	70	1,141,614,415.55	153,223,070.40
Operating loss		(702,113,352.47)	(883,409,044.71)
Add: Non-operating income	71	105,643,001.87	143,746,827.89
Less: Non-operating expenses	72	142,164,838.33	104,671,548.06
Loss before taxation		(738,635,188.93)	(844,333,764.88)
Less: Income tax expenses	73	276,817,241.15	(177,320,955.74)
Net loss for the year		<u>(1,015,452,430.08)</u>	<u>(667,012,809.14)</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated income statement
for the year ended 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
(1) Net profit classified by continuity of operations:			
1. Net losses from continuing operations		(1,015,452,430.08)	(667,012,809.14)
2. Net profit from discontinued operations		-	-
(2) Net profit (loss) classified by ownership:			
1. Attributable to owners of the Company		(1,394,855,773.20)	(434,360,216.06)
2. Attributable to non-controlling interests		379,403,343.12	(232,652,593.08)
Other comprehensive income, net of tax	75	(1,682,282,328.60)	245,512,278.41
(1) Other comprehensive income (net of tax) attributable to owners of the Company		(1,563,886,997.07)	196,949,891.22
1. Items that will not be reclassified to profit or loss:			
a. Remeasurement of defined benefit plan		(3,010,679.55)	4,061,852.41
b. Other comprehensive income recognised under equity method that will not be reclassified to profit or loss		31,614.02	-
c. Changes in fair value of investments in other equity instruments		(1,647,343,677.66)	(128,187,672.16)

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated income statement
for the year ended 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Other comprehensive income, net of tax (continued)	75		
(1) Other comprehensive income (net of tax) attributable to owners of the Company (continued)			
2. Items that may be reclassified to profit or loss:			
a. Other comprehensive income recognised under equity method that may be reclassified to profit or loss		1,344,509.02	(174,557.43)
b. Cash flow hedge reserve		-	-
c. Translation differences arising from translation of foreign currency financial statements		85,091,237.10	321,250,268.40
(2) Other comprehensive income (net of tax) attributable to non-controlling interests		<u>(118,395,331.53)</u>	<u>48,562,387.19</u>
Total comprehensive income for the year		<u><u>(2,697,734,758.68)</u></u>	<u><u>(421,500,530.73)</u></u>
Attributable to:			
Owners of the Company		(2,958,742,770.27)	(237,410,324.84)
Non-controlling interests		261,008,011.59	(184,090,205.89)

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated cash flow statement
for the year ended 31 December 2022
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	2022	2021
Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		29,030,924,825.46	27,075,406,567.27
Refund of taxes		99,553,917.53	23,024,994.15
Net decrease in loans and advances to customers		-	-
Proceeds from other operating activities	76	<u>1,057,589,152.58</u>	<u>770,297,730.64</u>
Sub-total of cash inflows		<u>30,188,067,895.57</u>	<u>27,868,729,292.06</u>
Payment for goods and services		13,300,807,489.55	12,961,376,214.31
Payment to and for employees		9,467,055,830.82	8,802,771,473.67
Payment of various taxes		1,199,434,018.94	1,205,425,835.61
Net increase in loans and advances		842,978.00	872,844.00
Payment for other operating activities	76	<u>3,643,898,917.08</u>	<u>3,663,116,439.32</u>
Sub-total of cash outflows		<u>27,612,039,234.39</u>	<u>26,633,562,806.91</u>
Net cash inflow from operating activities	76	<u>2,576,028,661.18</u>	<u>1,235,166,485.15</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated cash flow statement
for the year ended 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Cash flows from investing activities:			
Proceeds from disposal of investments		1,617,208,320.27	864,080,188.13
Investment returns received		420,090,273.86	522,097,314.54
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		3,272,000,299.06	269,567,119.13
Changes in restricted bank deposits		35,901,217.49	9,441,361.85
Net proceeds from disposal of subsidiaries and other business units	76	<u>1,976,535,072.95</u>	-
Sub-total of cash inflows		<u>7,321,735,183.63</u>	<u>1,665,185,983.65</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		2,090,307,106.75	1,770,036,282.06
Payment for acquisition of investments		1,425,762,112.30	552,517,068.32
Net payment for acquisition of subsidiaries and other business units	76	85,305,985.49	-
Payment for other investing activities	76	<u>958,697,635.00</u>	<u>2,900,000,000.00</u>
Sub-total of cash outflows		<u>4,560,072,839.54</u>	<u>5,222,553,350.38</u>
Net cash inflow (outflow) from investing activities		<u>2,761,662,344.09</u>	<u>(3,557,367,366.73)</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated cash flow statement
for the year ended 31 December 2022 (continued)
(Expressed in Renminbi Yuan)

	Note IX	2022	2021
Cash flows from financing activities:			
Proceeds from investors		369,000,000.00	4,978,545,167.30
Proceeds from borrowings		19,437,471,246.68	22,965,671,960.64
Proceeds from issuance of debentures		-	5,194,100,000.00
		<u>19,806,471,246.68</u>	<u>33,138,317,127.94</u>
Sub-total of cash inflows			
Repayments of borrowings		21,931,725,943.68	22,440,412,952.33
Payment for profit distributions or interest		1,591,057,250.75	1,591,070,580.73
Including: Profits paid to non-controlling shareholders of subsidiaries		271,045,936.11	294,677,660.49
Payment for acquisitions of non-controlling interests		3,995,374,669.73	319,844,061.96
Payment for other financing activities	76	<u>2,159,509,876.57</u>	<u>3,158,640,648.59</u>
Sub-total of cash outflows		<u>29,677,667,740.73</u>	<u>27,509,968,243.61</u>
Net cash (outflow) inflow from financing activities		<u>(9,871,196,494.05)</u>	<u>5,628,348,884.33</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>(178,168,443.99)</u>	<u>495,458,420.83</u>
Net (decrease) increase in cash and cash equivalents	76	(4,711,673,932.77)	3,801,606,423.58
Add: Cash and cash equivalents at the beginning of the year		<u>18,231,355,343.89</u>	<u>14,429,748,920.31</u>
Cash and cash equivalents at the end of the year	76	<u>13,519,681,411.12</u>	<u>18,231,355,343.89</u>

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Consolidated statement of changes in owners' equity
for the year ended 31 December 2022
(Expressed in Renminbi Yuan)

	Attributable to owners of the Company								Non-controlling interests	Total
	Paid-in capital	Capital reserve	Other comprehensive income	Other equity instruments	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
Balance at 1 January 2022	2,000,000,000.00	6,636,124,126.51	(744,430,650.22)	3,003,988,193.33	-	783,608,658.65	7,538,127,424.74	19,217,417,753.01	15,694,746,533.56	34,912,164,286.57
Changes in equity during the year										
1. Total comprehensive income	-	-	(1,563,886,997.07)	-	-	-	(1,394,855,773.20)	(2,958,742,770.27)	261,008,011.59	(2,697,734,758.68)
2. Owners' contributions										
- Transactions with non-controlling interests (Note IX.77)	-	(538,971,476.11)	-	-	-	-	-	(538,971,476.11)	(3,424,281,404.07)	(3,963,252,880.18)
- Capital contribution from state-owned enterprises	-	360,000,000.00	-	-	-	-	-	360,000,000.00	-	360,000,000.00
- Contributions by owners	-	-	-	-	-	-	-	-	9,000,000.00	9,000,000.00
- Other changes in investees other than net profit or loss, other comprehensive income and profit distribution	-	(270,461,299.11)	-	-	-	-	-	(270,461,299.11)	-	(270,461,299.11)
- Contribution by holders of other equity instruments (Note IX.51)	-	-	-	-	-	-	-	-	-	-
- Disposal of interest in a subsidiary	-	-	19,242,573.21	-	-	-	(19,242,573.21)	-	-	-
- Others (Note IX.52)	-	214,416,182.56	-	-	-	-	-	214,416,182.56	385,667.59	214,801,850.15
3. Appropriation of profits										
- Distributions to owners	-	-	-	(103,800,000.00)	-	-	-	(103,800,000.00)	(246,818,977.12)	(350,618,977.12)
- Accrued interest of other equity instruments	-	-	-	103,800,000.00	-	-	(103,800,000.00)	-	-	-
4. Specific reserve										
- Accrued	-	-	-	-	11,430,443.86	-	-	11,430,443.86	-	11,430,443.86
- Utilised	-	-	-	-	(11,430,443.86)	-	-	(11,430,443.86)	-	(11,430,443.86)
Sub-total of 1 to 4	-	(235,016,592.66)	(1,544,644,423.86)	-	-	-	(1,517,898,346.41)	(3,297,559,362.93)	(3,400,706,702.01)	(6,698,266,064.94)
Balance at 31 December 2022	2,000,000,000.00	6,401,107,533.85	(2,289,075,074.08)	3,003,988,193.33	-	783,608,658.65	6,020,229,078.33	15,919,858,390.08	12,294,039,831.55	28,213,898,221.63

The notes on pages 14 to 172 form part of these financial statements.

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

	Attributable to owners of the Company							Non-controlling interests	Total	
	Paid-in capital	Capital reserve	Other comprehensive income	Other equity instruments	Specific reserve	Surplus reserve	Retained earnings			Sub-total
Balance at 1 January 2021	2,000,000,000.00	4,171,602,781.38	(941,380,541.44)	-	-	783,608,658.65	7,971,335,118.88	13,985,166,017.47	15,864,213,827.97	29,849,379,845.44
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. Owners' contributions										
- Transactions with non-controlling interests (Note IX. 77)	-	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.51)	-	-	-	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	-	2,464,521,345.13	196,949,891.22	3,003,988,193.33	-	-	(433,207,694.14)	5,232,251,735.54	(169,467,294.41)	5,062,784,441.13
Balance at 31 December 2021	2,000,000,000.00	6,636,124,126.51	(744,430,650.22)	3,003,988,193.33	-	783,608,658.65	7,538,127,424.74	19,217,417,753.01	15,694,746,533.56	34,912,164,286.57

The notes on pages 14 to 172 form part of these financial statements.

Jinjiang International Holdings Co, Ltd.
Notes to the financial statements
(Expressed in Renminbi Yuan)

I. Basic information

Jinjiang International Holdings 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 13 April 1991, 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 (for business activities that require specific approval, the Company should obtain the relevant approval before conducting such activities).

The registered capital of the Company is RMB 2 billion. The actual contributions are detailed in Note IX.50. The Company and its subsidiaries are hereinafter referred to as the "Group".

II. Basis of preparation

The Group incurred net losses of RMB 1,015,452,430.08 during 2022. As at 31 December 2022, the Group's current liabilities exceeded its current assets by RMB 4,334,153,627.98. The financial statements have been prepared on a going concern basis in view of the fact that the Group has sufficient unused funds budgeted for the year 2023 under which the Group is able to defer repayments for borrowings, borrow new bank loans, issue bonds, issue stocks in overseas capital market or use any other way for financing to ensure that the Group will maintain sufficient liquidity for the year 2023; and the Group has sufficient bank loan facilities, which will remain in effect at least as of 31 December 2023, to repay debts as they fall due and to remain as a going concern. Therefore, the Group still prepares its financial statements on a going concern basis.

III. Statement of compliance

The financial statements of the Company have been prepared in accordance with ASBE issued by the Ministry of Finance ("MOF") of the People's Republic of China and the requirements of *Notice on the Audit of the Financial Statements of State-Owned Enterprises in Shanghai for the year 2022* (Hu Guo Zi Wei Shen Ji [2022] No.312) issued by State-owned Assets Supervision And Administration Commission of Shanghai Municipal Government ("SASAC of Shanghai Municipal Government"), and present truly and completely, the Group's financial position as at 31 December 2022, and the Company's consolidated results of operations 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 2022, 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 the Group 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 categorised 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: 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.

4. Business combinations and the consolidated financial statements

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are 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 an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business. If the concentration test is not met, the Group should 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 enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the 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 face value of shares issued) is adjusted against the 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 enterprise obtains control of other combining enterprises.

4.2. Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties 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 assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair values. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving enterprises 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 the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and 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 full in the financial statements.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholder's 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' portion of the opening balance of 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 enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period, through a business combination not involving enterprises under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair values 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 investment is re-measured at its fair value at the date when control is lost, and 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. Translation of foreign currencies and translation of foreign currency financial statements

5.1. Translation of foreign currencies

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 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. The 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.

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

Under the equity method:

- 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 acquiring 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"), are 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 profit or loss, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income based on the fair value of the investee's identifiable net assets at the date of acquisition after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group. 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, unless they represent impairment losses that are recognised in full in the financial statements.
- 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 equals the share of losses not recognised.

The Group makes provisions 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 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, supply of services, for rental to others, or for administrative purposes with useful lives over one accounting 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 recorded for 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 assets 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 & 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 for a period of time, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be explicitly or implicitly specified in a contract and are physically distinct, or may be a portion of an asset's capacity or other portion of an asset that is not physically distinct but 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 multiple separate lease components, the lessee and the lessor separate the 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 the lease components from the 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 obtain the ownership of the lease asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated over the shorter of the lease term or the remaining useful life of the lease asset. 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 are charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the lease 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 the Group has exercised the extension or termination option in a different manner from the original assessment.

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 the 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 asset under finance lease. 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 with a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are accounted for in accordance with the accounting policies in Notes IV.16 and IV.17.1. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases are recognised as income 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 and software 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 a finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using 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 assets with finite useful lives are reviewed at least at each year-end.

12.1. Development costs

Expenditures during the research phase are 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) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) the intention to complete the intangible asset and use or sell it;
- (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) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

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 the cost of the acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving enterprises under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note IV.17.2). Upon 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

Expenditures incurred with a beneficial period of over one year are 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. Gains from disposal of non-current assets and disposal groups

15.1. Assets held for sale

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

The disposal group is 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 assets or disposal groups in similar transactions, the non-current asset or disposal group is available for immediate sale in its present condition;
- The sale is highly probable to occur, that is, the Group has made a resolution on a sale plan and entered into a legally binding sales agreement with other parties. The sale is expected to be completed within one year.

Non-current assets or disposal groups held for sale are initially and subsequently measured 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))). 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 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 coordinated 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. The comparative information for profit or loss from discontinued operations, which used to be presented as profit or loss from continuing operations in the prior period, is represented as profit or loss from discontinued operations in the comparative income statement.

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 asset or financial liability is measured initially at fair value. For financial assets and financial liabilities measured 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. Trade receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with 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 under 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 under 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 financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held under 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, and 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 that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, reclassified, amortised under the effective interest method or when an impairment gain or loss is recognised.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment and foreign exchange gains and losses are recognised in profit or loss. 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, as financial guarantee liabilities or as financial liabilities measured at 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 liabilities) or if 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 require 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 a 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 the impairment policies for financial instruments (see Note 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

A 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; and 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 financial asset 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 instruments

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 the impairment of assets set out in Notes IV.7 and 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;
- debt investments measured at FVOCI; and
- 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 Group 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).

Loss allowances for trade receivables, lease receivables and contract assets are 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.

Except for trade receivables, lease receivables and contract assets, the Group measures loss allowances at an amount equal to 12-month ECLs for the following financial instruments, and at an amount equal to lifetime ECLs for all other financial instruments:

- Financial instruments that have been determined to have low credit risk at the balance sheet date;
- Financial instruments for which credit risk 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, 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 contractual 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 difficulties of the issuer or debtor;
- a breach of contract, such as a default in interest or principal payments;
- for economic or contractual reasons relating to the debtor's financial difficulties, the Group having granted to the debtor a concession that it would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

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. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets.

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 generally occurs 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 other assets

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

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- goodwill
- long-term deferred expenses
- investment properties measured using a cost model
- long-term equity investments and etc.

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. For the purposes of impairment testing, goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the business combination.

An asset group is composed of assets 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 or set of asset groups) is the higher of its fair value less costs of disposal and the present value of its expected future cash flows.

The present value of an asset's expected future cash flows 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 to reduce the carrying amount to the recoverable amount. 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 allocations would not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal (if measurable), the present value of its expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it should not be reversed in a subsequent period.

18. Employee benefits

18.1. Short-term employee benefits

Employee wages or salaries, bonuses, and 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 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.

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 an employee's employment before the employment contract expires, 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 provided in 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 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 deductible tax 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 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 also 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 amount 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 reductions are reversed to the extent that it becomes probable that sufficient taxable profits will be available.

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

- the taxable entity has a legally enforceable right to offset current tax liabilities and assets, and
- 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 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 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 those inflows result in increases in shareholders' equity, other than increases relating to contributions from owners.

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring 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 Group, 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 are transferred 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; otherwise, the 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 over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. 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 which it has received (or which is 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 determined according to the established amount or proportion.

For the sale of a product with a right of return, the Group recognises revenue when the customer 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 that is expected to be returned), and recognises a refund liability for the products expected to be returned. Meanwhile, an asset is recognised at an amount equal to the carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of the returned products), and carry forward to cost in the amount of carrying amount of the transferred products less the above costs. At each balance sheet date, 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 the transaction price. The Group assesses whether the fee relates to the transfer of a promised good or service. The Group assesses whether the fee relates to the transfer of a promised good or service. If the non-refundable upfront fee relates to the transfer of a promised good or service to the customer, and the good or service is a separate performance obligation, revenue is recognised based on the transaction price allocated to the good or service at the time when the good or service is transferred. If the non-refundable upfront fee relates to the transfer of a promised good or service to the customer, but the good or service is not a separate performance obligation, revenue is recognised based on the transaction price allocated to the separate performance obligation when the separate performance obligation that includes the good or service is performed. If the non-refundable upfront fee does not relate to the transfer of a promised good or service to the customer, 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 a 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 the 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 a contract by transferring 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 with a customer 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 Group 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:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the estimated 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 attached 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. Otherwise, the grant is 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 fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

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

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. When the safety fund is used for fixed assets, the specific reserve is reduced by the amount that equals the cost of the fixed assets when the related assets are ready for their intended use and recognised as fixed assets. In such cases, the amount that corresponds to the reduction in the specific reserve is recognised in accumulated depreciation with respect to the related fixed assets. Consequently, such fixed assets are not depreciated in subsequent periods.

25. Borrowing costs

Borrowing costs incurred that are 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 they are used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition and 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 expenditure 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, 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 whether the hedging relationship meets hedge effectiveness requirements at the inception of the hedge and in subsequent periods on an ongoing basis. The Group considers a hedging relationship meets the requirements for hedge effectiveness when the hedge satisfies the followings:

- the existence of an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk is not dominant in the changes in value arising from the economic relationship between the hedged item and the hedging instrument; and
- the hedge ratio of a hedging relationship should be equal to the ratio of the actual number of hedged items that the enterprise hedges to the actual number of hedging instruments that hedge them.

Where a hedging relationship no longer meets hedge effectiveness requirements due to the hedge ratio, but the risk management objective for designating the hedging relationship remains unchanged, the Group rebalances the hedging relationship by adjusting the number of hedged items or hedging instruments in the existing hedging relationship so that the hedge ratio complies with hedge effectiveness requirements again.

The Group ceases to apply hedge accounting when one of the following occurs:

- Changes in risk management objectives that result in the hedging relationship no longer satisfying the risk management objectives;
- The hedging instrument has expired, been sold, the contract has been terminated or has been exercised;
- There is no existence of an economic relationship between the hedged item and the hedging instrument, or the effect of credit risk starts to dominant in the changes in value arising from the economic relationship between the hedged item and the hedging instrument; and
- The hedging relationship no longer satisfies the other conditions for the application of hedge accounting methods.

27. Appropriation of profits

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 similar economic characteristics and are the same or similar in respect of the nature of products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified based on operating segments taking into account of materiality principle.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare 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 and intangible assets. 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

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

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 aforesaid beneficial period of the operating leasehold improvement and the decoration is different from the previous estimates, the management of the Group will make adjustments as appropriate.

1.3. Useful lives of taxi operation licenses related assets

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

The management of the Group reviews the recoverability of accounts receivable and other receivables so as to estimate the provision for bad and doubtful debts for the accounts receivable and other receivables. Whereas indicated by any events or changes in circumstances that relevant balance may not be recovered by the Group, the provision for bad and doubtful debts is made for the accounts receivable and other receivables through accounting estimates. As at 31 December 2022, the carrying amount of the Group's accounts receivable and other receivables is RMB 5,650,283,715.68 (2021: RMB 5,245,335,063.75), and the balance of recognised impairment is RMB 1,317,314,429.81 (2021: RMB 1,089,218,048.17).

1.6. Impairment of non-financial assets other than goodwill and trademark

According to the accounting policies described 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 and trademark with indefinite useful life 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 and trademarks

When testing goodwill and trademarks with indefinite useful lives for impairment, the Group's management is required to apportion goodwill and trademarks with indefinite useful lives to the relevant asset group or portfolio of assets and determine the recoverable amount of the asset group or portfolio of assets based on the higher of the present value of the estimated future cash flows or the net fair value less costs of disposal of the relevant asset group or portfolio of assets. In estimating the present value of future cash flows, the Group applies an appropriate discount rate. If the actual amounts of the future cash flows and the actual rates of return on the items differ from the estimates, goodwill is first impaired. At 31 December 2022, the carrying amount of the Group's goodwill is RMB 13,773,739,035.40 (2021: RMB 13,874,217,908.64), and the balance of recognised impairment is RMB 193,500,414.33 (2021: RMB 193,500,414.33).

2. Significant accounting judgements

2.1. Deferred tax assets / deferred tax liabilities

The Group's management 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 2022, the carrying amount of the Group's deferred tax assets without offsetting was RMB 3,923,026,852.95 (2021: RMB 3,930,618,458.12).

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. The management of the Group considers that given the uncertainty of the Group receiving sufficient taxable income in future periods, as at 31 December 2022, the Group has deductible temporary differences of RMB 3,504,424,069.75 (2021: RMB 2,263,270,386.33) and deductible tax losses of RMB 6,328,630,111.95 (2021: RMB 6,076,185,679.29) for which the deferred tax assets are not recognised.

2.2. Equity instruments

Perpetual debt equity instruments issued by the Group are not required to be settled by the Group's own equity instruments. The instrument includes no 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 categorised 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 (Note IX.6); 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 (Note IX.4).

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

1. Description of and reasons for changes in accounting policies

In 2022, the Group has adopted the revised accounting requirements and guidance under CAS newly issued by the Ministry of Finance (“MOF”) as follows:

- *“Accounting for selling outputs that are produced before fixed assets are available for intended use or produced in the course of research and development”* (“accounting for sales before intended use”) in CAS Bulletin No.15 (Caikuai [2021] No.35);
- *“Determining whether a contract is onerous”* in CAS Bulletin No.15;
- Notice of Application Issues for Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2022] No.13); and
- *“Accounting for the income tax consequences of dividends on financial instruments classified as equity instruments by the issuer”* in CAS Bulletin No.16 (Caikuai [2022] No.31).

The adoption of the above requirements and guidance does not have any significant effect on the consolidated financial position and consolidated 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 accounting 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% or 20%, etc.

Income tax

The income tax rates applicable to the Company and each of 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%. The applicable income tax rate of Lhasa Jinjiang Inn Co., Ltd. is 9% as it is entitled to both the Western Development Policy and the five-year tax exemption policy.

In 2020, WeHotel Information Technology (Guangzhou) Co., Ltd. was accredited as a high-tech enterprise, and is subject to corporate income tax at a rate of 15% for three years since 2021. In 2021, Guangzhou Qicheng Network Technology Co., Ltd. was accredited as a high-tech enterprise, and is subject to corporate income tax at a rate of 15% for three years since 2022. In 2021, 广州赛文软件开发有限公司 was accredited as a high-tech enterprise, and is subject to corporate income tax at a rate of 15% for three years since 2022.

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), 28.00% (France), and 31.58% (Germany), etc. The applicable enterprise income tax rate for the overseas subsidiary of the Group, Groupe du Louvre ("GDL"), is 25.8% (2021: 27.3%).

Radisson Finance Co., Limited, a subsidiary of the Group, is registered in the Hong Kong Special Administrative Region. Under the *Inland Revenue (Amendment) (No. 3) Ordinance 2018*, a corporate profits tax rate of 8.25% applies to the first HKD 2,000,000 of assessable profits in each tax year and a corporate profits tax rate of 16.50% continues to apply to the excess of assessable profits over HKD 2,000,000, with 8.25% (2021: 8.25%) applicable for the current year. The applicable corporate profits tax rate for the subsidiaries of the Group registered in Hong Kong Special Administrative Region is 16.5%.

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 enterprise	Registered place	Principal place of business	Business nature	Total shareholding percentage of the Group		Acquisition method
				December 2022	31 December 2021	
Shanghai Jinjiang Paradise Co., Ltd. ("Jinjiang Paradise") (Note 1.3.1)	Shanghai	Shanghai	Amusement activities, passenger service, parking service, photography, taxi operation, recreational machines	88.89%	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 Indirectly held by Jinjiang International Investment
Aplite Holdings AB (Note 1.2)	Sweden	Sweden	Hotel management, operation and franchising services related to Radisson Hotels overseas	67.74%	67.74%	International Investment
Shanghai Jinjiang Urban Services Co., Ltd. ("Jinjiang Urban Services")	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") (Note 1.3.2)	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	100.00%	100.00%	Founded by investment
Shanghai Jinjiang International Hotels Co., Ltd. ("Jinjiang Hotels")	Shanghai	Shanghai	Engages mainly in the operation and management of limited service hotels, food and catering business in China and overseas	45.50%	45.50%	Indirectly held by Jinjiang Capital
Shanghai Jinjiang Online Network Service Co., Ltd. ("Jinjiang Online") (Note 1.1)	Shanghai	Shanghai	Vehicle services, logistics services (storage, loading and unloading, processing, packaging, distribution (in preparation) of general cargo and related information processing services and related consulting services; provision of supply chain, storage, transportation, inventory, purchase order management and consulting services, development of computer software and technical services (operating under license if involved); domestic cargo transportation agency business, international cargo transportation agency business), tourism services (non-travel agency services business), business services, hotels, property management, office space rental, real estate development and operation, food business, and provision of space in shopping malls	39.22%	39.22%	Indirectly held by Jinjiang Capital

Name	Principal place of business	Registered place	Business nature	Total shareholding percentage of the Group		Acquisition method
				31 December 2022	31 December 2021	
Jinjiang International Group Finance Co., Ltd. ("Jinjiang Finance")	Shanghai	Shanghai	Financial and financing consultancy, credit assurance and related consulting and agency services to member entities; assisting member entities in the collection and payment of transactions; approved insurance agency services; providing guarantees to member entities; handling entrusted loans and entrusted investments among member entities; accepting and discounting bills to member entities; handling internal transfer settlement among member entities and the corresponding settlement and liquidation plan design; absorbing deposits from member entities; handling loans and financial leasing to member entities; engaging in interbank lending; underwriting corporate bonds of member entities; investment in marketable securities (except secondary market investment in stocks).	100.00%	100.00%	Indirectly held by Jinjiang Capital
Groupe du Louvre ("GDL")	France	France	Hotel management, operation and franchising services related to Louvre Hotels overseas	45.05%	33.79%	Indirectly held by Jinjiang Hotels
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	100.00%	100.00%	Founded by investment
Shanghai Jinjiang International Commercial Investment Management Co., Ltd. ("Commercial Investment")	Shanghai	Shanghai	Investment management and consultancy, corporate image planning, business information consultancy, industrial investment, asset management, conference services and exhibition services	100.00%	100.00%	Founded by investment
Jinjiang International Group Beifang Co., Ltd. ("Jinjiang Beifang")	Shanghai	Shanghai	Property management, organisation of cultural exchange activities (performances excluded), project investment, project management, catering management, conference services, exhibition and display, technology development, economic information, etc.	100.00%	100.00%	Founded by investment
Shanghai China Travel International (Group) Co., Ltd. ("Shanghai China Travel")	Shanghai	Shanghai	Investment in shares, investment in domestic and international tourism, investment in real estate development, industrial investment, investment consultancy, leasing of self-owned premises, management of tourism-related goods, foreign exchange duty-free goods, gold and silver jewellery, home appliances, freight forwarding, security equipment, and domestic trade (except for those subject to special regulations)	96.39%	96.39%	Founded by investment
Shanghai Overseas Chinese Enterprise Investment Co., Ltd. ("Overseas Chinese Investment") (Note 1.3.3)	Shanghai	Shanghai	Asset management, asset operation, service trading, property management, investment consultancy, real estate consultancy, sale of construction materials, household appliances, mechanical and electrical products, automobile parts, garments, tourist crafts, chemical products (except hazardous chemicals, chemicals under surveillance, fireworks, explosive substances for civil use, and chemicals easily used for the production of drugs), and operation of food distribution and retail of cigarettes.	100.00%	100.00%	Founded by investment
Shanghai Jinjiang Asset Management Co., Ltd. ("Jinjiang Asset")	Shanghai	Shanghai	Investment management, industrial investment, investment consulting, marketing planning, property management, property consulting, asset management, and storage services (excluding hazardous chemicals)	100.00%	100.00%	Founded by investment

Name	Principal place of business	Registered place	Business nature	Total shareholding percentage of the Group		Acquisition method
				31 December 2022	31 December 2021	
JHJ International Transportation Co., Ltd. ("JHJ")	Shanghai	Shanghai	International transport agency, logistics, supply chain management, general cargo; domestic freight forwarding; and acts as an NVOCC	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 agency, 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%	76.82%	Acquired via business combination
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.

1.1. Business combinations not involving enterprises under common control during the year

Acquisition of Dazhong Xinya by Jinjiang Online

On 15 June 2022, Shanghai Jinjiang Automobile Service Co., Ltd. ("Jinjiang Automobile"), a subsidiary of Jinjiang Online, entered into an equity transfer agreement with the former shareholders of Shanghai Dazhong Xinya Car Rental Co., Ltd. ("Dazhong Xinya") for the acquisition of 49.5% equity interest in Dazhong Xinya. The purchase price was RMB 117,414,000.00. On 30 June 2022, the acquisition of the above-mentioned equity interests was completed. Prior to the acquisition, the Group held 49.5% equity interest directly and indirectly in Dazhong Xinya. Upon completion of the acquisition, Jinjiang Online held 99% equity interest directly and indirectly in Dazhong Xinya and Dazhong Xinya became a subsidiary of Jinjiang Online and was included in the scope of consolidation of the Group.

<i>Acquisition cost</i>	<i>Dazhong Xinya</i>	
Cash at bank and on hand		117,414,000.00
Fair value of equity interests held before acquisition date		<u>117,414,000.00</u>
Total acquisition cost		234,828,000.00
Less: Share of the fair value of the identifiable net assets acquired		<u>196,884,024.36</u>
Goodwill/ the amount by which that acquisition cost is less than the share of the fair value of the identifiable net assets acquired		<u><u>37,943,975.64</u></u>
	<i>Fair value at acquisition date</i>	<i>Carrying amount at acquisition date</i>
Assets:		
Cash at bank and on hand	38,031,842.80	38,031,842.80
Other current assets other than cash at bank and on hand	6,505,643.77	6,505,643.77
Fixed assets	67,898,156.01	34,052,562.58
Intangible assets	125,304,450.00	72,834,669.61
Investment properties	1,798,822.46	15,976.56
Construction in progress	7,361,817.81	7,257,392.00
Total assets	<u><u>246,900,732.85</u></u>	<u><u>158,698,087.32</u></u>
Liabilities:		
Deferred tax liabilities	22,050,661.38	-
Current liabilities	25,977,319.59	25,977,319.59
Total liabilities	<u><u>48,027,980.97</u></u>	<u><u>25,977,319.59</u></u>
Net assets	198,872,751.88	132,720,767.73
Less: Non-controlling interests	1,988,727.52	-
Net assets acquired	<u><u>196,884,024.36</u></u>	<u><u>132,720,767.73</u></u>

There is no active market for the identifiable net assets of Dazhong Xinya. In order to determine its fair value, the Group engaged an independent appraiser to assess the fair value of its identifiable net assets. The Group determined the fair value of the identifiable net assets as at the acquisition date based on the results of the valuation.

Acquisition of Jinjiang Automobile by Jinjiang Online

On 15 March 2022, Jinjiang Automobile, a subsidiary of Jinjiang Online, entered into an equity transfer agreement with the former shareholders of Shanghai Jinjiang Passenger Transport Co., Ltd. ("Jin Jiang Passenger Transport") for the acquisition of 70% equity interest in Jinjiang Passenger Transport for a purchase price of RMB 7,000,000.00. On 28 July 2022, the settlement of the above-mentioned equity interests was completed. Prior to the Acquisition, Jinjiang Automobile held 30% equity interest in Jinjiang Passenger Transport. Upon completion of the Acquisition, Jinjiang Automobile held 100% equity interest in Jinjiang Passenger Transport and Jinjiang Passenger Transport became a subsidiary of the Group and was included in the Group's scope of consolidation. As at the date of acquisition, Jinjiang Passenger Transport held a 60% equity interest in Jinjiang Automobile Sales & Service Company Limited ("Jinjiang Dazhong"), a subsidiary of Jinjiang Automobile. In the transaction, the 60% equity interest in Jinjiang Dazhong was valued at RMB 127,779.91 and the difference between the corresponding carrying amount of the equity interest of RMB 3,665,105.53 was credited to the capital surplus of Jinjiang Online, and the consideration for the Group's acquisition of other identifiable net assets of Jinjiang Passenger Transport was RMB 6,872,220.09.

1.2. Information on disposal of subsidiaries and other changes during the year

(1) Disposal of Radisson Hospitality Inc. by Aplite Holdings AB

On 12 June 2022, the Group entered into an equity transfer agreement with Choice Hotels International for the disposal of 100% of the equity interest in Radisson Hospitality Inc., a wholly-owned subsidiary of Aplite Holdings AB, and the trademark for the Americas region. The consideration for the transaction was USD 673,155,107.55, of which USD 398,155,107.55 was the equity transaction price of approximately RMB 2,750,054,170.95 and USD 275,000,000.00 was the trademark transaction price of approximately RMB 1,843,623,768.23. The disposal was completed on 11 August 2022.

Disposal price of equity interests	2,750,054,170.95
Less: Share of net assets of Radisson Hospitality Inc. at consolidated financial statement level	(2,476,225,775.21)
Less: Transfers out of translation differences arising from translation of foreign currency financial statements	(74,354,577.59)
Less: Transfers out of other comprehensive income	(1,715,775.97)
Investment income from disposal of equities (Note IX.66)	<u>197,758,042.18</u>
 Disposal price of Americas region trademark	 1,843,623,768.23
Less: Americas region trademark at consolidated financial statement level	<u>(1,647,457,544.60)</u>
Asset disposal gains arising from disposal of trademark (Note IX.70)	<u>196,166,223.63</u>
 Add: Reversal of deferred income tax liabilities arising from valuation appreciation	 <u>149,965,758.10</u>
 Net gains	 <u><u>346,131,981.73</u></u>

Net assets of the subsidiary disposed of at the date of disposal in
2022

	At 11 August 2022
Cash at bank and on hand	801,243,121.20
Bills receivable	339,259,100.80
Accounts receivable	156,285,992.19
Other receivables	7,008,428.40
Inventories	1,831,212.80
Contract assets	3,298,876.00
Other current assets	54,155,425.60
Total current assets	1,363,082,156.99
Investments in other equity instruments	7,654,738.80
Fixed assets (Note IX.20)	955,899,860.68
Construction in progress (Note IX.21)	21,132,992.76
Intangible assets (Note IX.23)	356,909,930.30
Goodwill (Note IX.24)	477,981,938.79
Deferred tax assets	688,785,111.60
Right-of-use assets (Note IX.22)	245,268,064.40
Other non-current assets	145,830,516.40
Total non-current assets	2,899,463,153.73
Total assets	4,262,545,310.72
Accounts payable	42,279,472.00
Employee benefits payable	70,777,721.20
Taxes payable	12,528,996.40
Other payables	69,855,382.40
Contract liabilities	72,160,209.10
Total current liabilities	267,601,781.10
Long-term loans	611,961,695.20
Long-term employee benefits payable	97,895,828.40
Deferred tax liabilities	139,161,167.91
Lease liabilities	373,910,763.60
Other non-current liabilities	295,788,299.30
Total non-current liabilities	1,518,717,754.41
Total liabilities	1,786,319,535.51
Total net assets	2,476,225,775.21

(2) Notes relating to the post-period adjustment for the acquisition of Prize Holding GmbH by Aplite Holdings AB

The Group's subsidiary, Aplite Holdings AB, completed the acquisition of the business of Prize Holding GmbH in 2021. Prior to this acquisition, the Group held 45% of the equity interest in Prize Holding GmbH directly and indirectly. Upon completion of the acquisition, Aplite Holdings AB holds 91% equity interest in Prize Holding GmbH. Prize Holding GmbH became a subsidiary of Aplite Holdings AB and was included in the scope of consolidation of the Group. However, as the Group was unable to reasonably determine the fair value of the identifiable assets and liabilities of the acquiree at the end of the year of the acquisition date (i.e. 2021), the business combination was accounted for based on the estimate and a corresponding goodwill of RMB 180,185,662.75 was recognised.

During the year, Aplite Holdings AB obtained the fair value of the identifiable net assets of Prize Holding GmbH on the acquisition date and made the corresponding adjustments to the fair value of identifiable assets and liabilities and goodwill as follows:

	<i>Prior year provisional estimate</i>	<i>Adjustment during the year</i>	<i>Amount in the current year</i>
Goodwill (Note IX.24)	180,185,662.75	194,022,218.00	374,207,880.75
Right-of-use assets	1,206,238,596.70	(385,423,684.50)	820,814,912.20
Intangible assets	78,839,124.00	29,247,005.00	108,086,129.00
Other assets	77,857,244.80	66,731,687.00	144,588,931.80
Total assets	1,543,120,628.25	(95,422,774.50)	1,447,697,853.75
Lease liabilities	1,196,643,615.90	(227,384,451.60)	969,259,164.30
Other liabilities	23,543,441.20	131,961,677.10	155,505,118.30
Total liabilities	1,220,187,057.10	(95,422,774.50)	1,124,764,282.60
Net assets	322,933,571.15	-	322,933,571.15

1.3. Other changes during the year

Note 1: During the year, the Company increased its equity shares in Jinjiang Paradise from 80.54% to 88.89% (Note IX.52).

Note 2: During the year, the Company increased its equity shares in Jinjiang Capital from 75% to 100% (Note IX.52).

Note 3: During the year, the Company transferred its 100% equity interest in Overseas Chinese Investment to Shanghai Jinjiang Urban Services Co., Ltd., another wholly-owned subsidiary of the Company, without consideration.

2 Information about material non-wholly owned subsidiaries

Name of the subsidiary	Shareholding percentage (Note)		Non-controlling interests		Dividends paid to NCI		Non-controlling interests	
	2022	2021	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB
Jinjiang Hotels	45.05%	33.79%	195,499,924.97	242,184,050.00	158,756,240.00	235,090,955.28	10,121,437,618.47	9,925,937,693.50
Jinjiang Online	39.22%	29.42%	446,765,579.37	139,654,062.00	80,726,750.00	53,463,470.34	3,258,807,458.37	2,812,041,879.00
Total			<u>642,265,504.34</u>	<u>381,838,112.00</u>	<u>239,482,990.00</u>	<u>288,554,425.62</u>	<u>13,380,245,076.84</u>	<u>12,737,979,572.50</u>

Note: As the Group completed the acquisition of 25% minority interest in Jinjiang Capital (Note VIII. 77) during the year, the Group's shareholding in Jinjiang Capital was increased from 75% to 100%, and as a result, the Group's effective shareholdings in Jinjiang Hotels and Jinjiang Online, subsidiaries of Jinjiang Capital, were also increased from 33.79% and 29.42% to 45.05% and 39.22%, respectively.

3 Financial information about material non-wholly owned subsidiaries

<i>Jinjiang Hotels</i>	2022 RMB	2021 RMB
Current assets	10,462,648,380.10	9,874,494,457.33
Non-current assets	<u>36,968,419,727.67</u>	<u>38,726,290,029.04</u>
Total assets	<u>47,431,068,107.77</u>	<u>48,600,784,486.37</u>
Current liabilities	11,810,675,485.72	12,343,197,403.49
Non-current liabilities	<u>18,470,104,538.05</u>	<u>18,747,017,536.02</u>
Total liabilities	<u>30,280,780,023.77</u>	<u>31,090,214,939.51</u>
Operating income	11,007,622,988.24	11,399,658,508.25
Net profit	245,128,210.05	292,360,314.28
Total comprehensive income for the year	<u>224,019,309.31</u>	<u>280,744,782.17</u>
Cash flows from operating activities	<u>2,237,695,345.83</u>	<u>2,122,988,605.07</u>

Jinjiang Online	2022 RMB	2021 RMB
Current assets	2,449,831,418.59	1,889,027,830.39
Non-current assets	<u>2,874,350,525.28</u>	<u>3,290,064,180.61</u>
Total assets	<u>5,324,181,943.87</u>	<u>5,179,092,011.00</u>
Current liabilities	921,266,425.36	760,304,367.04
Non-current liabilities	<u>307,313,710.73</u>	<u>446,373,112.60</u>
Total liabilities	<u>1,228,580,136.09</u>	<u>1,206,677,479.64</u>
Operating income	2,088,003,717.85	2,714,658,661.43
Net profit	511,652,376.58	146,915,579.18
Total comprehensive income for the year	<u>326,443,944.27</u>	<u>162,266,713.18</u>
Cash flows from operating activities	<u>19,314,472.48</u>	<u>107,470,277.46</u>

IX. Notes to the consolidated financial statements

1. Cash at bank and on hand

	2022			2021		
	Amount in original currency	Exchange rate	RMB	Amount in original currency	Exchange rate	RMB
Cash on hand						
RMB	13,782,462.55	1.0000	13,782,462.55	9,406,552.06	1.0000	9,406,552.06
USD	1,655.00	6.9646	11,526.41	7,278.23	6.3757	46,403.78
HKD	731.20	0.8933	653.16	731.20	0.8176	597.83
EUR	393,000.00	7.4229	2,917,199.70	751,000.00	7.2197	5,421,994.70
Others			<u>2,168,866.82</u>			<u>4,631,692.25</u>
Sub-total			<u>18,880,708.64</u>			<u>19,507,240.62</u>
Deposits with banks						
RMB	14,683,263,888.68	1.0000	14,683,263,888.68	15,621,932,311.98	1.0000	15,621,932,311.98
EUR	73,375,998.86	7.4229	544,662,701.93	92,177,285.39	7.2197	665,492,347.33
USD	44,694,418.51	6.9646	311,278,747.16	145,590,279.06	6.3757	928,239,942.18
PLN	34,548,000.00	1.5878	54,855,314.40	11,492,496.79	1.5717	18,063,147.22
HKD	1,308,080.60	0.8933	1,168,469.16	9,450,042.21	0.8176	7,726,354.51
INR	875,672,146.90	0.0842	73,714,081.33	444,718,000.00	0.0859	38,187,934.66
GBP	12,538,920.34	8.3941	105,252,951.23	1,204,809.94	8.6064	10,369,076.27
NOK	475,530,000.00	0.7042	334,868,226.00	200,557,000.00	0.7234	145,089,343.85
DKR	63,790,000.00	1.0017	63,898,443.00	47,809,000.00	0.9711	46,425,519.52
CHF	5,024,000.00	7.5432	37,897,036.80	5,453,000.00	6.9776	38,048,852.80
ZAR	28,786,000.00	0.4113	11,840,257.52	22,796,000.00	0.4004	9,126,431.26
FJD	294,000.00	3.1701	932,009.40	300,000.00	3.0288	908,640.00
BRL	13,220,586.59	1.3183	17,428,699.30	9,117,684.67	1.1432	10,423,337.11
SEK	245,643,000.00	0.6659	163,573,673.70	109,700,000.00	0.7050	77,340,665.54
Others			<u>46,045,457.95</u>			<u>166,388,833.49</u>
Sub-total			<u>16,450,679,957.56</u>			<u>17,783,762,737.72</u>
Other monetary funds						
RMB	746,627,992.07	1.0000	746,627,992.07	988,804,290.83	1.0000	988,804,290.83
USD	1,127.24	6.9646	<u>7,850.78</u>	4,127.24	6.3757	<u>26,314.04</u>
Sub-total			<u>746,635,842.85</u>			<u>988,830,604.87</u>
Total			<u>17,216,196,509.05</u>			<u>18,792,100,583.21</u>

As at 31 December 2022, the amount of monetary funds included foreign currency deposits of RMB 1,224,578,483.40 (2021: RMB 2,169,232,935.15) were placed overseas.

As at 31 December 2022, the Group's bank deposits included: (1) RMB 4,988,414.56 (2021: RMB 9,970,578.50) of frozen bank deposits of subsidiaries of Jinjiang Hotels due to litigation; (2) frozen bank deposits of Jinjiang Hotel due to long dormant accounts amounted to RMB 14,301,084.30 (31 December 2021: RMB 4,782,215.87). For details of the above restricted bank deposits, please refer to Note IX.29.

The balance of other monetary funds is as follows:

	2022 RMB	2021 RMB
Deposit reserves (Note IX.29)	374,629,288.00	452,802,331.00
7-day demand deposits	286,200,000.00	265,900,000.00
Outbound deposits (Note 1)	1,096,720.78	130,000,000.00
Security deposit for bank acceptance bills (Note IX.29)	45,725,284.94	61,607,411.75
Third-party platform balances (AliPay and WeChat)	12,197,545.53	43,651,195.47
Deposits for investments (Note 2)	10,506,621.33	27,605,035.67
Guarantee deposits for letter of guarantee (Note IX.29)	6,223,576.13	5,814,102.20
Travel quality guarantee deposits (Note IX.29)	647,450.00	265,800.00
Deposit for letters of credit	-	284,127.10
Credit card deposits	-	7,186.94
Others	9,409,356.14	893,414.74
Total	<u>746,635,842.85</u>	<u>988,830,604.87</u>

Note 1: Outbound deposits held in a special account for offshore purchases by a subsidiary of Shanghai China Travel.

Note 2: The balance represents the Group's own funds placed with securities companies.

2. Financial assets held for trading

	2022 RMB	2021 RMB
Financial assets at fair value through profit or loss		
Including: Investment in debt instruments (Note 1)	15,910,000.00	365,036,118.81
Investment in equity instruments (Note 2)		
-Accor stocks	588,330,639.40	697,380,999.55
-Bank of Beijing	260,284,679.86	268,135,493.87
-Others	51,092,442.14	47,643,136.53
Sub-total	<u>899,707,761.40</u>	<u>1,013,159,629.95</u>
Total	<u>915,617,761.40</u>	<u>1,378,195,748.76</u>

Note 1: As at 31 December 2022, the debt instruments held by the Group were mainly wealth management products and trust products, including wealth management products held by subsidiaries of Jinjiang Capital totalled RMB 8,910,000.00 (31 December 2021: RMB 352,081,952.23); trust products held by Jinjiang International Investment totalled RMB 2,000,000.00 (31 December 2021: RMB 7,954,166.58); and wealth management products held by Shanghai China Travel held totalled RMB 5,000,000.00 (31 December 2021: RMB 5,000,000.00).

Note 2: As at 31 December 2022, the equity instruments held by the Group were stocksheld by its subsidiaries and the fair values of these stocks was determined based on the closing prices of the open market such as Shanghai Stock Exchange, Shenzhen Stock Exchange and Euronext as at 31 December 2022.

3. Derivative financial assets

	2022 RMB	2021 RMB
Foreign currency derivatives - currency swap products - EUR	85,505,527.94	86,274,298.15
Total	85,505,527.94	86,274,298.15

4. Bills receivable

4.1. Classification of bills receivable

	2022 RMB	2021 RMB
Bank acceptance bills	23,725,686.37	29,538,424.09
Overseas holding bills	-	11,545,539.20
Total	23,725,686.37	41,083,963.29

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 reporting period

<i>Item</i>	<i>Amount derecognised at end of the reporting period</i>	<i>Amount not derecognised at end of the reporting period</i>
Bank acceptance bills	-	3,740,000.00

5. Accounts receivable

5.1 Accounts receivable by customer type are as follows:

	2022 RMB	2021 RMB
Amounts due from related parties (Note X (2)(d))	100,172,778.48	93,014,938.77
Amounts due from other customers	<u>3,762,720,867.87</u>	<u>3,262,319,505.58</u>
Sub-total	<u>3,862,893,646.35</u>	<u>3,355,334,444.35</u>
Less: Provision for bad and doubtful debts	<u>695,850,011.60</u>	<u>676,451,664.61</u>
Total	<u>3,167,043,634.75</u>	<u>2,678,882,779.74</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)	3,489,223,984.88	90.32	431,910,651.65	3,057,313,333.23	2,964,745,339.67	88.36	386,174,538.81	2,578,570,800.86
Over 1 year but within 2 years (inclusive)	301,220,872.07	7.80	224,081,499.48	77,139,372.59	293,267,808.06	8.74	213,923,263.88	79,344,544.18
Over 2 years but within 3 years (inclusive)	4,964,217.82	0.13	2,269,490.44	2,694,727.38	17,264,447.63	0.51	14,661,893.78	2,602,553.85
Over 3 years	<u>67,484,571.58</u>	<u>1.75</u>	<u>37,588,370.03</u>	<u>29,896,201.55</u>	<u>80,056,848.99</u>	<u>2.39</u>	<u>61,691,968.14</u>	<u>18,364,880.85</u>
Total	<u>3,862,893,646.35</u>	<u>100.00</u>	<u>695,850,011.60</u>	<u>3,167,043,634.75</u>	<u>3,355,334,444.35</u>	<u>100.00</u>	<u>676,451,664.61</u>	<u>2,678,882,779.74</u>

5.3 Assessment of ECLs on accounts receivable for 2022:

The Group measures impairment loss for accounts receivable constantly at an amount equal to lifetime ECLs, and the ECLs are based on the 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 disaggregated when the Group calculates impairment loss based on ageing information.

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

Category	2022				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Amount
	RMB		RMB		RMB
Accounts receivable individually assessed for impairment	105,723,986.70	2.74	51,129,214.72	48.36	54,594,771.98
Accounts receivables that are collectively assessed for impairment based on credit risk characteristics	3,757,169,659.65	97.26	644,720,796.88	17.16	3,112,448,862.77
-Accounts receivable managed based on the natural ageing	3,757,169,659.65	97.26	644,720,796.88	17.16	3,112,448,862.77
Total	3,862,893,646.35	100.00	695,850,011.60	18.01	3,167,043,634.75

	2021				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Amount
	RMB		RMB		RMB
Accounts receivable individually assessed for impairment	86,948,758.09	2.59	14,306,306.86	16.45	72,642,451.23
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
-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
Total	3,355,334,444.35	100.00	676,451,664.61	20.16	2,678,882,779.74

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	2022			2021		
	Book value	Percentage (%)	Provision for bad and doubtful debts	Book value	Percentage (%)	Provision for bad and doubtful debts
	Amount RMB			Amount RMB		
Within 1 year (inclusive)	3,403,888,844.68	90.60	396,354,752.15	2,890,561,899.33	88.44	385,943,456.08
Over 1 year but within 2 years	295,480,274.38	7.86	223,491,847.71	293,840,859.58	8.99	213,186,409.02
Over 2 year but within 3 years	4,368,963.16	0.12	1,338,821.14	17,111,166.07	0.52	14,508,612.22
Over 3 year but within 4 years	53,431,577.43	1.42	23,535,375.88	63,696,662.68	1.95	45,331,781.83
Over 4 year but within 5 years	-	-	-	1,185,880.20	0.04	1,185,880.20
Over 5 years	-	-	-	1,989,218.40	0.06	1,989,218.40
Total	3,757,169,659.65	100.00	644,720,796.88	3,268,385,686.26	100.00	662,145,357.75

5.4.2. Accounts receivable individually assessed for impairment:

Rationale for individual assessment in 2022:

Name of debtor	Book value RMB	Provision for bad and doubtful debts RMB	Expected credit loss rate (%)	Rationale for provision %
Radisson Blu Hotel, Abidjan Airport	35,288,466.60	35,288,466.60	100%	Non-recoverable
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
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)	682,364.82	682,364.82	100%	Non-recoverable
Shanghai Ning Gu Catering Management Co., Ltd. (上海宁谷餐饮管理有限公司)	458,333.34	458,333.34	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
Ping Yang Foreign Trade Co., Ltd. (平阳对外 贸易公司)	147,400.00	147,400.00	100%	Non-recoverable
Daguo Machinery and equipment Co., Ltd. (大国机械设备公司)	143,000.00	143,000.00	100%	Non-recoverable
Shanghai Boxiangxing Complete Equipment Co., Ltd. (上海伯享行成套设备有限公司)	104,104.70	104,104.70	100%	Non-recoverable
Shanghai Puli Hotel Co., Ltd. (上海珀丽酒店 有限公司)	78,960.00	78,960.00	100%	Non-recoverable
Shanghai South Hua Ting Hotel Co., Ltd. (上 海南华亭酒店有限公司)	11,700.00	11,700.00	100%	Non-recoverable
Shanghai Yingtong (Group) Co., Ltd.(上海瀛 通(集团)有限公司)	30,000.00	30,000.00	100%	Non-recoverable
Others	9,193,398.09	2,614,146.03	28%	Non-recoverable

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

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

Name of debtor	2022	Percentage in the total balance of accounts receivable (%)	Provision for bad and doubtful debts
GOLDEN TULIP MENA	80,866,496.24	2.09	25,772,308.80
Tenpay Payment Technology Co., Ltd.- WeChat Pay	57,882,274.19	1.50	1,486,248.94
Radisson Blu Hotel, Abidjan Airport SDV Shuoda (Shanghai) International Freight Co., Ltd. (SDV 硕达(上海) 国际货运有限公司)	30,154,651.64	0.78	8,932.55
Tianjin Weishixuan Logistics Co., Ltd.	26,619,649.08	0.69	-

Name of debtor	2021	Percentage in the total balance of accounts receivable (%)	Provision for bad and doubtful debts
SDV Shuoda (Shanghai) International Freight Co., Ltd. (SDV 硕达 (上海) 国际 际货运有限公司)	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
Shaanxi Branch of China Post Express Logistics Co., Ltd.	21,460,355.86	0.64	3,589,212.36

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

During 2022 and 2021, 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:

	2022 RMB	2021 RMB
Balance at the beginning of the year	676,451,664.61	631,650,465.06
Increase/decrease due to changes in consolidation scope	(120,323,068.29)	-
Additions during the year	211,647,389.67	143,953,878.16
Recoveries or reversals during the year	(89,450,810.66)	(80,954,667.95)
Transfers out during the year	-	(135,545.00)
Translation differences arising from translation of foreign currency financial statements	<u>17,524,836.27</u>	<u>(18,062,465.66)</u>
Closing balance	<u>695,850,011.60</u>	<u>676,451,664.61</u>

6. Receivables under financing

	2022 RMB	2021 RMB
Bills receivable	<u>21,308,877.83</u>	<u>4,015,299.25</u>

As at 31 December 2022, the Group derecognised the discounted/endorsed outstanding bank acceptance bills as stated in Note XI.2.

7. Prepayments

7.1 The ageing analysis of prepayments is as follows:

Ageing	2022			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)	257,837,381.82	81.88	-	328,002,926.82	95.29	-
Over 1 year but within 2 years	52,607,855.84	16.71	-	12,851,469.44	3.73	-
Over 2 year but within 3 years	1,089,649.85	0.35	-	108,397.75	0.03	-
Over 3 years	3,358,251.46	1.06	-	3,270,813.28	0.95	-
Total	314,893,138.97	100.00	-	344,233,607.29	100.00	-

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

As at 31 December 2022, the Group's prepayments with an ageing over 1 year and balances above RMB20 million (inclusive) are mainly the prepayments of RMB 45,106,047.46 due from Jiangsu Construction and Industry Group Co., Ltd. ("JCIG") by a subsidiary of Jin Jiang International Investment. As JCIG is still in normal operation and continues to have normal business dealings with the Group, the Group's management is of the view that no provision for doubtful debts is necessary.

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
JCIG(江苏省建工集团有限公司)	45,106,047.46	14.30	-
Central China Shipping Group Co., Ltd. (华中 航运集团有限公司)	4,829,765.46	1.53	-
Jiangsu Xin Hai International Logistics Co., Ltd. (江苏欣海国际物流有限公司)	4,578,848.54	1.45	-
China International Feight Air Co., Ltd Tianjin Base Camp (中国国际货运航空有限公司天 津运营基地)	3,607,600.20	1.15	-
Shanghai Jiaojian Bio-technology Co., Ltd. (上 海骄健生物科技有限公司)	2,658,967.10	0.84	-
Total	60,781,228.76	19.27	-

8. Other receivables

	<u>2022</u> RMB	<u>2021</u> RMB
Interest receivable	2,383,768.69	4,935,789.82
Dividends receivable	131,916,639.78	81,484,475.21
Others	<u>1,031,625,242.65</u>	<u>1,390,813,970.81</u>
Total	<u>1,165,925,651.12</u>	<u>1,477,234,235.84</u>

8.1. Interest receivable

	<u>2022</u> RMB	<u>2021</u> RMB
Interest from deposits with banks	2,062,593.57	4,554,245.89
Interest from entrusted loans	<u>321,175.12</u>	<u>381,543.93</u>
Total	<u>2,383,768.69</u>	<u>4,935,789.82</u>

As at 31 December 2022, the Group did not have any interest receivable with an ageing over 1 year.

8.2. Dividends receivable

Entity name	2022 RMB	2021 RMB	Ageing
Shanghai KFC Co., Ltd.	71,621,053.88	20,906,651.08	Within 1 year
Hangzhou KFC Co., Ltd.	21,894,501.17	18,036,200.71	Within 1 year
Wuxi KFC Co., Ltd. (Note 1)	19,031,684.37	14,092,100.04	Over 1 year
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	-	2,277,000.00	Within 1 year
Dazhong Xinya (上海大众新亚出租汽车有限公司)	-	15,680,000.00	Within 1 year
Shanghai Jinmao Jinjiang Car Services Co., Ltd. (上海金茂锦江汽车服务有限公司)	1,034,000.00	-	Within 1 year
Shanghai Zihong Machinery Co., Ltd. (Note 1)	4,600,299.63	4,600,299.63	Over 1 year
Others	<u>13,735,100.73</u>	<u>5,892,223.75</u>	Within 1 year
Total	<u><u>131,916,639.78</u></u>	<u><u>81,484,475.21</u></u>	

Note 1: As at 31 December 2022, other than the dividends receivable from Wuxi KFC Co., Ltd. of RMB7,289,131.25, and the dividends receivable from Shanghai Zihong Machinery Co., Ltd. of RMB4,600,299.63, the Group had no other dividends receivable with an ageing over 1 year. Since two investees are operated normally during 2022 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:

	<u>2022</u> RMB	<u>2021</u> RMB
Amounts due from related parties (Note X (2)(d))	60,097,655.43	50,577,156.64
Others	<u>1,592,992,005.43</u>	<u>1,753,003,197.73</u>
Sub-total	<u>1,653,089,660.86</u>	<u>1,803,580,354.37</u>
Less: Provision for bad and doubtful debts	<u>621,464,418.21</u>	<u>412,766,383.56</u>
Total	<u><u>1,031,625,242.65</u></u>	<u><u>1,390,813,970.81</u></u>

8.3.1. The ageing analysis is as follows:

	As at 31 December 2022			
	Amount RMB	Percentage %	Provision for bad and doubtful debts RMB	Carrying amount RMB
Within 1 year (inclusive)	796,083,131.41	48.16	227,397,362.20	568,685,769.21
Over 1 year but within 2 years (inclusive)	256,124,659.75	15.49	24,791,312.01	231,333,347.74
Over 2 years but within 3 years (inclusive)	195,379,405.78	11.82	5,881,901.97	189,497,503.81
Over 3 years	405,502,463.92	24.53	363,393,842.03	42,108,621.89
Total	1,653,089,660.86	100.00	621,464,418.21	1,031,625,242.65

	As at 31 December 2021			
	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
Over 1 year but within 2 years (inclusive)	279,788,477.96	15.51	4,649,577.63	275,138,900.33
Over 2 years but within 3 years (inclusive)	220,972,465.88	12.25	201,186,939.81	19,785,526.07
Over 3 years	322,699,094.98	17.89	162,828,387.35	159,870,707.63
Total	1,803,580,354.37	100.00	412,766,383.56	1,390,813,970.81

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	As at 31 December 2022					As at 31 December 2021				
	Book value		Provision for bad and doubtful debts	Expected credit loss rate	Carrying amount	Book value		Provision for bad and doubtful debts	Expected credit loss rate	Carrying amount
	Amount	Percent age (%)				Amount	Percent age (%)			
Other receivables individually assessed for impairment	1,498,559,537.64	90.65	617,348,145.07	41.20	881,211,392.57	1,591,134,642.10	88.22	409,978,450.35	25.77	1,181,156,191.75
Other receivables collectively assessed for impairment based on credit risk characteristics	154,530,123.22	9.35	4,116,273.14	2.66	150,413,850.08	212,445,712.27	11.78	2,787,933.21	1.31	209,657,779.06
Total	1,653,089,660.86	100.00	621,464,418.21	37.59	1,031,625,242.65	1,803,580,354.37	100.00	412,766,383.56	22.89	1,390,813,970.81

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

Other receivables individually assessed for impairment:

Category	31 December 2022			
	Book value	Provision for bad and doubtful debts	Expected credit loss rate (%)	Rationale for provision
Total of advances and others	257,973,589.00	257,973,589.00	100.00	Non-recoverable
Total of deposits and security deposits	103,424,466.00	103,424,466.00	100.00	Non-recoverable
Others	245,977,728.27	245,977,728.27	100.00	Non-recoverable

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

Provision for bad and doubtful debts	As at 31 December 2022			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	
Balance at the beginning of the year	-	-	412,766,383.56	412,766,383.56
Charge for the year	-	-	228,789,417.75	228,789,417.75
Recoveries or reversals during the year	-	-	(21,281,129.54)	(21,281,129.54)
Transfers out during the year	-	-	-	-
Written-off during the year	-	-	-	-
Other movements	-	-	1,189,746.44	1,189,746.44
Balance at the end of the year	-	-	621,464,418.21	621,464,418.21

As at 31 December 2022, 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	Advances	229,000,000.00	13.85	229,000,000.00
Entity 2	Advances	214,400,329.77	12.97	214,400,329.77
Entity 3	Deposits	98,100,000.00	5.93	-
Entity 4	Deposits	77,120,000.00	4.67	77,120,000.00
Entity 5	Deposits	17,830,000.00	1.08	17,830,000.00
Total		<u>636,450,329.77</u>	<u>38.50</u>	<u>538,350,329.77</u>

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 Special supporting subsidies for the epidemic	229,000,000.00	12.70	229,000,000.00
Entity 3	Deposits	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	1.22	-
Total		<u>781,821,697.86</u>	<u>43.35</u>	<u>308,446,812.76</u>

9. Inventories

	<u>2022</u> RMB	<u>2021</u> RMB
Raw materials	69,159,424.23	94,812,155.42
Low-value consumables	64,732,294.29	68,083,429.90
Packaging materials	27,929.39	23,380.52
Finished goods	196,251,957.22	159,764,312.71
Completed developments	45,328,235.57	45,328,235.57
Costs to fulfil a contract with a customer	<u>5,673,746.13</u>	<u>5,705,621.69</u>
Sub-total	381,173,586.83	373,717,135.81
Less: Provision for impairment of inventories	<u>4,796,400.58</u>	<u>5,568,185.76</u>
Total	<u>376,377,186.25</u>	<u>368,148,950.05</u>

Movements in provision for impairment of inventories is as follows:

	31 December 2021 RMB	Provision made for the year RMB	Reversals during the year RMB	31 December 2022 RMB
Raw materials	2,504,609.63	-	(119,476.00)	2,385,133.63
Low-value consumables	32,311.84	-	(32,311.84)	-
Finished goods	<u>3,031,264.29</u>	<u>-</u>	<u>(619,997.34)</u>	<u>2,411,266.95</u>
Total	<u>5,568,185.76</u>	<u>-</u>	<u>(771,785.18)</u>	<u>4,796,400.58</u>

As at 31 December 2022, finished goods with carrying amount of RMB51,500,000.00 (2021: RMB53,000,000.00) and low-value consumables with carrying amount of RMB1,500,000.00 (2021: RMB0) were pledged for short-term loans, please see Note 2 under Note IX.29 for details.

As at 31 December 2022, finished goods with carrying amount of RMB30,000,000.00 (2021: RMB30,000,000.00) were pledged for bills payable, please see Note 5 under Note IX.29 for details.

10. Contract assets

10.1 Details of contract assets:

	As at 31 December 2022			As at 31 December 2021		
	Book value RMB	Provision for impairment RMB	Carrying amount RMB	Book value RMB	Provision for impairment RMB	Carrying amount RMB
Accrued management fee income	<u>35,746,455.48</u>	<u>-</u>	<u>35,746,455.48</u>	<u>28,817,788.42</u>	<u>-</u>	<u>28,817,788.42</u>

10.2 Changes in provision for impairment of contract assets

The Group individually makes provision for impairment of contract assets. As at 31 December 2022, 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

As at 31 December 2022, the Group did not hold any assets and liabilities held for sale.

12. Non-current assets due within one year

	2022 RMB	2021 RMB
Finance leases receivable	39,191,017.75	38,194,300.30
Time deposits	-	1,120,000,000.00
Interests from time deposits	-	130,426,444.16
Related party entrusted loans (Note X (2)(d))	3,270,000.00	-
Interest from related party entrusted loans (Note X (2)(d))	<u>12,606,194.13</u>	<u>-</u>
Total	<u><u>55,067,211.88</u></u>	<u><u>1,288,620,744.46</u></u>

13. Other current assets

	2022 RMB	2021 RMB
Prepaid taxes	576,084,266.05	827,533,721.03
Deferred expenses	32,016,577.64	36,766,589.50
Related party entrusted loans (Note X (2)(d))	30,531,480.00	33,756,680.00
Third-party entrusted loans	20,004,931.51	-
Others	<u>134,643,669.03</u>	<u>147,972,749.74</u>
Total	<u><u>793,280,924.23</u></u>	<u><u>1,046,029,740.27</u></u>

As at 31 December 2022, 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:

	2022 RMB	2021 RMB
Loans and advances to enterprises		
- Mortgage loans (Note X (2)(d))	54,750,000.00	54,850,000.00
- Interest (Note X (2)(d))	<u>1,915,822.00</u>	<u>972,844.00</u>
Sub-total	56,665,822.00	55,822,844.00
Less: Provision for impairment of loans and advances to customers	<u>1,642,500.00</u>	<u>21,988,500.00</u>
Carrying amount of loans and advances to customers	<u>55,023,322.00</u>	<u>33,834,344.00</u>
Including: Loans and advances due within one year	<u>-</u>	<u>-</u>

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

	<i>As at 31 December 2022</i>		
	<i>Within 1 year (inclusive) RMB</i>	<i>Over 1 year but within 5 years (inclusive) RMB</i>	<i>Total RMB</i>
Mortgage loans	<u>-</u>	<u>56,665,822.00</u>	<u>56,665,822.00</u>
Carrying amount of loans and advances to customers	<u>-</u>	<u>56,665,822.00</u>	<u>56,665,822.00</u>
	<i>As at 31 December 2021</i>		
	<i>Within 1 year (inclusive) RMB</i>	<i>Over 1 year but within 5 years (inclusive) RMB</i>	<i>Total RMB</i>
Mortgage loans	<u>-</u>	<u>55,822,844.00</u>	<u>55,822,844.00</u>
Carrying amount of loans and advances to customers	<u>-</u>	<u>55,822,844.00</u>	<u>55,822,844.00</u>

As at 31 December 2022, 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. Long-term receivables

	2022 RMB	2021 RMB
Long-term leasing receivables - Operating leases	<u>488,572,440.84</u>	<u>523,884,768.62</u>

As at 31 December 2022, as there is no incurred credit losses historically, management of the Group is of the view that the 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.

16 Long-term equity investments

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

	1 January 2022 RMB	Additions during the year RMB	Increase / (decrease) in others during the year RMB	31 December 2022 RMB
Investments in joint ventures	761,370,069.94	-	(121,852,444.87)	639,517,625.07
Investments in associates	<u>7,411,581,718.87</u>	<u>379,042,393.72</u>	<u>(5,612,120,313.99)</u>	<u>2,178,503,798.60</u>
Sub-total	8,172,951,788.81	379,042,393.72	(5,733,972,758.86)	2,818,021,423.67
Less: Provision for impairment of long-term equity investments	<u>1,487,859,078.00</u>	-	<u>(1,483,000,000.00)</u>	<u>4,859,078.00</u>
Net amount of long-term equity investments	<u><u>6,685,092,710.81</u></u>	<u><u>379,042,393.72</u></u>	<u><u>(4,250,972,758.86)</u></u>	<u><u>2,813,162,345.67</u></u>

	1 January 2021 RMB	Additions during the year RMB	(Decrease) in others during the year 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>(241,763,865.91)</u>	<u>7,411,581,718.87</u>
Sub-total	8,452,191,582.48	4,600,000.00	(283,839,793.67)	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>(282,194,513.72)</u></u>	<u><u>6,685,092,710.81</u></u>

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

Name of the investee	1 January 2022 RMB	Reductions during the year RMB	31 December 2022 RMB
Shanghai Shendi (Group) Co., Ltd.	1,483,000,000.00	(1,483,000,000.00)	-
Ganzi Holy Land Xiangbala Tourism Investment Co., Ltd. (甘孜州圣地香巴拉旅游 投资有限公司)	3,057,262.29	-	3,057,262.29
Guangzhou Leji Information Technology Co., Ltd. (广州乐寄信息科技有限公司)	<u>1,801,815.71</u>	<u>-</u>	<u>1,801,815.71</u>
Total	<u><u>1,487,859,078.00</u></u>	<u><u>(1,483,000,000.00)</u></u>	<u><u>4,859,078.00</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	Others RMB	Closing balance RMB
Shanghai Yinhe Hotel Co., Ltd. ("Yinhe Hotel")	363,556,195.70	265,430,789.00	(11,797,554.00)	-	-	253,633,235.00
Shanghai Jinjiang Tangchen Hotel Co., Ltd. (上海锦江汤臣大酒店有限公司)	121,174,226.00	149,228,624.00	(13,018,096.00)	-	-	136,210,528.00
Dazhong Xinya (上海大众新亚出租汽车有限公司)	84,628,129.42	69,765,617.99	(4,130,808.03)	-	(65,634,809.96)	-
Shanghai Motor Vehicle Driver Training Centre	33,105,611.21	58,458,834.09	1,769,699.00	(4,417,116.00)	-	55,811,417.09
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	62,742,567.89	2,884,962.61	(1,785,000.00)	(13,283,668.76)	50,558,861.74
Shanghai Zhendong Automobile Service Co., Ltd.	21,211,895.00	34,553,908.76	(1,859,944.00)	(1,008,546.00)	121,698.94	31,807,117.70
Shanghai Jinmao Jinjiang Automobile Services Co., Ltd.	16,940,000.00	29,600,646.99	(1,325,408.00)	(1,034,000.00)	-	27,241,238.99
Shanghai Jinjiang Jiayou Automobile Service Co., Ltd.	14,614,900.00	19,932,265.35	(1,637,651.00)	-	-	18,294,614.35
Shanghai Yongda Second-Hand Motor Vehicle Sales Co., Ltd.	4,500,000.00	11,057,492.96	(32.00)	-	-	11,057,460.96
Shanghai Jinjiang Sheshan Service Co., Ltd.	500,000.00	5,900,146.14	(1,863,018.00)	(3,446,244.09)	-	590,884.05
Shanghai NISSAN Automobile Maintenance Centre	5,643,011.57	6,383,689.19	49,753.00	(125,000.00)	-	6,308,442.19
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	3,266,077.77	(396,899.00)	-	-	2,869,178.77
Shanghai Petroleum Group Changle Gas Station Co., Ltd.	150,000.00	2,514,230.84	171,639.00	-	-	2,685,869.84
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	2,753,914.27	76,286.00	-	-	2,830,200.27
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	405,844.85	18,210.57	(17,784.15)	-	406,271.27
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	877,482.00	98,094.00	(261,209.00)	-	714,367.00
Total		<u>761,370,069.94</u>	<u>(30,960,765.85)</u>	<u>(12,094,899.24)</u>	<u>(78,796,779.78)</u>	<u>639,517,625.07</u>

(4) Investments in associates:

<u>Name of the investee</u>	<u>Initial investment</u> RMB	<u>Opening balance</u> RMB	<u>Additional investment during the year</u> RMB	<u>Adjustment on profit or loss for the year</u> RMB	<u>Cash dividend for the year</u> RMB	<u>Adjustment on other comprehensive income</u> RMB	<u>Translation differences arising from translation of foreign currency financial statements</u> RMB	<u>Other changes in owners' equity during the year</u> RMB	<u>Disposals or other decreases during the year</u> RMB	<u>Closing balance</u> RMB
Shanghai Shendi (Group) Co., Ltd. (Note 1)	5,112,662,500.00	5,013,216,913.31	-	-	-	-	-	(270,461,299.11)	(4,742,755,614.20)	-
Huaan Fund Management Co., Ltd.	165,000,000.00	515,406,095.19	-	123,640,279.42	(49,800,000.00)	1,012,158.02	-	-	-	590,258,532.63
Shanghai Nantan City Construction Development Co., Ltd. (上海南滩城市建设发展有限公司) (Note 2)	4,600,000.00	4,600,000.00	368,142,393.72	(4,159.00)	-	-	-	-	-	372,738,234.72
Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	63,130,065.07	332,174,713.62	-	48,411,745.00	(148,445,554.26)	-	-	-	-	232,140,904.36
Shanghai KFC Co., Ltd.	97,977,250.00	207,656,327.47	-	46,312,998.00	(105,221,054.00)	701,851.85	-	-	-	149,450,123.32
Shanghai New Union Building Co., Ltd.	382,354,550.42	95,341,622.56	-	(46,716,725.14)	-	-	-	-	-	48,624,897.42
Shanghai Wufeng Shangshi Food Co., Ltd.	83,300,517.99	91,237,492.92	-	(6,560,340.57)	-	-	-	-	-	84,677,152.35
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	25,300,000.00	94,384,814.98	-	(4,723,165.00)	(3,795,000.00)	-	-	-	-	85,866,649.98
Shanghai Interunited Co., Ltd.	61,094,482.20	71,300,295.78	-	875,297.12	(2,500,000.00)	-	-	-	-	69,675,592.90
Shanghai Xinxin Construction Development Co., Ltd.	44,000,000.00	66,424,479.79	-	846,792.61	(4,000,000.00)	-	-	-	-	63,271,272.40
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	84,435,868.99	-	7,886,780.43	-	-	-	-	-	92,322,649.42
HRG Jin Jiang China (Note 3)	45,874,232.57	20,042,483.96	-	(2,137,915.71)	-	-	-	-	(17,904,568.25)	-
Shanghai Xinya Fulihua Catering Co., Ltd.	14,350,000.00	33,970,629.26	-	(2,078,618.00)	(5,145,000.00)	(2,580.00)	-	-	-	26,744,431.26
Shanghai Zihong Machinery Co., Ltd.	17,398,500.00	25,818,976.16	-	(1,287,688.18)	-	-	-	-	-	24,531,287.98
Les Roches Jin Jiang International Hotel Management College	12,278,226.00	9,158,432.48	-	(4,995,346.00)	-	-	-	-	-	4,163,086.48
Bestech Hotels&Resorts Private Limited	-	10,865,648.50	-	-	-	-	1,010,960.84	-	-	11,876,609.34
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	11,057,372.06	-	4,490,167.28	(3,500,000.00)	-	-	-	-	12,047,539.34
Al Quesir Hotel Company S.A.E	-	9,544,413.58	-	-	-	-	157,316.72	-	-	9,701,730.30
Shenzhen Lianghao Catering Management Co., Ltd. (深圳粮好餐饮管理有限公司)	20,400,000.00	13,939,508.95	-	343,118.46	-	-	-	-	-	14,282,627.41
Others	-	701,005,629.31	12,517,028.16	(165,796,041.37)	(16,388,865.54)	1,310,085.00	743,988.11	-	(247,261,346.68)	286,130,476.99
Total		7,411,581,718.87	380,659,421.88	(1,492,820.65)	(338,795,473.80)	3,021,514.87	1,912,265.67	(270,461,299.11)	(5,007,921,529.13)	2,178,503,798.60

Note 1: During the year, Shendi Group underwent a capital increase and the Group recognised a corresponding impact of RMB270,461,299.11 in other changes in owners' equity under the equity method (Note IV.52). After the completion of the capital increase, Shendi Group amended its articles of association, reconstituted its board of directors and established new rules of procedure for the board resolutions. Consequently, the Group was no longer able to exercise significant influence over Shendi Group and Shendi Group ceased to be an associate of the Company. Accordingly, the Company recognised a corresponding gain on disposal of investment of RMB192,750,567.08 (Note IV.66).

Note 2: In 2022, the Group injected RMB368,142,393.72 into Shanghai Nantan City Construction Development Co., Ltd. ("SNCCD") and disposed 12.35% equity shares in SNCCD. Consequently, the Group's shareholding in SNCCD is changed to 10.65%. According to the amended Articles of Association of SNCCD, the Group is able to exercise significant influence over SNCCD, and thus SNCCD is an associate of the Group.

Note 3: During the year, the Group completed the disposal of its equity investment in HRG Jinjiang Travel (China) Co., Ltd. and recognised a corresponding disposal gain or loss of RMB15,670,585.10 accordingly (Note IV.66).

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

Name of the investee	Principal place of business	Registered place	Business nature	Total shareholding percentage of the Group		Is it strategic to the Group's activities
				31 December 2022	31 December 2021	
Joint ventures:						
Yinhe Hotel	Shanghai	Shanghai	Hotel operations	50%	50%	Yes
Associates:						
Huaan Fund Management Co., Ltd.	Shanghai	Shanghai	Securities investment and fund-raising management	12%	12%	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

	31 December 2022 RMB	31 December 2021 RMB
Current assets	29,136,308.49	28,747,705.69
Non-current assets	<u>662,630,882.97</u>	<u>686,614,593.77</u>
Total assets	<u>691,767,191.46</u>	<u>715,362,299.46</u>
Current liabilities	54,147,955.86	54,147,955.86
Non-current liabilities	<u>130,352,765.60</u>	<u>130,352,765.60</u>
Total liabilities	<u>184,500,721.46</u>	<u>184,500,721.46</u>
Net assets	<u>507,266,470.00</u>	<u>530,861,578.00</u>
Group's share of net assets	<u>253,633,235.00</u>	<u>265,430,789.00</u>
Carrying amount of equity interests in Yinhe Hotel	<u>253,633,235.00</u>	<u>265,430,789.00</u>
	<u>2022</u> RMB	<u>2021</u> RMB
Operating income	166,540.25	99,290.48
Net losses and total comprehensive income attributable to owners of the Company	<u>(22,235,105.69)</u>	<u>(13,279,571.97)</u>
Dividends received from Yinhe Hotel	<u>-</u>	<u>-</u>

Key financial information of associates:

(ii) Huaan Fund Management Co., Ltd.

	31 December 2022 RMB	31 December 2021 RMB
Current assets	2,965,687,280.82	2,940,700,927.36
Non-current assets	<u>4,050,847,743.75</u>	<u>3,452,063,785.21</u>
Total assets	<u>7,016,535,024.57</u>	<u>6,392,764,712.57</u>
Current liabilities	1,446,255,687.51	1,446,255,687.51
Non-current liabilities	<u>651,458,231.81</u>	<u>651,458,231.81</u>
Total liabilities	<u>2,097,713,919.32</u>	<u>2,097,713,919.32</u>
Net assets	<u>4,918,821,105.25</u>	<u>4,295,050,793.25</u>
Net assets attributable to owners of the Company	<u>4,918,821,105.25</u>	<u>4,295,050,793.25</u>
Group's share of net assets	<u>590,258,532.63</u>	<u>515,406,095.19</u>
Carrying amount of equity interests in Huaan Fund Management Co., Ltd.	<u>590,258,532.63</u>	<u>515,406,095.19</u>
	2022 RMB	2021 RMB
Operating income	3,600,629,986.03	3,630,983,253.55
Net profit attributable to owners of the parent company	1,030,753,303.93	1,005,772,272.55
Other comprehensive income attributable to owners of the parent company	8,148,030.04	(2,671,046.41)
Total comprehensive income attributable to owners of the parent company	<u>1,038,901,333.97</u>	<u>1,003,101,226.14</u>
Dividends received from Huaan Fund Management Co., Ltd.	<u>49,800,000.00</u>	<u>60,000,000.00</u>

(iii) SNCCD

	<i>31 December</i> <i>2022</i> RMB	<i>31 December</i> <i>2021</i> RMB
Current assets	9,010,014,999.24	20,000,827.16
Non-current assets	<u>-</u>	<u>-</u>
Total assets	<u>9,010,014,999.24</u>	<u>20,000,827.16</u>
Current liabilities	5,510,125,471.35	827.16
Non-current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>5,510,125,471.35</u>	<u>827.16</u>
Net assets	<u>3,499,889,527.89</u>	<u>20,000,000.00</u>
Net assets attributable to owners of the Company	<u>3,499,889,527.89</u>	<u>20,000,000.00</u>
Group's share of net assets	<u>372,738,234.72</u>	<u>4,600,000.00</u>
Carrying amount of equity interests in SNCCD	<u>372,738,234.72</u>	<u>4,600,000.00</u>
	<u>2022</u> RMB	<u>2021</u> RMB
Total comprehensive income attributable to owners of the parent company	<u>(39,055.77)</u>	<u>32,259.20</u>
Dividends received from SNCCD	<u>-</u>	<u>-</u>

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

	31 December 2022 RMB	31 December 2021 RMB
Current assets	510,516,922.25	905,373,905.63
Non-current assets	<u>970,141,613.94</u>	<u>1,074,214,145.73</u>
Total assets	<u>1,480,658,536.19</u>	<u>1,979,588,051.36</u>
Current liabilities	256,628,727.31	265,856,265.98
Non-current liabilities	<u>63,371,006.82</u>	<u>52,903,937.84</u>
Total liabilities	<u>319,999,734.13</u>	<u>318,760,203.82</u>
Net assets	<u>1,160,658,802.06</u>	<u>1,660,827,847.54</u>
Net assets attributable to owners of the Company	<u>1,160,658,802.06</u>	<u>1,660,827,847.54</u>
Group's share of net assets	<u>232,140,904.36</u>	<u>332,174,713.62</u>
Carrying amount of equity interests in Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	<u>232,140,904.36</u>	<u>332,174,713.62</u>
	2022 RMB	2021 RMB
Operating income	688,888,757.84	976,216,622.03
Net profit and total comprehensive income attributable to owners of the parent company	<u>242,058,725.79</u>	<u>325,310,789.18</u>
Dividends received from Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	<u>148,445,554.26</u>	<u>-</u>

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

	2022 RMB	2021 RMB
Joint ventures:		
Aggregate carrying amount of investments	<u>385,884,390.07</u>	<u>495,939,280.94</u>
Aggregate amount of share of		
	2022 RMB	2021 RMB
Net profit	(19,163,211.85)	12,990,730.44
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(19,163,211.85)</u>	<u>12,990,730.44</u>
	<u>Closing balance</u> RMB	<u>Opening balance</u> RMB
Associates:		
Aggregate carrying amount of investments	<u>983,366,126.89</u>	<u>1,550,783,996.75</u>
Aggregate amount of share of		
	2022 RMB	2021 RMB
Net (losses) profit	(173,540,686.07)	134,550,354.05
Other comprehensive income	<u>2,009,356.85</u>	<u>(3,406,885.00)</u>
Total comprehensive income	<u>(171,531,329.22)</u>	<u>(131,143,469.05)</u>

17 Investments in other equity instruments
(1) Investments in other equity instruments

Items	2022 RMB	2021 RMB
Stock investments	7,909,931,876.51	9,496,133,039.82
Equity investments	<u>5,120,016,667.65</u>	<u>1,640,911,031.70</u>
Total	<u>13,029,948,544.16</u>	<u>11,137,044,071.52</u>

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

Item	Dividend income recognised for the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for being designated at fair value through other comprehensive income	Transferring from other comprehensive income to retained earnings
Stock investments					
- Agricultural Bank of China	57,216,332.72	-	188,838,875.30	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Guotai Junan Securities	39,263,200.00	725,889,981.83	-	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Bank of Communications	28,676,904.26	34,737,394.94	-	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Bank of China	10,632,464.70	-	40,255,075.45	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- 金枫酒业	112,104.27	26,012,904.78	-	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- ACCOR SA	-	-	2,845,516,335.82	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Wework Companies Inc.	-	-	679,765,255.95	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Others	<u>7,152,639.59</u>	<u>80,218,869.99</u>	<u>65,376,976.12</u>	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
Sub-total	<u>143,053,645.54</u>	<u>866,859,151.54</u>	<u>3,819,752,518.64</u>		
Equity investments					
- Changjiang Pension Insurance Co., Ltd.	22,680,172.31	141,599,147.79	-	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Shanghai Shendi (Group) Co., Ltd.	-	123,936,578.88	-	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- CCB Life Insurance Company Limited	4,535,733.90	288,088,519.90	-	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Shanghai Overseas Joint-Investment Co., Ltd.	-	-	100,000,000.00	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Shanghai Tianma Village Club Co., Ltd.	-	-	24,847,702.52	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
- Others	<u>3,971,942.01</u>	<u>35,085,407.62</u>	<u>50,132,005.41</u>	With the intention of establishing or maintaining a long-term investment for strategic reasons	N/A
Sub-total	<u>31,187,848.22</u>	<u>588,709,654.19</u>	<u>174,979,707.93</u>		
Total	<u>174,241,493.76</u>	<u>1,455,568,805.73</u>	<u>3,994,732,226.57</u>		

18 Other non-current financial assets

Items	2022 RMB	2021 RMB
Financial assets at fair value through profit or loss		
Including: Investment in debt instruments	39,396,004.32	61,523,366.02
Investment in equity instruments		
- Hangzhou KFC Co., Ltd.	514,000,000.00	266,800,000.00
- Suzhou KFC Co., Ltd.	124,900,000.00	126,700,000.00
- Wuxi KFC Co., Ltd.	59,100,000.00	58,800,000.00
- Others	57,893,202.00	69,907,568.00
Sub-total	<u>755,893,202.00</u>	<u>522,207,568.00</u>
Total	<u>795,289,206.32</u>	<u>583,730,934.02</u>

Note 1: As at 31 December 2022, debt instruments held by the Group were mainly:

- 1) Trust products held by Jin Jiang International Investment totalled at RMB16,434,216.32 (2021: RMB27,466,238.02); and
- 2) Wealth management products held by subsidiaries of Jinjiang Capital totalled at RMB22,961,788.00 (2021: RMB34,057,128.00).

19. Investment properties

	<i>Land use rights</i> RMB	<i>Buildings</i> RMB	<i>Total</i> RMB
Cost			
Balance at 1 January 2022	56,677,999.33	1,263,235,779.84	1,319,913,779.17
Purchase during the year	-	311,105.85	311,105.85
Movements due to changes in consolidation scope	-	2,115,695.00	2,115,695.00
Disposals during the year	-	(2,382,814.96)	(2,382,814.96)
Conversion of investment properties to self-use properties	-	(31,571,117.39)	(31,571,117.39)
	<u>56,677,999.33</u>	<u>1,231,708,648.34</u>	<u>1,288,386,647.67</u>
Balance at 31 December 2022			
Less: Accumulated depreciation or amortisation			
Balance at 1 January 2022	13,892,561.20	772,775,254.76	786,667,815.96
Provision made for the year	853,220.00	27,880,152.39	28,733,372.39
Movements due to changes in consolidation scope	-	316,872.00	316,872.00
Disposals during the year	-	(2,382,814.96)	(2,382,814.96)
Conversion of investment properties to self-use properties	-	(8,548,222.23)	(8,548,222.23)
	<u>14,745,781.20</u>	<u>790,041,241.96</u>	<u>804,787,023.16</u>
Balance at 31 December 2022			
Less: Provision for impairment			
Balance at 1 January 2022 and 31 December 2022	-	771,979.48	771,979.48
	<u>-</u>	<u>771,979.48</u>	<u>771,979.48</u>
Carrying amount			
Balance at 31 December 2022	<u>41,932,218.13</u>	<u>440,895,426.90</u>	<u>482,827,645.03</u>
Balance at 1 January 2022	<u>42,785,438.13</u>	<u>489,688,545.60</u>	<u>532,473,983.73</u>

As at 31 December 2022, land use rights of RMB21,123,200.00 (2021: RMB21,123,200.00) have been obtained through allocation. As management is of the view 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 2022, the net value of the Group's plant and buildings as well as land use rights pending certificates of ownership was amounting to RMB18,283,123.32 (2021: RMB19,251,166.49).

20. Fixed assets

(1) Fixed assets summary

Cost	Land RMB	Plant and buildings RMB	Machinery & equipment RMB	Electronic equipment, apparatuses and furniture RMB	Motor vehicles RMB	Operating equipment RMB	Hotel and building renovation costs RMB	Total RMB
Balance at 1 January 2022	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
Movements due to changes in consolidation scope	(1,483,978.00)	39,836,274.03	(606,021.42)	121,648.19	208,701.00	70,301,513.20	(286,806.00)	108,091,331.00
Purchase during the year	241,138.00	68,368,542.78	84,509,579.67	58,628,809.87	2,758,012.10	45,760,389.38	21,817,215.45	282,083,687.25
Reclassification during the year	-	(66,043,057.15)	(186,269,369.13)	6,012,351.09	-	187,202,338.36	59,097,736.83	-
Transfers from construction in progress	284,096.00	49,680,922.23	227,104,490.22	6,281,203.04	1,582,859.67	134,611,926.23	49,382,095.13	468,927,592.52
Transfers from investment properties	-	31,571,117.39	-	-	-	-	-	31,571,117.39
Disposals during the year	(15,410,769.39)	(184,498,022.96)	(467,576,267.27)	(23,650,172.12)	(7,272,306.67)	(166,762,768.00)	(30,408,434.79)	(895,578,741.20)
Reductions due to disposals of subsidiaries (Note 1.2)	(78,985,977.10)	(1,022,480,311.67)	-	(124,562,548.24)	-	-	-	(1,226,028,837.01)
Translation differences arising from translation of foreign currency financial statements	35,443,731.88	196,842,454.57	10,238,508.63	7,445,253.64	-	-	6,033,942.34	256,003,891.06
Transfers to long- term deferred expenses during the year	-	-	(45,850,922.22)	(21,298,309.93)	-	-	(1,680,326.05)	(68,829,558.20)
Balance at 31 December 2022	1,146,655,381.29	18,170,643,634.15	5,956,227,074.95	1,934,714,595.38	127,235,075.56	1,625,295,162.57	2,088,895,797.93	31,049,666,721.83

	Land RMB	Buildings RMB	Machinery & equipment RMB	Electronic equipment, apparatuses and furniture RMB	Motor vehicles RMB	Operating equipment RMB	Hotel and building renovation costs RMB	Total RMB
Balance at 1 January 2022	57,143,936.68	8,230,347,405.61	4,862,221,136.12	1,155,452,092.30	101,624,328.47	722,042,822.55	1,598,559,529.60	16,727,391,251.33
Movements due to changes in consolidation scope	(4,194.00)	(479,546.44)	(753,438.14)	38,821.54	287,022.12	41,573,948.92	(591,675.28)	40,070,938.72
Charge for the year	2,422,793.00	631,972,082.04	402,501,118.80	62,004,941.67	7,742,622.12	183,164,249.50	175,078,655.24	1,464,886,462.37
Reclassification during the year	-	(51,007,975.66)	(178,003,718.65)	5,033,240.96	-	177,970,766.94	46,007,686.41	-
Transfers from investment properties	-	8,548,222.23	-	-	-	-	-	8,548,222.23
Reductions during the year	(241,029.00)	(142,812,295.36)	(355,787,891.89)	(21,350,614.66)	(5,860,170.79)	(124,535,725.05)	(21,127,378.44)	(671,715,105.19)
Reductions due to disposals of subsidiaries (Note VIII 1.2)	-	(115,564,501.65)	-	(90,347,865.65)	-	-	-	(205,912,367.30)
Translation differences arising from translation of foreign currency financial statements	6,045,129.00	131,501,019.07	791,726.11	5,770,061.18	-	-	6,589,869.09	150,697,804.45
Transfers to long-term deferred expenses during the year	-	-	(538,838.73)	(12,528,000.55)	-	-	(304,869.28)	(13,371,708.56)
Balance at 31 December 2022	65,366,635.68	8,692,504,409.84	4,730,430,093.62	1,104,072,676.79	103,793,801.92	1,000,216,062.86	1,804,211,817.34	17,500,595,498.05
Less: Provision for impairment								
Balance at 1 January 2022	-	119,898,125.03	198,499,831.46	4,780,765.47	(8,573.57)	-	40,874.32	323,211,022.71
Charge for the year	-	4,005,050.00	6,232,095.35	-	-	-	-	10,237,145.35
Written off on disposals	-	-	(10,734,234.77)	(1,186.00)	-	-	-	(10,735,420.77)
Reductions due to disposals of subsidiaries (Note VIII 1.2)	-	(59,322,150.82)	-	(4,894,458.21)	-	-	-	(64,216,609.03)
Translation differences arising from translation of foreign currency financial statements	-	3,755,895.43	(3,465,589.83)	158,246.57	-	-	-	448,552.17
Balance at 31 December 2022	-	68,336,919.64	190,532,102.21	43,367.83	(8,573.57)	-	40,874.32	258,944,690.43
Carrying amount								
Balance at 31 December 2022	1,081,288,745.61	9,409,802,304.67	1,035,264,879.12	830,598,550.76	23,449,847.21	625,079,099.71	284,643,106.27	13,290,126,533.35
Balance at 31 December 2021	1,149,423,203.22	10,707,120,184.29	1,273,956,108.89	865,503,502.07	28,342,054.56	632,138,940.85	386,339,971.10	15,042,823,964.98

As at 31 December 2022, plant and buildings of Jinjiang Capital's subsidiaries with a net book value of RMB167,225,731.02 (2021: RMB169,456,927.27) were pledged for long-term loans, and see Note IX.41 for details.

As at 31 December 2022, plant and buildings with total carrying amount of RMB467,568,000.00 (2021: RMB467,568,000.00) pledged for bank loans were transferred out due to the disposal of 100% equity shares in Radisson Hospitality Inc..

(2) Temporarily idle fixed assets are as follows:

As at 31 December 2022 and 31 December 2021, the Group had no temporarily idle fixed assets.

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

As at 31 December 2022, the net book value of the Group's plant and buildings pending for certificates of ownership was RMB192,984,268.98 (2021: RMB203,842,352.59).

21. Construction in progress

(1) Construction in progress

Item	1 January 2022 and 31 December 2021 RMB	Additions during the year RMB	Increase due to changes in consolidation scope RMB	Reductions due to disposals of subsidiaries during the year (Note VIII 1.2) RMB	Transfers to fixed assets RMB	Transfers to intangible assets RMB	Transfers to long-term deferred expenses RMB	Translation differences arising from translation of foreign currency financial statements RMB	31 December 2022 RMB
Series renovation of limited serviced hotels	487,888,630.93	457,854,065.00	-	-	(115,340,161.00)	-	(301,430,986.00)	2,878,698.00	531,850,246.93
Renovation of full-serviced hotels and other hotels	1,322,463,352.98	574,399,894.15	-	(21,132,992.76)	(210,964,356.49)	(518,862.65)	(39,427,539.37)	3,258,766.65	1,628,078,262.51
Renovation of catering enterprises	24,685,462.29	127,585,592.48	-	-	(137,262,804.80)	-	(4,042,585.20)	(323,468.44)	10,642,196.33
Decoration and renovation of office area and equipment	183,215,882.33	4,579,199.60	-	-	(4,548,668.23)	-	-	(1,424,859.48)	181,821,554.22
Motor vehicles not ready for intended use	3,404,360.24	4,216,653.00	-	-	(811,602.00)	-	-	-	6,809,411.24
Total costs	2,021,657,688.77	1,168,635,404.23	-	(21,132,992.76)	(468,927,592.52)	(518,862.65)	(344,901,110.57)	4,389,136.73	2,359,201,671.23
Less: Provision for impairment	36,101,053.12								39,997,930.92
Net amount	1,985,556,635.65								2,319,203,740.31

22. Right-of-use assets

As a lessee:

	Land RMB	Plant & buildings RMB	Machinery & equipment RMB	Motor vehicles RMB	Total RMB
Cost					
Balance at 1 January 2022	729,577,795.40	24,214,793,639.30	732,028,742.30	31,189,104.00	25,707,589,281.00
Additions during the year	-	2,005,545,036.38	6,752,006.00	7,692,631.92	2,019,989,674.30
Modification of leases	(730,268.28)	141,140,298.22	-	-	140,410,029.94
Decrease during the year	-	(1,348,145,090.02)	(51,853,103.00)	(4,424,149.60)	(1,404,422,342.62)
Reductions due to disposals of subsidiaries (Note VIII.1.2)	(205,459,885.60)	(50,545,227.20)	-	-	(256,005,112.80)
Valuation adjustment on business combinations (Note VIII.1.2)	-	(385,423,684.50)	-	-	(385,423,684.50)
Translation differences arising from translation of foreign currency financial statements	10,159,066.07	144,599,487.10	978,626.80	964,492.48	156,701,672.45
Balance at 31 December 2022	533,546,707.59	24,721,964,459.28	687,906,272.10	35,422,078.80	25,978,839,517.77
Less Accumulated depreciation or amortisation					
Balance at 1 January 2022	183,193,281.40	13,573,647,687.30	487,313,788.80	13,103,755.50	14,257,258,513.00
Charge for the year	13,185,965.23	1,476,619,731.04	39,477,450.67	8,756,129.42	1,538,039,276.36
Decrease during the year	-	(1,279,483,283.03)	(42,462,495.00)	(3,977,480.65)	(1,325,923,258.68)
Reductions due to disposals of subsidiaries (Note VIII.1.2)	(7,895,092.40)	(2,841,956.00)	-	-	(10,737,048.40)
Translation differences arising from translation of foreign currency financial statements	(3,129,333.23)	33,765,302.74	648,703.23	548,656.43	31,833,329.17
Balance at 31 December 2022	185,354,821.00	13,801,707,482.05	484,977,447.70	18,431,060.70	14,490,470,811.45
Less Provision for impairment					
Balance at 1 January 2022	15,955,537.00	375,828,703.20	-	-	391,784,240.20
Provision made for the year	-	-	-	-	-
Decrease during the year	-	-	-	-	-
Translation differences arising from translation of foreign currency financial statements	(382,292.80)	(1,120,711.20)	-	-	(1,503,004.00)
Balance at 31 December 2022	15,573,244.20	374,707,992.00	-	-	390,281,236.20
Carrying amount					
Balance at 31 December 2022	<u>332,618,642.39</u>	<u>10,545,548,985.23</u>	<u>202,928,824.40</u>	<u>16,991,018.10</u>	<u>11,098,087,470.12</u>
Balance at 1 January 2022	<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>

Please refer to Note IX.44 for the detail of leasing activities of the Group.

23. 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
Cost									
Balance at 1 January 2022	5,983,984,775.93	227,244,083.85	731,718,115.38	11,025,033,291.34	625,918,786.80	434,106,820.84	10,019,920.00	3,426,072,627.43	22,464,098,421.57
Purchase during the year	-	-	-	-	144,449.33	-	-	473,943,287.83	474,087,737.16
Reclassification during the year	-	-	-	78,839,124.00	-	-	-	(78,839,124.00)	-
Assessment adjustment for the year (Note VIII.1.2)	-	-	-	27,073,875.00	-	-	-	2,173,130.00	29,247,005.00
Movements due to changes in consolidation scope (Note VIII.1.1)	40,064,452.00	124,900,085.00	-	-	-	-	-	-	164,964,537.00
Transfers from construction in progress	-	-	-	-	-	-	-	518,862.65	518,862.65
Decreases during the year	(35,000.00)	-	-	(1,685,104,008.78)	-	-	-	(51,873,931.66)	(1,737,012,940.44)
Decrease due to disposals of subsidiaries (Note VIII.1.2)	-	-	(152,363,499.60)	-	-	(102,747,106.80)	-	(173,260,882.64)	(428,371,489.04)
Transfers to long-term deferred expenses	-	-	-	-	-	-	-	(12,471,280.68)	(12,471,280.68)
Translation differences arising from translation of foreign currency financial statements	1,310,514.60	-	22,574,763.50	123,906,953.15	-	5,447,209.90	-	75,487,159.25	228,726,600.40
Balance at 31 December 2022	6,025,324,742.53	352,144,168.85	601,929,379.28	9,569,749,234.71	626,063,236.13	336,806,923.94	10,019,920.00	3,661,749,848.18	21,183,787,453.62
Less: Accumulated amortisation									
Balance at 1 January 2022	1,417,530,243.30	6,030,352.00	167,434,551.33	1,259,436.26	394,174,684.98	113,150,710.76	3,499,920.00	1,622,592,139.73	3,725,672,038.36
Provision made for the year	180,178,766.74	-	50,846,818.16	5,997,777.22	157,352.65	21,060,701.82	-	314,118,528.24	572,359,944.83
Movements due to changes in consolidation scope (Note VIII.1.1)	8,192,002.00	13,214,526.00	-	-	-	-	-	-	21,406,528.00
Decrease during the year	-	-	-	(5,280.00)	-	-	-	(42,465,136.98)	(42,470,416.98)
Decrease due to disposals of subsidiaries (Note VIII.1.2)	-	-	(39,219,151.89)	-	-	(25,154,776.40)	-	(7,084,095.20)	(71,458,023.49)
Transfers to long-term deferred expenses	-	-	-	-	-	-	-	(6,948,183.67)	(6,948,183.67)
Translation differences arising from translation of foreign currency financial statements	581,456.25	-	10,770,813.24	313,180.71	-	1,204,151.21	-	20,747,902.29	33,617,503.70
Balance at 31 December 2022	1,606,482,468.29	19,244,878.00	189,833,030.84	7,565,114.19	394,332,037.63	110,260,787.39	3,499,920.00	1,900,961,154.41	4,232,179,390.75

	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 1 January 2022	-	12,107,000.00	-	-	368,823.10	-	-	78,284,408.84	90,760,231.94
Provision made for the year	-	-	-	-	-	-	-	7,869,881.50	7,869,881.50
Transfers out during the year	-	-	-	-	-	-	-	(1,206,430.92)	(1,206,430.92)
Translation differences arising from translation of foreign currency financial statements	-	-	-	-	-	-	-	39,683.52	39,683.52
Balance at 31 December 2022	-	12,107,000.00	-	-	368,823.10	-	-	84,987,542.94	97,463,366.04
Carrying amount									
Balance at 31 December 2022	4,418,842,274.24	320,792,290.85	412,096,348.45	9,562,184,120.51	231,362,375.40	226,546,136.55	6,520,000.00	1,675,801,150.83	16,854,144,696.83
Balance at 31 December 2021	4,566,454,532.63	209,106,731.85	564,283,564.05	11,023,773,855.08	231,375,278.72	320,956,110.08	6,520,000.00	1,725,196,078.86	18,647,666,151.27
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 2022, land use rights of RMB150,086,800.00 (2021: RMB150,121,800.00) have been obtained with 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 2022, land use rights of RMB203,335,970.23 (2021: 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.

24. Goodwill

	2022 RMB	2021 RMB
Cost		
Opening balance	13,874,217,908.64	14,354,763,252.94
Decrease during the year	<u>(100,478,873.24)</u>	<u>(480,545,344.30)</u>
Closing balance	<u>13,773,739,035.40</u>	<u>13,874,217,908.64</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>13,580,238,621.07</u>	<u>13,680,717,494.31</u>
Opening balance	<u>13,680,717,494.31</u>	<u>14,161,262,838.61</u>

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

	1 January 2022 RMB	Additions/(disposals) during the year RMB	Translation differences arising from translation of foreign currency financial statements RMB	31 December 2022 RMB
Keystone	5,766,874,767.03	-	-	5,766,874,767.03
GDL	4,512,722,553.31	-	129,121,454.00	4,641,844,007.31
Radisson Hotel (Note 1)	1,412,605,794.19	(477,981,938.79)	5,879,546.50	940,503,401.90
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 (Note 2)	180,185,662.75	194,022,218.00	10,535,872.05	384,743,752.80
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
Dazhong Xinya (Note 3)	-	37,943,975.00	-	37,943,975.00
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
Total	<u>13,874,217,908.64</u>	<u>(246,015,745.79)</u>	<u>145,536,872.55</u>	<u>13,773,739,035.40</u>

Note 1: In 2022, the Group completed its disposal of assets group of Radisson Hospitality Inc. ("RHI"), and the related goodwill of Radisson Hotel was allocated to RHI and Radisson Hospitality AB ("RHAB") based on the valuation report issued by Shanghai Dongzhou Appraisal Co., Ltd., a third-party appraisal institution, and the goodwill of RMB477,981,938.79 (carrying amount) (Note VIII.1.2) allocated to RHI was disposed. Upon the completion of the disposal of RHI, as at 31 December 2022, goodwill on the asset group of Radisson Hotel primarily comprises of RHAB, ie., the European business of Radisson Hotel.

Note 2: In 2022, the Group made subsequent adjustments to the previously acquired Prize Holding GmbH, based on the valuation report issued by PKF hotelexperts GmbH, a third-party appraisal institution. Accordingly, the Group recognised an incremental goodwill of RMB194,022,218.00 (Note VIII.1.2).

Note 3: In 2022, the Group completed the acquisition of Dazhong Xinya and recognized a goodwill of RMB37,943,975.64 based on the difference between the acquisition consideration and the share of the fair value of the identifiable net assets of Dazhong Xinya acquired at the date of acquisition (Note VIII.1.1)

(2) Provision for impairment of goodwill:

	<i>Balance at 2021 and 2022</i>
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	972,584.60
Total	193,500,414.33

(3) 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, asset groups attributable to passenger transportation and logistics services segment, asset groups attributable to tourism segment and asset groups of other operating segments.

	<i>Cost RMB</i>	<i>Less: Provision for impairment RMB</i>	<i>Carrying amount RMB</i>
Overseas hotel operation and management segment			
GDL	4,641,844,007.31	-	4,641,844,007.31
Radisson Hotel	940,503,401.90	-	940,503,401.90
Prize Holding GmbH	384,743,752.80	-	384,743,752.80
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
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
Duzhuhua	3,740,756.59	3,740,756.59	-
Passenger transportation and logistics services segment			
上海大众新亚出租汽车有限公司	37,943,975.00	-	37,943,975.00
Tourism segment			
HUBS1	428,206,217.97	-	428,206,217.97
Others	7,484,036.70	5,606,689.57	1,877,347.13
Total	13,773,739,035.40	193,500,414.33	13,580,238,621.07

(4) The key assumptions and basis for calculating the recoverable amount of the above-mentioned 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.

The recoverable amount of the asset group of GDL is determined based on the present value of expected future cash flows, and is determined based on the assessment of MKG Hospitality, a third-party appraisal institution. 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, the room revenue compound growth rate will be 3.72% for the period from 2023 to 2027, and stabilising at 1.61% after 2027. The room revenue growth rates for 2027 onwards are based on the inflation rates in the countries where these hotels operate.

The recoverable amount of the asset groups of Radisson Hotel is determined based on the present value of expected future cash flows, and is determined based on the assessment of Shanghai Dongzhou Appraisal Co., Ltd., a third-party appraisal institution. 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 2023 to 2027, the room revenue compound growth rate will be 6.2%; and 2) pre-tax discount rate (13.67%).

The recoverable amount of Prize Holding GmbH's asset group is determined based on the present value of the expected future cash flows, and evaluated by PKF hotelexperts GmbH, a third-party appraisal institution, based on a five-year budget approved by management, using the cash flow projection methodology. The key assumptions used in estimating the present value of future cash flows are: the revenue growth rate from hotel operations (about 3.1-14.0% CAGR for the hotel operations from 2023 to 2027) and the pre-tax discount rate (11.78%) based on the past performance of the set of asset group and expectations of market developments.

Management believes that any reasonable change in the above assumptions will not cause total carrying amount of the asset groups of GDL, Radisson Hotel and Prize Holding GmbH to exceed their respective 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.

The recoverable amount of the asset group of Keystone is determined based on the present value of expected future cash flows, and is determined based on the assessment of Shanghai Dongzhou Appraisal Co., Ltd., a third-party appraisal institution. 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 12.74% CAGR for the hotel operations from 2023 to 2027, and will be about 2% after 2027) and the pre-tax discount rate (about 13.48%) 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 2027 is based on the inflation rate.

The recoverable amount of the asset group of Vienna and Longevity Village is determined based on the present value of expected future cash flows, and is determined based on the assessment of Shanghai Dongzhou Appraisal Co., Ltd., a third-party appraisal institution. 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 3.8% CAGR for the hotel operations from 2023 to 2027, and will be about 2% after 2027) and the pre-tax discount rate (about 15.20%) 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 2027 is based on the inflation rate.

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 Duzhijia, 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 Duzhijia, management made full provisions for impairment of goodwill.

(c) Asset groups of tourism segment

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, and is determined based on the assessment of Shanghai Cairui Appraisal Co., Ltd., a third-party appraisal institution. 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 2023 to 2027 (post-epidemic recovery period) of 6.11% to 14.15%; 0 in 2028 and 0% from 2028 and afterwards; and 2) pre-tax discount rate (about 15.31%). 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.

Management believes that any reasonable change in the above assumptions will not cause the total carrying amount of the asset groups of HUBS1 to exceed their respective recoverable amounts.

(d) Asset groups of passenger transportation and logistics services segment

The recoverable amount of the asset group of Dazhong Xinya is determined based on the present value of expected future cash flows, and is determined based on the assessment of Shanghai Dongzhou Appraisal Co., Ltd., a third-party appraisal institution. The recoverable amount of the asset groups of Dazhong Xinya is determined based on the present value of expected future cash flows. The future cash flows were projected based on the financial budgets for the period from 2023 to 2027 approved by management. The key assumptions used in estimating the present value of future cash flows are: the revenue growth rate from car leasing operations (2%) for the period after 2027 (the perpetual period) and the pre-tax discount rate (11.6%) based on the past performance of the set of asset groups and the expectations of market developments. The revenue growth rate of the car leasing operation for the perpetual period is based on the inflation rate.

Management believes that any reasonable change in the above assumption will not cause the total carrying amount of the asset group of Dazhong Xinya to exceed their recoverable amounts.

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.

25. Long-term deferred expenses

	1 January 2022 RMB	Increase due to changes in consolidation scope RMB	Additions during the year RMB	Transfers from construction in progress during the year RMB	Amortisation costs during the year RMB	Reductions during the year RMB (Note 1)	Translation differences arising from translation of foreign currency financial statements RMB	31 December 2022 RMB
Improvement of right-of-use assets	4,303,749,368.68	-	83,347,096.87	342,074,868.37	(595,491,306.74)	(11,171,760.96)	(907,381.21)	4,121,600,885.01
Others	<u>36,697,908.54</u>	-	<u>216,409.65</u>	<u>2,826,242.20</u>	<u>(1,121,049.62)</u>	<u>(2,978,641.19)</u>	<u>66,023.87</u>	<u>35,706,893.45</u>
Total costs	4,340,447,277.22	-	<u>83,563,506.52</u>	<u>344,901,110.57</u>	<u>(596,612,356.36)</u>	<u>(14,150,402.15)</u>	<u>(841,357.34)</u>	4,157,307,778.46
Less: Provision for impairment	<u>1,297,010,613.88</u>							<u>1,297,613,262.46</u>
Total	<u>3,043,436,663.34</u>							<u>2,859,694,516.00</u>

Note 1: Decrease during the year mainly include RMB3,305,234.05 due to subsequent adjustments upon completion of construction, and RMB7,795,721.68 due to disposal of long-term deferred expenses.

26. 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>As at 31 December</i>	<i>As at 31 December</i>	<i>As at 31 December</i>	<i>As at 31 December</i>
	2022	2021	2022	2021
	RMB	RMB	RMB	RMB
Deductible tax losses	11,589,545,245.68	9,495,153,376.39	2,915,256,320.27	2,379,613,495.38
Provision for impairment of assets	712,716,942.42	1,929,497,999.24	179,142,954.06	479,387,661.78
Employee benefits payable	585,646,062.70	887,540,055.13	146,944,577.12	220,696,472.36
Leasing adjustments	1,264,159,031.84	909,563,671.00	317,099,246.65	233,227,267.00
Accrued expenses	92,307,312.08	146,998,380.16	23,079,883.97	34,585,592.78
Differences on amortisation of intangible assets	74,045,723.64	83,975,169.28	18,511,430.91	20,993,792.32
Deferred income from membership cards and points received in advance	38,840,384.00	327,251,053.03	9,710,096.00	79,585,889.20
Unrealised profits of intra-group transactions	37,118,291.64	26,193,218.44	9,281,217.66	6,549,904.11
Differences on depreciation of fixed assets	288,750,420.08	471,390,186.55	72,274,295.23	118,331,061.00
Differences on amortisation of long-term deferred expenses	7,992,095.00	8,660,798.00	1,998,024.00	2,165,200.00
Changes in fair value of investments in other equity instruments	268,315,837.33	198,270,991.28	72,416,369.99	49,567,747.81
Long-term contract liabilities related to franchise services	33,702,756.00	37,709,930.33	8,425,689.00	9,736,704.01
Others	597,786,360.28	1,248,467,182.12	148,886,748.09	296,177,670.37
Total	<u>15,590,926,462.69</u>	<u>15,770,672,010.95</u>	<u>3,923,026,852.95</u>	<u>3,930,618,458.12</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:

	2022	2021
	RMB	RMB
Deductible temporary differences	3,504,424,069.75	2,263,270,386.33
Deductible tax losses	<u>6,328,630,111.95</u>	<u>6,076,185,679.29</u>
Total	<u>9,833,054,181.70</u>	<u>8,339,456,065.62</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 thus the relevant deferred tax assets are recognised in the balance sheet.

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

	2022 RMB	2021 RMB
2022	-	773,198,524.10
2023	448,242,555.84	819,318,135.84
2024	748,845,479.79	815,729,540.07
2025	419,471,036.56	360,265,312.07
2026 and subsequent years	<u>4,712,071,039.76</u>	<u>3,307,674,167.21</u>
Total	<u>6,328,630,111.95</u>	<u>6,076,185,679.29</u>

Deferred tax liabilities

	<i>Taxable temporary differences</i>		<i>Deferred tax liabilities</i>	
	<i>As at 31 December 2022 RMB</i>	<i>As at 31 December 2021 RMB</i>	<i>As at 31 December 2022 RMB</i>	<i>As at 31 December 2021 RMB</i>
Adjustments on the fair value of business combinations involving entities not under common control	13,093,294,624.40	13,781,753,410.65	3,301,577,890.97	3,473,527,371.28
Changes in fair value of financial assets held for trading	1,087,849,713.66	878,859,476.92	271,962,428.08	219,714,869.13
Changes in fair value of investments in other equity instruments	805,003,526.31	1,061,217,890.80	202,546,231.74	265,879,361.70
Differences on depreciation of fixed assets	386,627,776.40	464,515,047.16	96,939,139.69	116,560,452.39
Leasing adjustments	134,115,240.70	160,147,385.40	33,570,065.25	32,156,543.80
Unrealised profits of intra-group transactions	89,733,295.00	89,733,295.00	22,433,324.00	22,433,324.00
Differences on amortisation of intangible assets	467,616,119.08	321,875,437.39	117,045,706.90	75,838,208.00
Changes in fair value of other non-current financial assets recognised in other comprehensive income	676,488,337.23	441,885,373.39	169,122,084.30	110,471,343.35
Others	<u>94,790,700.00</u>	<u>255,011,172.44</u>	<u>23,697,675.02</u>	<u>62,477,439.09</u>
Total	<u>16,835,519,332.78</u>	<u>17,454,998,489.15</u>	<u>4,238,894,545.95</u>	<u>4,379,058,912.74</u>

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

<i>Items</i>	<i>As at 31 December 2022</i>		<i>As at 31 December 2021</i>	
	<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	1,318,061,391.59	2,604,965,461.36	1,326,910,479.87	2,603,707,978.25
Deferred tax liabilities	1,318,061,391.59	2,920,833,154.36	1,326,910,479.87	3,052,148,432.87

27. Other non-current assets

	<u>2022</u> RMB	<u>2021</u> RMB
Time deposits over 1 year	1,200,000,000.00	2,900,000,000.00
Time deposits - Interest	92,552,802.00	63,855,167.00
Circulation right for equity division (Note 1)	136,533,445.57	136,533,445.57
Lease deposits and securities deposits	93,746,355.70	137,983,116.80
Prepayments for construction	21,943,004.00	-
Entrusted loans	655,050,153.93	120,754,517.00
- Related parties (Note X (2)(d))	619,397,965.23	49,133,669.80
- Third parties	35,652,188.70	71,620,847.20
Underground buildings usage fee	44,937,630.00	46,665,676.00
Prepayment for purchase of fixed assets	5,862,216.00	4,440,000.00
Civil aviation deposits	4,033,000.00	2,100,000.00
Contract assets (Note 2)	-	36,746,074.13
Others	10,219,965.72	5,648,087.04
Sub-total	2,264,878,572.92	3,454,726,083.54
Less: Provision for impairment	71,724,932.11	56,170,315.36
Total	<u>2,193,153,640.81</u>	<u>3,398,555,768.18</u>

Note 1: In prior years, according to the equity division reformation plan, the Group, as the ultimate controlling party, paid the shareholders of Jinjiang Hotels and Jinjiang Online who held the floating shares of both company, 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 by RHI, which was fully disposed in 2022. And accordingly, the balance was reduced to nil as at 31 December 2022.

27.1 Provisions for impairment of other non-current assets:

As at 31 December 2022, 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.

28. Impairment of assets

	1 January 2022 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	Changes in consolidation scope RMB	Translation differences arising from translation of foreign currency financial statements RMB	As at 31 December 2022 RMB
Provision for impairment of accounts receivable	676,451,664.61	211,647,389.67	(89,450,810.66)	-	-	(120,323,068.29)	17,524,836.27	695,850,011.60
Provision for impairment of other receivables	412,766,383.56	228,789,417.75	(21,281,129.54)	-	-	(12,961,039.80)	14,150,786.24	621,464,418.21
Provision for impairment of inventories	5,568,185.76	-	-	(771,785.18)	-	-	-	4,796,400.58
Provision for impairment of long-term equity investments	1,487,859,078.00	-	-	(1,483,000,000.00)	-	-	-	4,859,078.00
Provision for impairment of investment properties	771,979.48	-	-	-	-	-	-	771,979.48
Provision for impairment of fixed assets	323,211,022.71	10,237,145.35	-	(10,735,420.77)	-	(64,216,609.03)	448,552.17	258,944,690.43
Provisions for impairment of intangible assets	90,760,231.94	7,869,881.50	-	(1,206,430.92)	-	-	39,683.52	97,463,366.04
Provision for impairment of construction in progress	36,101,053.12	3,658,431.40	-	-	-	-	238,446.40	39,997,930.92
Provision for impairment of goodwill	193,500,414.33	-	-	-	-	-	-	193,500,414.33
Provision for impairment of long-term deferred expenses	1,297,010,613.88	602,648.58	-	-	-	-	-	1,297,613,262.46
Provision for impairment of right-of-use assets	391,784,240.20	-	-	-	-	-	(1,503,004.00)	390,281,236.20
Provision for impairment of other non-current assets	56,170,315.36	31,712,628.88	(499,208.65)	-	-	(16,867,070.35)	1,208,266.87	71,724,932.11
Provision for impairment of loans and advances to customers	21,988,500.00	27,379,000.00	(47,725,000.00)	-	-	-	-	1,642,500.00
Total	4,993,943,682.95	521,896,543.13	(158,956,148.85)	(1,495,713,636.87)	-	(214,367,787.47)	32,107,567.47	3,678,910,220.36

29. Assets with restrictive ownership titles

	2022 RMB	2021 RMB
Pledge of stock rights (Note 1)	-	3,089,073,125.40
Collateral for loans (Note 2)	220,225,731.02	690,024,927.27
Deposit reserve (Note 3)	374,629,288.00	452,802,331.00
Pledged deposits	-	25,502,800.00
Deposits for bank acceptance bills (Note 4)	45,725,284.94	61,607,411.75
Collateral for bills payable (Note 5)	30,000,000.00	30,000,000.00
Guarantee deposits (Note 6)	6,223,576.13	5,814,102.20
Frozen funds due to litigations (Note 7)	4,988,414.56	9,970,578.50
Tourism quality guarantee deposits (Note 8)	647,450.00	265,800.00
Frozen deposits with banks due to long-term dormant accounts (Note 9)	<u>14,301,084.30</u>	<u>4,782,215.87</u>
Total	<u><u>696,740,828.95</u></u>	<u><u>4,369,843,291.99</u></u>

Note 1: The net equity of Keystone pledged by a subsidiary of the Group for bank loans was released in 2022.

Note 2: RMB53,000,000.00 inventory are pledged as security for short-term loan by Jinjiang Online. See Note IX.30 for details; plant and buildings with net value of RMB167,225,731.02 were pledged as security for long-term loan by GDL and its subsidiaries. See Note IX.41 for details.

Note 3: The statutory deposit reserves were paid by the Finance Company to the People's Bank of China in accordance with relevant regulations.

Note 4: The deposits are mainly guarantee for bank acceptance bills by Jinjiang Online, a subsidiary of the Jinjiang Capital.

Note 5: RMB30,000,000.00 of inventories were pledged by Jinjiang Online, a subsidiary of the Jinjiang Capital, for bills payable.

Note 6: guarantee deposits of RMB5,756,376.13 were for issuance of letter of credit by subsidiaries of Jinjiang Capital; and RMB467,200.00 guarantee deposits issued for Urban Services.

Note 7: Bank deposits of a subsidiary of Jinjiang Hotels have been frozen due to litigation. See Note IX.47 for details.

Note 8: Tourism quality deposits were for a subsidiary of Jinjiang Capital.

Note 9: Banks accounts of a subsidiary of Jinjiang Capital were frozen due to long-term dormant accounts.

30. Short-term loans

Category	As at 31 December 2022			As at 31 December 2021		
	Amount in functional currency	Exchange rate	RMB	Amount in functional currency	Exchange rate	RMB
Loans and borrowing from banks and other financial institutions -						
Unsecured loans						
RMB (Note 1)			1,559,360,925.06			4,508,095,436.36
EUR (Note 2)	19,373,803.66	7.4229	143,809,807.19	39,270,768.05	7.2197	283,523,164.06
USD	-	6.9646	-	1,839,029.03	6.4395	11,842,400.41
Loans secured by mortgages						
RMB (Note 4)	27,069,293.28	1.0000	27,069,293.28	42,851,746.48	1.0000	42,851,746.48
Guaranteed loans						
EUR (Note 3)	430,266,450.44	7.4229	3,193,824,834.94	120,000,000.00	7.2197	866,364,000.00
Sub-total			<u>4,924,064,860.47</u>			<u>5,712,676,747.31</u>
Related party loans (Note X (2)(d))			<u>5,000,000.00</u>			<u>10,000,000.00</u>
Total			<u>4,929,064,860.47</u>			<u>5,722,676,747.31</u>

Note 1: As at 31 December 2022, unsecured loans dominated in RMB totalled RMB1,564,360,925.06, which were borrowed by the Company, Jinjiang Capital, Jin Jiang International Investment and Beijing Kunlun from third-party commercial banks, with interest rates of 2.5% - 4.35% per annum.

Note 2: As at 31 December 2022, unsecured loans dominated in EUR were EUR19,373,803.66 (equivalent to RMB143,809,807.19), which were borrowed by GDL from third-party commercial banks with variable interest rates.

Note 3: As at 31 December 2022, guaranteed loan dominated in EUR from the Shanghai Pudong Branch of China Construction Bank Corporation was EUR430,000,000.00 (equivalent to RMB3,191,847,000.00), which was fully guaranteed by the Company, and the interest rate was 3M Euribor+0.95% per annum for a term from 29 March 2022 to 28 March 2023. In March 2023, the maturity date of a short term loan of EUR430,000,000.00 (equivalent to RMB3,191,847,000.00) was extended to 28 March 2024 (Note XVI) by the Group.

Note 4: As at 31 December 2022, loans secured by mortgages dominated in RMB represented a short-term loan of RMB27,069,293.28 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.29 for details) and guaranteed by Jinjiang Automobile, a subsidiary of the Group.

As at 31 December 2022, the Group had no overdue short-term loans.

31. Bills payable

	2022 RMB	2021 RMB
Bank acceptance bills	<u>65,000,000.00</u>	<u>79,050,000.00</u>

The Group did not have any overdue bills at the end of the year.

32. Accounts payable

<u>Ageing</u>	2022 RMB	2021 RMB
Within 1 year (inclusive)	3,087,748,750.67	2,494,147,394.61
Over 1 year but within 2 years (inclusive)	11,562,916.41	38,992,873.40
Over 2 years but within 3 years (inclusive)	5,959,056.51	6,455,260.61
Over 3 years	<u>41,373,258.23</u>	<u>43,371,150.03</u>
Total	<u>3,146,643,981.82</u>	<u>2,582,966,678.65</u>

As at 31 December 2022, the Group had no significant accounts payable which are above RMB20 million (inclusive) and with an ageing over 1 year.

33. Advance payments received

<u>Ageing</u>	2022 RMB	2021 RMB
Within 1 year (inclusive)	91,023,177.41	137,036,913.91
Over 1 years	<u>42,490.48</u>	<u>22,994.48</u>
Total	<u>91,065,667.89</u>	<u>137,059,908.39</u>

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

34. Contract liabilities

<i>Items</i>	<i>2022</i>	<i>2021</i>
Contract liabilities related to membership points	163,051,421.40	154,193,519.20
Contract liabilities related to franchise services	486,407,078.08	523,019,191.83
Receipt in advance for goods or services	593,738,441.23	604,770,416.55
Receipt in advance for consumptions	15,281,520.83	31,073,521.52
Receipt of freight charges in advance	12,409,179.59	14,240,351.05
Others	29,184,547.27	39,750,361.86
Total	<u>1,300,072,188.40</u>	<u>1,367,047,362.01</u>

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

<i>Items</i>	<i>2022</i> RMB	<i>2021</i> RMB
Corporate deposits received by the finance company	<u>128,084,305.58</u>	<u>98,693,752.31</u>

36. Employee benefits payable

(1) Employee benefits payable

<i>Items</i>	<i>31 December 2021</i> RMB	<i>Additions during</i> <i>the year</i> RMB	<i>Decrease during</i> <i>the year</i> RMB	<i>31 December 2022</i> RMB
Short-term employee benefits	1,908,872,143.60	8,384,464,753.16	(8,279,288,781.59)	2,014,048,115.17
Defined contribution plans	276,698,549.40	534,419,249.02	(545,513,907.37)	265,603,891.05
Termination benefits	<u>186,638,176.94</u>	<u>43,090,450.16</u>	<u>(48,946,600.19)</u>	<u>180,782,026.91</u>
Total	<u>2,372,208,869.94</u>	<u>8,961,974,452.34</u>	<u>(8,873,749,289.15)</u>	<u>2,460,434,033.13</u>

(2) Short-term employee benefits

Items	1 January 2022 RMB	Additions during the year RMB	Decrease during the year RMB	31 December 2022 RMB
Salaries, bonuses and allowances	1,233,265,467.76	7,278,573,790.48	(7,172,845,289.10)	1,338,993,969.14
Staff welfare	31,373,629.39	121,938,409.68	(122,190,744.35)	31,121,294.72
Domestic social insurance				
Basic medical insurance	78,344,941.04	286,654,405.62	(273,173,005.88)	91,826,340.78
Work-related injury insurance	5,143,944.26	11,166,808.98	(11,301,511.30)	5,009,241.94
Maternity insurance	6,695,664.76	8,843,804.48	(9,505,775.29)	6,033,693.95
Supplementary medical insurance	3,175,420.56	1,506,994.19	(1,129,589.66)	3,552,825.09
Overseas social insurance	140,473,295.00	328,852,594.00	(345,818,748.00)	123,507,141.00
Housing fund	114,109,007.99	255,453,241.76	(255,450,936.65)	114,111,313.10
Labour union fee, staff and workers' education fee	26,766,638.36	41,994,802.82	(38,666,414.24)	30,095,026.94
Other short-term employee benefits	<u>269,524,134.48</u>	<u>49,479,901.15</u>	<u>(49,206,767.12)</u>	<u>269,797,268.51</u>
Total	<u>1,908,872,143.60</u>	<u>8,384,464,753.16</u>	<u>(8,279,288,781.59)</u>	<u>2,014,048,115.17</u>

(3) Defined contribution plans

Items	1 January 2022 RMB	Additions during the year RMB	Decrease during the year RMB	31 December 2022 RMB
I. Basic pension insurance	227,936,347.83	502,416,199.17	(513,732,804.15)	216,619,742.85
II. Unemployment insurance	8,088,169.98	19,870,781.70	(19,686,309.65)	8,272,642.03
III. Annuity	<u>40,674,031.59</u>	<u>12,132,268.15</u>	<u>(12,094,793.57)</u>	<u>40,711,506.17</u>
Total	<u>276,698,549.40</u>	<u>534,419,249.02</u>	<u>(545,513,907.37)</u>	<u>265,603,891.05</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 RMB514,548,467.32 (2021: RMB515,652,541.05) to the pension insurance plan and RMB19,870,781.70 (2021: RMB20,293,946.58) to the unemployment insurance plan, respectively. As at 31 December 2022, there were RMB257,331,249.02 and RMB8,272,642.03 (2021: RMB268,610,379.42 and RMB8,088,169.98) of pension insurance and unemployment insurance pending for payment.

37. Taxes payable

Items	1 January 2022 RMB	Charge for the year RMB	Paid during the year RMB	As at 31 December 2022 RMB
Income tax	938,666,459.28	815,166,708.29	(604,188,299.46)	1,149,644,868.11
VAT	229,882,833.40	2,101,922,392.75	(2,114,027,566.08)	217,777,660.07
Business tax	106,533.88	-	-	106,533.88
Property tax	33,723,602.37	117,222,940.41	(113,477,859.35)	37,468,683.43
Land use tax	(435,274.91)	51,572,612.24	(51,709,715.36)	(572,378.03)
Land appreciation tax	1,627,945.21	-	-	1,627,945.21
Other taxes	115,872,240.34	88,780,767.09	(85,941,665.92)	118,711,341.51
Total	1,319,444,339.57	3,174,665,420.78	(2,969,345,106.17)	1,524,764,654.18

38. Other payables

	Note	2022 RMB	2021 RMB
Interest payable	38.1	6,152,430.56	6,152,613.56
Dividends payable	38.2	171,084,441.27	195,311,400.26
Other payables	38.3	3,384,676,502.35	3,604,572,867.66
Total		3,561,913,374.18	3,806,036,881.48

38.1. Interest payable

	2022 RMB	2021 RMB
Interest payable on loans	6,152,430.56	6,152,613.56

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

38.2. Dividends payable

	<u>2022</u> RMB	<u>2021</u> RMB
SASAC of Shanghai Municipal Government	-	-
Non-controlling interest of the Group's subsidiaries	<u>171,084,441.27</u>	<u>195,311,400.26</u>
Total	<u>171,084,441.27</u>	<u>195,311,400.26</u>

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

38.3. Other payables

<i>Nature</i>	<u>2022</u> RMB	<u>2021</u> RMB
Temporary receipts and advances	805,347,578.75	903,389,286.60
Accrued expenses	561,149,845.42	608,449,510.26
Deposits, security deposits and guarantee deposits	680,085,238.67	647,196,937.43
IT and other charges of Radisson Hotel	384,654,678.00	407,833,633.30
Government grants to be returned (Note 1)	155,880,900.00	179,900,484.60
Balances with related parties (Note X(2)(d))	81,819,824.49	65,609,002.61
Accrued tax involved in significant replacement of assets and underlying transactions (Note 2)	58,623,448.29	58,623,448.29
Land transferring fees and tax for transfer of land	81,164,627.00	89,379,752.00
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
Relocation compensation payable	41,061,368.93	41,244,120.56
Acquisition of non-controlling interest (Note 4)	15,166,668.00	31,372,015.80
Cash donation to Shanghai Business School	10,000,000.00	-
Payable on guarantee expenses for management contract	-	14,403,301.50
Others	<u>472,760,570.80</u>	<u>520,209,620.71</u>
Total	<u>3,384,676,502.35</u>	<u>3,604,572,867.66</u>

As at 31 December 2022, the Group's significant other payables with an ageing over 1 year and balances above RMB20 million (inclusive) included:

- (1) The Group's overseas operations of Radisson Hotel were required to return government grants totalling RMB155,880,900.00 due to non-fulfilment of conditions. The balance remained unpaid as negotiations are still ongoing.
- (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 2022, apart from the above balances, the Group did not have any other significant other payables with balances exceeding RMB20 million (inclusive).

- (4) As at 31 December 2022, the Group's subsidiary, Jinjiang Hotels, was required to pay the remaining consideration of RMB15,166,668.00 for the acquisition of non-controlling interests in GPP; as at 31 December 2021, the Group was required to pay the remaining consideration of RMB31,372,015.80 for the acquisition of non-controlling interests in Keystone and the balance was fully paid by the Group in 2022.

As at 31 December 2022, 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.

39. Non-current liabilities due within one year

	2022 RMB	2021 RMB
Long-term loans due within one year (see Note IX.41)	5,759,663,983.45	10,292,601,389.05
Debentures payable due within one year (see Note IX.43)	3,050,993,820.05	-
Long-term payables due within one year (see Note IX.45)	515,730,707.32	335,641,035.82
Lease liabilities due within one year (Note IX.44)	<u>1,387,148,440.84</u>	<u>1,575,303,699.07</u>
Total	<u><u>10,713,536,951.66</u></u>	<u><u>12,203,546,123.94</u></u>

40. Other current liabilities

	2022 RMB	2021 RMB
Equity acquisition fees received in advance (Note 1)	463,960,000.00	463,960,000.00
Others	120,302,175.94	180,930,579.73
Total	584,262,175.94	644,890,579.73

Note 1: In prior years, the Company signed an equity transfer agreement to transfer its 16.19% equity interests in Shanghai Feilvwan Cultural Communication Capital Co., Ltd. (previously known as "Shanghai Joyu Culture Communication Co., Ltd.") to Neoglory Holdings Group Co., Ltd.. As at 31 December 2022, 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., and the equity transfer has not yet been completed.

41. Long-term loans

	As at 31 December 2022			As at 31 December 2021		
	Amount in functional currency	Exchange rate	RMB	Amount in functional currency	Exchange rate	RMB
Unsecured loans (Note 1)						
RMB	11,343,202,609.14	1.0000	11,343,202,609.14	6,499,199,671.79	1.0000	6,499,199,671.79
EUR	2,952,288,260.73	7.4229	21,914,540,530.58	3,747,676,491.68	7.2197	27,057,099,967.00
USD	-	6.9646	-	71,338,000.00	6.3757	454,829,686.60
PLN	18,105,268.15	1.5878	28,747,544.77	23,075,426.61	1.5717	36,267,648.00
INR	51,046.99	0.0842	4,297.14	1,951,421.45	0.0802	156,504.00
BRL	4,190,537.91	1.3183	5,524,386.13	5,221,919.63	1.0950	5,718,002.00
Guaranteed loans (Note 2)						
CHF	3,479,769.75	7.5432	26,248,599.18	4,820,999.83	7.2197	34,806,172.47
Loans secured by mortgages (Note 3)						
USD	-	6.9646	-	51,962,904.00	6.3757	331,299,887.03
PLN	18,794,471.72	1.5878	29,841,862.19	22,114,925.24	1.5717	34,758,028.00
Pledged loans						
RMB	-	1.0000	-	959,993,476.00	1.0000	959,993,476.00
Sub-total - Long-term loans			33,348,109,829.13			35,414,129,042.89
Less: Long-term loans due within one year						
Including: Unsecured loans						
RMB	1,450,596,847.24	1.0000	1,450,596,847.24	1,927,257,975.01	1.0000	1,927,257,975.01
EUR	572,382,737.54	7.4229	4,248,739,822.47	959,081,814.84	7.2197	6,924,282,975.78
PLN	18,105,268.15	1.5878	28,747,544.77	14,572,979.39	1.5717	22,904,351.70
USD	-	6.9646	-	70,744,000.00	6.3757	451,042,520.80
BRL	1,318,293.84	1.3183	1,737,906.77	-	1.0950	-
Loans secured by mortgages						
PLN	18,794,471.72	1.5878	29,841,862.20	4,530,183.93	1.5717	7,120,090.08
Pledged loans						
RMB	-	1.0000	-	959,993,475.68	1.0000	959,993,475.68
Sub-total - Long-term loans due within one year			5,759,663,983.45			10,292,601,389.05
Total			27,588,445,845.68			25,121,527,653.84

Note 1: As at 31 December 2022, unsecured loans represented the Group's loans from third-party commercial banks and other third parties amounting to RMB33,292,019,367.76 with an interest rate range of 0.5% - 9.64% p.a.

Note 2: As at 31 December 2022, guaranteed loans represented a loan of CHF3,479,769.75 (equivalent to RMB26,248,599.18) from Swiss Government by Jin Jiang International Investment.

Note 3: As at 31 December 2022, the subsidiaries of GDL borrowed a loan of PLN18,794,471.72 (equivalent to RMB29,841,862.19) from overseas banks, of which, the portion due within one year is RMB29,841,862.19. The loan is secured by collaterals of plant and buildings with total carrying amount of RMB167,225,731.02 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.

42. Customer deposits

	<u>2022</u> RMB	<u>2021</u> RMB
Deposits from customers		
- Related parties (Note XI (2)(d))	225,406,510.46	245,289,803.70
- Others	<u>61,177,795.12</u>	<u>63,903,948.61</u>
Sub-total	286,584,305.58	309,193,752.31
Less: Deposits from customers due within one year (see Note IX.35)	<u>128,084,305.58</u>	<u>98,693,752.31</u>
Total	<u>158,500,000.00</u>	<u>210,500,000.00</u>

43. Debentures payable

<i>Debenture abbreviation and code</i>	<i>1 January 2022</i> RMB	<i>(Repayment) /</i> <i>additions during the</i> <i>year</i> RMB	<i>Accrued interest</i> <i>during the year</i> RMB	<i>Interest paid during</i> <i>the year</i> RMB	<i>Translation</i> <i>differences arising</i> <i>from translation of</i> <i>foreign currency</i> <i>financial statements</i> RMB	<i>31 December 2022</i> RMB
18 Jin Jiang 01-143517 (Note 1)	3,123,444.84	-	44,257.56	(100,500.00)	-	3,067,202.40
18 Jin Jiang 02-155042 (Note 2)	1,004,521,129.95	-	41,820,896.45	(41,800,000.00)	-	1,004,542,026.40
ISIN: XS2050910418 (Note 3)	3,609,654,870.10	(252,987,277.80)	10,103,391.69	(13,105,337.92)	108,908,611.30	3,462,574,257.37
20 Jin Jiang MTN001 (Note 4)	2,033,145,669.99	-	53,735,529.59	(53,600,000.00)	-	2,033,281,199.58
21 Jin Jiang MTN001 (Note 5)	2,254,663,830.72	-	86,635,132.43	(85,800,000.00)	-	2,255,498,963.15
Sub-total	8,905,108,945.60	<u>(252,987,277.80)</u>	<u>192,339,207.72</u>	<u>(194,405,837.92)</u>	<u>108,908,611.30</u>	8,758,963,648.90
Less: Debentures payable due within one year	<u>-</u>					<u>3,050,993,820.05</u>
Total	<u>8,905,108,945.60</u>					<u>5,707,969,828.85</u>

Note 1: This represents the corporate bonds issued by the Company on 16 March 2018, with a par value of RMB 500 million, coupon rate of 5.25% p.a. with a term of 5 years, expiring on 16 March 2023. On 18 January 2021, the Company reduced the coupon rate for the following two years of the debentures to 3.35% p.a..

Note 2: This represents the corporate bonds issued by the Company on 20 November 2018, with a par value of RMB1 billion, coupon rate of 4.18%p.a. with a term of 5 years, expiring on 20 November 2023.

Note 3: 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% p.a., with a term of 5 years, expiring on 25 September 2024. On 23 November 2022, the Group redeemed the bonds with a par value of EUR34,082,000 (equivalent to RMB252,987,277.80) in advance.

Note 4: This represents the medium-term note issued by the Company on 13 May 2020, with a par value of RMB2 billion, coupon rate of 2.68% p.a. with a term of 3 years, expiring on 15 May 2023.

Note 5: This represents the medium-term note issued by the Company on 25 April 2021, with a par value of RMB2.2 billion, coupon rate of 3.90% p.a. with a term of 5 years, expiring on 25 April 2026.

44. Lease liabilities

<i>Items</i>	<u>2022</u> RMB	<u>2021</u> RMB
Lease payments	13,276,195,407.84	13,255,341,495.69
Less: Reclassified to non-current liabilities due within one year	<u>1,387,148,440.84</u>	<u>1,575,303,699.07</u>
Net amount of lease liabilities	<u>11,889,046,967.00</u>	<u>11,680,037,796.62</u>

	<u>2022</u>	<u>2021</u>
Short-term lease expenses for which the practical expedient has been applied	27,581,424.73	69,261,803.37
Expenses relating to leases of low-value assets for which the practical expedient has been applied, excluding short-term leases of low-value assets	21,098,075.17	29,640,514.29
Variable lease payments not included in the measurement of lease liabilities	1,295,919,573.60	467,790,529.50
Total cash outflow for leases	3,463,428,470.97	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 less than one year, and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

45. Long-term payables

Category	2022 RMB	2021 RMB
Payments for acquisition of non-controlling interests (Note 1)	509,670,507.32	761,585,599.60
Payables for vehicle purchase	7,075,200.00	19,165,800.00
Payments for acquisition of Golden Tulip South East Asia Ltd. ("GT SEA") (Note 2)	5,775,016.00	6,151,186.00
Others	<u>3,145,678.84</u>	<u>5,419,046.87</u>
Total	<u>525,666,402.16</u>	<u>792,321,632.47</u>
Including: Long-term payables due within one year	515,730,707.32	335,641,035.82
Long-term payables due after one year	<u>9,935,694.84</u>	<u>456,680,596.65</u>

Note 1: 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. Among them, the payment for acquisition of Vienna and Longevity Village, and the payment for acquisition of Sarovar Hotels Private Limited will fall due in 2023, and thus as at 31 December 2022, the Group presented them as non-current liabilities due within one year (Note IX 39). The Group recognised a total gain of RMB34,111,947.28 (Note IX.67) due to the change in fair value of the above obligations during the year; and the Group completed the purchase of 10% equity interest in Vienna and Longevity Village during the year, of which details are set out in Note IX.77.

Note 2: This is the outstanding final payment for the acquisition of GT SEA in prior years by Jinjiang Hotels.

46. Long-term employee benefits payable

	2022 RMB	2021 RMB
Termination benefits	832,569,529.03	831,767,294.01
Deferred compensation plan	-	68,506,896.50
Long-term incentive plan	-	55,739,986.10
Net liabilities payable of defined benefit plan	<u>98,626,149.60</u>	<u>106,838,759.71</u>
Total	<u><u>931,195,678.63</u></u>	<u><u>1,062,852,936.32</u></u>

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

	1 January 2022 RMB	Additions during the period	Reductions during the period	31 December 2022 RMB
Termination benefits (Note 1)	831,767,294.01	8,493,985.15	(7,691,750.13)	832,569,529.03
Deferred compensation plan (Note 2)	68,506,896.50	-	(68,506,896.50)	-
Long-term incentive plan (Note 3)	<u>55,739,986.10</u>	<u>-</u>	<u>(55,739,986.10)</u>	<u>-</u>
Total	<u><u>956,014,176.61</u></u>	<u><u>8,493,985.15</u></u>	<u><u>(131,938,632.73)</u></u>	<u><u>832,569,529.03</u></u>

Note 1: As at 31 December 2022, long-term employee compensation payable includes termination benefits payable of RMB832,569,529.03 (2021: 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: RHI had a deferred compensation plan under which employees at a certain level 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. As RHI was disposed by the Group during the year, the balance was reduced to zero at the end of the year.

Note 3: RHI had a long-term incentive plan under which the senior management personnel can obtain corresponding incentive bonuses when operating performance and capital management have reached a certain standard within the specified service period. As RHI was disposed by the Group during the year, the balance was reduced to zero at the end of the year.

46.2 Defined benefit plans

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

	2022 RMB	2021 RMB
GDL (Note 1)	69,127,545.00	77,736,149.42
European operations of Radisson Hotel	<u>29,498,604.60</u>	<u>29,102,610.29</u>
Total	<u>98,626,149.60</u>	<u>106,838,759.71</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	77,736,149.42	99,640,012.22
II. Included in profit or loss	3,560,171.00	16,264,938.74
1. Current service cost	2,901,581.00	16,264,938.74
2. Net interest	658,590.00	-
III. Included in other comprehensive	(9,752,011.42)	(4,023,649.20)
1. Actuarial gains	(9,752,011.42)	(4,023,649.20)
IV. Other changes	(2,416,764.00)	(34,145,152.34)
1. Consideration paid during settlement	(1,840,723.00)	(2,536,607.73)
2. Translation differences arising from translation of foreign currency financial statements during the year	(576,041.00)	(31,608,544.61)
V. Closing balance	<u>69,127,545.00</u>	<u>77,736,149.42</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 3.00% (2021: 0.85%) and the inflation rate is 2.20% (2021: 1.90%).

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 3.50% (2021: 3.00%) and for salaries of hotel staff is 3.00% (2021: 2.50%). 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 RMB2,931,679.55 (increase by RMB3,160,128.59);
- If the inflation rate increases (decreases) by 0.50%, the present value of the defined benefit plan obligation would increase by RMB392,462.94 (decrease by RMB369,494.76);
- If remuneration is expected to increase (decrease) by 0.5%, the present value of the defined benefit plan obligation will increase by RMB1,809,112.25 (decrease by RMB1,691,825.10).

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.

47. Provisions

<i>Items</i>	<i>2022</i> RMB	<i>2021</i> RMB
Pending litigations and claims (Note 1)	215,265,191.00	49,139,321.00
External guarantees (Note 2)	<u>44,860,195.22</u>	<u>-</u>
Total	<u>260,125,386.22</u>	<u>49,139,321.00</u>

Note 1: As at 31 December 2022, this represents the provision for pending litigations and claims relating to property leases and disputes with vendors, and etc.. Due to these litigations and claims, as at 31 December 2022, bank deposits amounting to RMB4,988,414.56 (2021: RMB9,970,578.50) were frozen. Please see Note IX.29.

Note 2: As at 31 December 2022, based on the Group's management's estimate, it is probable that the Group will be obligated to pay for the bank loan guarantee of Shanghai Overseas Joint-Investment Co., Ltd. ("Overseas Joint-Investment") and therefore a corresponding provision has been accrued. As at 17 March 2023, the Group has fulfilled the loan guarantee obligation.

48. Deferred income

	31 December 2021 RMB	Additions during the year RMB	Reductions during the year RMB	31 December 2022 RMB
Relocation compensation for auto insurance quick claim settlement centre	19,195,534.00	-	959,776.68	18,235,757.32
Government grants related to assets	66,461,113.27	-	4,632,574.32	61,828,538.95
Government grants related to income	3,270,582.00	-	-	3,270,582.00
Others	2,520,113.90	-	75,486.96	2,444,626.94
Total	91,447,343.17	-	5,667,837.96	85,779,505.21

49. Other non-current liabilities

	2022 RMB	2021 RMB
Contract liabilities (Note 1)	362,610,947.10	571,258,904.58
Others	1,943,326.37	62,949,148.66
Total	364,554,273.47	634,208,053.24

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

Items	2022 RMB	2021 RMB
Long-term contract liabilities related to membership points	329,979,893.10	531,331,869.58
Long-term contract liabilities related to franchise services	32,631,054.00	39,927,035.00
Total	362,610,947.10	571,258,904.58

50. Paid-in capital

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

	2021 and 2022	
	RMB	Proportion of contribution %
State-owned capital	<u>2,000,000,000.00</u>	<u>100.00</u>

51. Other equity instruments

	Carrying amount at 1 January 2022 RMB	Additions during the year RMB	Reductions during the year RMB	Carrying amount at 31 December 2022 RMB
2nd perpetual medium-term notes in 2021				
- Principal	2,998,584,905.66	-	-	2,998,584,905.66
- Interest	<u>5,403,287.67</u>	<u>103,800,000.00</u>	<u>(103,800,000.00)</u>	<u>5,403,287.67</u>
Total	<u>3,003,988,193.33</u>	<u>103,800,000.00</u>	<u>(103,800,000.00)</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 billion, and the actual cash received was RMB2,998,584,905.66 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.

52. Capital reserve

2022:

Items	1 January 2022 RMB	Additions during the year RMB	31 December 2022 RMB
Capital premiums	3,043,104,678.57	39,628,523.45	3,082,733,202.02
Including: Capital invested by investors (Note 1)	3,739,627,441.36	360,000,000.00	4,099,627,441.36
Difference arising from acquisition of non-controlling interests (Note IX.77)	(399,507,639.00)	(539,071,476.55)	(938,479,115.55)
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 2)	(401,620,404.71)	218,700,000.00	(183,020,404.71)
Others	(11,774,857.15)	-	(11,774,857.15)
Other capital reserves	1,694,830,120.88	(274,645,116.11)	1,420,185,004.77
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 (Note IX.16)	21,948,564.67	(270,145,116.11)	(248,196,551.44)
Others	13,159,117.74	(4,500,000.00)	8,659,117.74
Transfers from items under previous standards	1,898,189,327.06	-	1,898,189,327.06
Total	<u>6,636,124,126.51</u>	<u>(235,016,592.66)</u>	<u>6,401,107,533.85</u>

Note 1: During the year, the Group received capital contributions from investors including: 1) RMB300 million of state-owned capital was allocated to the Group by the Shanghai State-owned Assets Supervision and Administration Commission during the year to support the innovative development of urban services; and 2) RMB60 million of state-owned capital was allocated to the Company by the Shanghai State-owned Assets Supervision and Administration Commission for brand refresh and upgrade project of Pacific Hotel.

Note 2: 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 acquire 10% non-controlling interest in Vienna and Longevity Village, of which details are set out in Note IX.77.

2021:

Items	Opening balance RMB	Additions during the year RMB	Closing balance RMB
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	(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	(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 (Note 1)	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 movement in the grant of drag-along right in 2021 was 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.

53. Specific reserve

Items	1 January 2022 RMB	Additions during the year RMB	Reductions during the year RMB	31 December 2022 RMB
Safety fees	<u>-</u>	<u>11,430,443.86</u>	<u>(11,430,443.86)</u>	<u>-</u>

54. Surplus reserve

	Statutory surplus reserve RMB	Discretionary surplus reserve RMB	Total RMB
2022:			
Opening balance and closing balance	<u>677,073,572.36</u>	<u>106,535,086.29</u>	<u>783,608,658.65</u>
2021:			
Opening balance and 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.

55. Retained earnings

	2022 RMB	2021 RMB
Retained earnings at the end of last year	7,538,127,424.74	8,577,272,280.06
Add: Changes in accounting policies	-	(605,937,161.18)
Retained earnings at the beginning of the year	7,538,127,424.74	7,971,335,118.88
Add: Net losses for the year attributable to owners of the Company	(1,394,855,773.20)	(434,360,216.06)
Add: Transfers from other comprehensive income (Note IX 75)	<u>(19,242,573.21)</u>	<u>-</u>
Profits available for distribution to shareholders	6,124,029,078.33	7,536,974,902.82
Less: Appropriation for statutory surplus reserve	-	-
Less: Dividend distributions	-	(6,675,371.95)
Less: Interest on perpetual bonds	<u>103,800,000.00</u>	<u>5,522,850.03</u>
Total	<u>6,020,229,078.33</u>	<u>7,538,127,424.74</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 Group had a net loss for the year, no profit appropriation was made for the year 2022.

Note 2: As at 31 December 2022, the Group's balance of retained earnings included the surplus reserves of RMB1,590,401,716.97 (2021: RMB1,591,980,472.20), which are appropriated by its subsidiaries.

56. Operating income

	2022 RMB	2021 RMB
Operating income from principal activities		
- Hotel rooms and catering services	20,027,560,064.61	17,794,942,353.87
- Passenger transportation and logistics services	6,981,084,546.27	7,638,607,104.99
- Tourism services	302,693,781.77	438,534,088.14
- Trading business	102,265,738.44	105,975,610.33
- Urban services	388,428,942.90	155,265,430.71
- Others	<u>1,206,225,993.50</u>	<u>1,465,780,210.78</u>
Sub-total	29,008,259,067.49	27,599,104,798.82
Other operating income	<u>34,808,117.67</u>	<u>50,045,880.51</u>
Total	<u>29,043,067,185.16</u>	<u>27,649,150,679.33</u>
Including: Revenue from contracts with customers (1)	28,379,779,156.98	26,600,199,706.35
Lease income - Operating lease income	663,288,028.18	1,048,950,972.98

(1) Disaggregation of revenue from contracts with customers in 2022

For the Group's operating income from external customers in respect of each product and service during 2022, please see Note IX.78 - *Segment reporting*.

57. Interest income / expenses of financial institutions

	<u>2022</u>		<u>2021</u>	
	<u>Income</u> RMB	<u>Expenses</u> RMB	<u>Income</u> RMB	<u>Expenses</u> RMB
Total	<u>110,551,200.98</u>	<u>59,351,100.00</u>	<u>128,623,228.87</u>	<u>61,231,711.00</u>

58. Operating costs

	<u>2022</u> RMB	<u>2021</u> RMB
Operating cost of principal activities		
- Hotel rooms and catering services	14,249,908,741.29	12,679,994,864.33
- Passenger transportation and logistics services	6,565,459,975.41	6,996,016,303.48
- Tourism services	281,607,032.89	399,504,260.01
- Trading business	88,621,614.38	95,966,388.12
- Urban services	377,336,357.92	152,976,342.87
- Others	<u>750,166,479.60</u>	<u>1,152,913,950.71</u>
Sub-total	22,313,100,201.49	21,477,372,109.52
Other operating costs	<u>17,234,442.18</u>	<u>22,394,222.56</u>
Total	<u><u>22,330,334,643.67</u></u>	<u><u>21,499,766,332.08</u></u>

59. Taxes and surcharges

	<u>2022</u> RMB	<u>2021</u> RMB
Property tax	215,618,540.50	234,014,706.30
Urban maintenance and construction tax	30,538,034.19	35,048,353.42
Education surcharges	21,721,937.89	24,361,563.39
Others	<u>64,709,508.64</u>	<u>82,813,131.43</u>
Total	<u><u>332,588,021.22</u></u>	<u><u>376,237,754.54</u></u>

60. Selling and distribution expenses

	<u>2022</u> RMB	<u>2021</u> RMB
Labour costs	934,638,863.16	941,856,659.77
Leasing expenses	29,557,948.53	17,158,149.45
Energy and fuel expenses	25,254,904.53	54,789,195.34
Material consumption	1,286,024.58	9,023,949.47
Advertising and promotion fees	490,058,952.07	541,411,718.53
Depreciation of fixed assets	33,254,382.60	32,871,328.55
Amortisation of intangible assets and long-term deferred expenses	330,240.85	700,616.73
Amortisation of right-of-use assets	6,756,754.12	22,838,735.41
Transportation expenses	34,962,564.14	27,819,244.24
Room reservation fees	404,598,573.78	343,597,528.70
Decoration, repair and maintenance expenses	10,246,739.93	16,990,336.38
Consultation fees	84,043,912.21	102,988,141.69
Postage and communication fees	9,837,101.67	9,509,145.86
Others	364,517,804.74	202,228,258.51
	<u>2,429,344,766.91</u>	<u>2,323,783,008.63</u>
Total	<u>2,429,344,766.91</u>	<u>2,323,783,008.63</u>

61. General and administrative expenses

	2022 RMB	2021 RMB
Labour costs	3,137,787,681.66	3,477,395,482.53
Agency consulting fees	626,081,731.35	573,385,268.14
Depreciation expenses of fixed assets	483,943,650.50	390,623,164.91
Amortisation of intangible assets and long-term deferred expenses	65,496,409.92	45,681,231.42
Amortisation of right-of-use assets	28,330,411.30	41,150,177.89
Leasing expenses	39,128,656.95	138,286,029.17
Advertising and promotion fees	44,360,177.10	19,538,963.40
Office administrative expenses	15,768,159.81	13,492,102.96
Travelling expenses	649,903.50	2,378,616.56
Energy and fuel expenses and material consumption	143,047,593.50	90,596,159.59
Maintenance expenses	122,194,644.51	156,593,490.31
Postage and communication fees	81,596,297.59	100,983,785.49
Epidemic prevention and protection fees	9,212,673.40	
Others	<u>550,691,906.06</u>	<u>278,122,197.97</u>
Total	<u>5,348,289,897.15</u>	<u>5,328,226,670.34</u>

62. Research and development expenses

	2022 RMB	2021 RMB
Employee benefits expenses	15,507,885.89	45,289,468.49
Others	<u>3,199,291.28</u>	<u>5,712,132.65</u>
Total	<u>18,707,177.17</u>	<u>51,001,601.14</u>

63. Financial expenses

	2022 RMB	2021 RMB
Interest expenses from loans and payables	1,083,677,482.14	1,025,403,877.54
Interest expenses from lease liabilities	532,965,468.09	487,189,792.86
Interest income	(360,565,875.62)	(285,278,188.81)
Net exchange (gains)/losses	(94,744,955.48)	76,108,683.71
Other financial expenses	<u>74,127,718.89</u>	<u>107,367,670.08</u>
 Total	 <u>1,235,459,838.02</u>	 <u>1,410,791,835.38</u>

64. Exchange (gains)/losses of financial institutions

	2022 RMB	2021 RMB
Exchange (gains)/losses of finance company	<u>(4,522,351.00)</u>	<u>994,786.00</u>

65. Other income

<i>Items</i>	2022 RMB	2021 RMB	<i>Related to assets / income</i>
Government grants			
Epidemic related subsidies	95,166,204.23	374,083,643.26	Related to income
Industry sponsorship funds	54,254,247.27	39,891,589.75	Related to income
Financial supporting funds	7,453,000.00	7,916,226.79	Related to income
Tax refunds	6,419,710.81	23,024,994.15	Related to income
Enterprise supporting funds	4,937,200.80	5,766,795.44	Related to income
Supporting funds from Huangpu District Finance Bureau	3,000,000.00	1,700,000.00	Related to income
Involvement and support funds of Expo Development Committee	2,773,800.00	596,400.00	Related to income
GDL hotel property support grant	2,424,049.00	1,800,478.58	Related to assets
Relocation compensation for auto insurance quick claim settlement centre	959,776.68	959,777.00	Related to assets
Special support funds for Metropolo brand innovation projects	775,500.00	1,221,900.00	Related to assets
Subsidy for Wusong cruise delivery project	179,926.08	179,926.08	Related to assets
Subsidy for Wusong cold chain project	101,855.28	101,855.28	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	22,857,926.44	19,619,872.21	Related to income
Other subsidies relating to assets	1,226,730.92	1,150,188.24	Related to assets
Extra deduction of VAT	44,598,879.64	40,301,107.10	
Total	<u>247,128,807.15</u>	<u>529,856,691.88</u>	

66. Investment income

<i>Items</i>	<i>2022</i> RMB	<i>2021</i> RMB
Long-term equity investments	430,715,629.40	1,799,828,042.14
Including: Investment (loss)/income under equity method	(32,453,586.50)	357,512,182.63
Gains from disposal of long-term equity investments (Note 1)	463,169,215.90	1,442,315,859.51
Financial assets held for trading	23,857,471.86	19,726,280.48
Investments in other equity instruments	183,447,704.63	158,564,000.08
Including: Dividends distribution declared by the investees corresponding to other equity instruments	183,447,704.63	158,564,000.08
Other non-current financial assets	93,161,107.20	120,501,241.88
Including: Dividends distribution declared by the investees corresponding to other non-current financial assets	93,161,107.20	120,501,241.88
Others	<u>11,836,160.41</u>	<u>6,061,108.75</u>
Total	<u>743,018,073.50</u>	<u>2,104,680,673.33</u>

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

	<i>2022</i> RMB	<i>2021</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.	-	-
Radisson Hospitality Inc. (Note VIII.1.2)	197,758,042.18	-
Shanghai Shendi (Group) Co., Ltd. (Note VIII.16)	192,750,567.08	-
HRG Jin Jiang China (Note VIII.16)	15,670,585.10	-
Others	<u>56,990,021.54</u>	<u>6,309,928.11</u>
Total	<u>463,169,215.90</u>	<u>1,442,315,859.51</u>

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

67. Gains / (losses) from changes in fair value

	2022 RMB	2021 RMB
Financial assets held for trading	(128,798,022.47)	(76,783,187.62)
Derivative financial assets	(768,770.21)	86,274,298.15
Other non-current financial assets	220,487,645.03	(482,840.05)
Drag-along right	34,111,947.28	(298,749,865.65)
Others	<u>-</u>	<u>-</u>
 Total	 <u>125,032,799.63</u>	 <u>(289,741,595.17)</u>

68. (Losses)/reversals of credit losses

	2022 RMB	2021 RMB
(Losses)/reversals of bad and doubtful debts	(329,704,867.22)	40,997,709.77
Reversals of impairment losses of loans and advances to customers	20,346,000.00	41,250.00
Impairment losses for other non-current assets	(31,213,420.23)	(14,083,841.82)
Others	<u>(32,347.02)</u>	<u>(9,944,693.00)</u>
 Total	 <u>(340,604,634.47)</u>	 <u>17,010,424.95</u>

69. Impairment losses

	2022 RMB	2021 RMB
Impairment losses of inventories	-	114,298.00
Impairment losses of fixed assets	10,237,145.35	51,631,200.68
Impairment losses of construction in progress	3,658,431.40	6,137,061.06
Impairment losses of right-of-use assets	-	40,916,291.12
Impairment losses of intangible assets	7,869,881.50	19,885,391.72
Impairment losses of long-term deferred expenses	<u>602,648.58</u>	<u>5,494,276.61</u>
 Total	 <u>22,368,106.83</u>	 <u>124,178,519.19</u>

70. Gains from asset disposals

	2022 RMB	2021 RMB
Gains from disposal of fixed assets	42,099,054.54	40,787,719.77
Gains from disposal of trademark right of Radisson Hospitality Inc. (Note VIII.1.2)	196,166,223.90	-
Gains from disposals of right-of-use assets	-	72,313,250.63
Compensation for land demolition and relocation (Note 1)	<u>903,349,137.11</u>	<u>40,122,100.00</u>
 Total	 <u>1,141,614,415.55</u>	 <u>153,223,070.40</u>

Note 1: During the year, a gain on disposal of assets of RMB768,154,411.51 was recognised by Jinjiang Online, a subsidiary of the Group, in relation to the expropriation of properties in connection with the redevelopment of the Nanpu site in Huangpu District, Shanghai; a gain on disposal of assets of RMB87,779,949.60 was recognised by Jinjiang Hotel, a subsidiary of the Group, in relation to the expropriation of the leased properties of Dongfeng Hotel; and a gain on disposal of assets of RMB47,414,776.00 was recognised by the Food Group, a subsidiary of the Group, in relation to the expropriation of buildings on land at No. 14-18, Lane 73, Tanggu Road, No. 120, Nanxun Road and No. 29, Nan Chen Road.

71. Non-operating income

	2022 RMB	2021 RMB
Government grants	15,452,867.53	28,739,930.07
Compensation income	56,060,616.76	36,781,244.00
Payables not required to be paid	983,230.00	5,199,974.90
Penalty and forfeiture income	45,529.00	100,600.00
Recovery of bad and doubtful debts written off in prior years	-	50,649,258.58
Others	<u>33,100,758.58</u>	<u>22,275,820.34</u>
 Total	 <u>105,643,001.87</u>	 <u>143,746,827.89</u>

72. Non-operating expenses

	2022 RMB	2021 RMB
Sponsorship and donation expenses	20,667,768.79	52,334,416.00
Scrapping of fixed assets	31,528,020.18	2,931,145.41
Penalty costs	5,514,202.14	2,098,879.68
Compensation losses	10,522,945.91	66,719.64
Supplementary medical insurance for retired employees	31,462.62	11,960,000.00
Guarantee issued to external parties (Note IX.47)	44,860,195.22	-
Others	<u>29,040,243.47</u>	<u>35,280,387.33</u>
 Total	 <u>142,164,838.33</u>	 <u>104,671,548.06</u>

73. Income tax expenses

73.1 Income tax expense for the year represents

	2022 RMB	2021 RMB
Current tax expenses for the period based on tax law and regulations	839,679,322.65	545,978,796.59
Changes in deferred tax assets/liabilities	(554,377,206.86)	(690,657,850.99)
Tax filing differences for the previous year	(14,814,109.10)	(38,161,218.89)
Overseas corporate VAT	<u>6,329,234.46</u>	<u>5,519,317.55</u>
Total	<u>276,817,241.15</u>	<u>(177,320,955.74)</u>

73.2 Reconciliation between income tax expenses and accounting loss:

	2022 RMB	2021 RMB
Loss before taxation	(738,635,188.93)	(844,333,764.88)
Expected income tax expense at tax rate of 25%	(184,658,797.23)	(211,083,441.22)
Effect of different tax rates applied by subsidiaries	(30,295,008.07)	(12,572,134.00)
Effect of non-deductible expenses	143,359,403.10	176,307,344.55
Tax preferential treatments meeting the special restructuring standards (Note 1)	-	(457,324,834.74)
Tax effect of tax-free income	(155,292,962.15)	(217,162,326.37)
Tax effect of deductible tax losses and deductible temporary differences of deferred tax assets not recognised	880,158,235.42	765,058,435.56
Tax effect of utilising deductible tax losses and deductible temporary differences of deferred tax assets not recognised in previous years	(375,987,695.37)	(198,041,491.02)
Effect of changes in tax rates	(413,100.00)	(19,005,270.20)
Withholding income taxes	36,726,084.56	36,033,491.48
Tax filing differences for the previous year	(14,814,109.10)	(38,314,388.07)
VAT for overseas corporate (Note 2)	6,329,234.46	5,519,317.55
Others	<u>(28,294,044.47)</u>	<u>(6,735,659.26)</u>
Income tax expenses	<u>276,817,241.15</u>	<u>(177,320,955.74)</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.

74. Government grants

74.1 Details of government grants

	2022 RMB	2021 RMB
Receipts of government grants relating to assets		
- Boiler subsidies	-	1,437,000.00
Receipts of government grants relating to income		
- Support funds for enterprises (Note 1)	77,418,115.60	76,694,715.26
- Tax subsidies (Note 2)	6,419,710.81	23,024,994.15
- Financial incentives and subsidies (Note 3)	5,424,632.46	13,394,528.67
- Epidemic related subsidies (Note 4)	95,166,204.23	374,083,643.26
- Others	27,886,293.98	14,385,776.48
Total	212,314,957.08	503,020,657.82

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 incentives and subsidies represent the government grants, incentives 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. Other comprehensive income

75.1 Items of other comprehensive income

	Accrued during 2022			Accrued during 2021		
	Amount before taxation RMB	Less: income tax RMB	Amount after taxation RMB	Amount before taxation RMB	Less: income tax RMB	Amount after taxation RMB
Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit plan	1,616,154.37	(1,011,931.08)	2,628,085.45	12,111,484.06	2,664,401.90	9,447,082.16
Changes in fair value of investments in other equity instruments	(1,716,135,404.20)	(27,531,011.24)	(1,688,604,392.96)	(122,764,885.06)	(9,284,343.86)	(113,480,541.20)
Other comprehensive income not available for transfer to profit or loss under the equity method	42,152.04	10,538.02	31,614.02	-	-	-
Sub-total	(1,714,477,097.79)	(28,532,404.30)	(1,685,944,693.49)	(110,653,401.00)	(6,619,941.96)	(104,033,459.04)
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	1,584,325.02	143,042.00	1,441,283.02	(94,177.43)	66,473.19	(160,650.62)
Less: Previously recognised amount transferred to profit or loss	-	-	-	(87,219.69)	-	(87,219.69)
Sub-total	1,584,325.02	143,042.00	1,441,283.02	(6,957.74)	66,473.19	(73,430.93)
Effective portion of gains or losses arising from cash flow hedging instruments	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Translation differences arising from translation of foreign currency financial statements	2,221,081.87	-	2,221,081.87	349,619,168.38	-	349,619,168.38
Sub-total	2,221,081.87	-	2,221,081.87	349,619,168.38	-	349,619,168.38
Total	(1,710,671,690.90)	(28,389,362.30)	(1,682,282,328.60)	238,958,809.64	(6,553,468.77)	245,512,278.41

75.2 Changes in other comprehensive income

	Share of the other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss RMB	Changes in fair value of investments in other equity instruments RMB	Translation differences arising from translation of foreign currency financial statements RMB	Effective portion of gains or losses arising from cash flow hedging instruments RMB	Remeasurement of defined benefit plan RMB	Share in other comprehensive income of the investee that cannot be reclassified to profit or loss under the equity method RMB	Total RMB
Balance at the beginning of 2021	499,729,776.82	(1,351,479,944.31)	(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>(128,187,672.16)</u>	<u>321,250,268.40</u>	<u>-</u>	<u>4,061,852.41</u>	<u>-</u>	<u>196,949,891.22</u>
Balance at the end of 2021	<u>499,555,219.39</u>	<u>(1,479,667,616.47)</u>	<u>247,329,545.88</u>	<u>626,078.30</u>	<u>(12,273,877.32)</u>	<u>-</u>	<u>(744,430,650.22)</u>
Balance at the beginning of 2022	499,555,219.39	(1,479,667,616.47)	247,329,545.88	626,078.30	(12,273,877.32)	-	(744,430,650.22)
Changes in equity during 2022	1,344,509.02	(1,647,343,677.66)	85,091,237.10	-	(3,010,679.55)	31,614.02	(1,563,886,997.07)
Transfer to retained earnings (Note 1)	<u>-</u>	<u>(4,430,683.28)</u>	<u>-</u>	<u>-</u>	<u>23,673,256.49</u>	<u>-</u>	<u>19,242,573.21</u>
Balance at the end of 2022	<u>500,899,728.41</u>	<u>(3,131,441,977.41)</u>	<u>332,420,782.98</u>	<u>626,078.30</u>	<u>8,388,699.62</u>	<u>31,614.02</u>	<u>(2,289,075,074.08)</u>

Note 1: During the year, the Group transferred a total of RMB19,242,573.21 from other comprehensive income to retained earnings as a result of the disposal of RHI.

76. Supplement to cash flow statement

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

	2022 RMB	2021 RMB
Net loss	(1,015,452,430.08)	(667,012,809.14)
Add: Provisions for impairment of assets	22,368,106.83	124,178,519.19
Credit losses/(reversal)	340,604,634.47	(17,010,424.95)
Depreciation of fixed assets	1,464,886,462.37	1,669,822,963.82
Depreciation of investment properties	28,733,372.39	30,030,836.56
Depreciation of ROU assets	1,538,039,276.36	1,508,072,264.92
Amortisation of intangible assets	572,359,944.83	412,524,170.92
Amortisation of long-term deferred expenses	596,612,356.36	635,052,215.23
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(1,141,614,415.55)	(153,223,070.40)
Losses from scrapping of fixed assets	31,528,020.18	2,931,145.41
(Gains)/losses from changes in fair value	(125,032,799.63)	289,741,595.17
Financial expenses	1,506,464,359.42	1,588,702,354.10
Investment income	(743,018,073.50)	(2,104,680,673.33)
Increase in deferred tax assets	(495,427,138.50)	(307,261,710.74)
Decrease in deferred tax liabilities	(58,950,068.36)	(188,714,205.22)
(Increase)/decrease in gross inventories	(10,059,449.00)	7,077,463.90
Increase in operating receivables	(753,937,338.98)	(2,010,230,273.12)
Increase in operating payables	817,923,841.57	415,166,122.83
Net cash inflow from operating activities	<u>2,576,028,661.18</u>	<u>1,235,166,485.15</u>

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

	2022 RMB	2021 RMB
Exchange of non-monetary assets	<u>-</u>	<u>2,095,772,032.54</u>
Total	<u><u>-</u></u>	<u><u>2,095,772,032.54</u></u>

76.3 Change in cash and cash equivalents:

	2022 RMB	2021 RMB
Closing balance of cash and cash equivalents	13,519,681,411.12	18,231,355,343.89
Less: Opening balance of cash and cash equivalents	<u>18,231,355,343.89</u>	<u>14,429,748,920.31</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(4,711,673,932.77)</u>	<u>3,801,606,423.58</u>

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

	2022 RMB	2021 RMB
Cash at bank and on hand		
Including: Cash on hand	18,880,708.64	19,507,240.62
Bank deposits available on demand	13,467,590,458.70	17,743,507,143.35
Other monetary funds available on demand	33,210,243.78	468,340,959.92
Time deposits over three months	3,250,000,000.00	-
Cash with restricted usage	<u>446,515,097.93</u>	<u>560,745,239.32</u>
Closing balance of cash at bank and on hand and cash equivalents	17,216,196,509.05	18,792,100,583.21
Less: Time deposits over three months	3,250,000,000.00	-
Less: Cash with restricted usage	<u>446,515,097.93</u>	<u>560,745,239.32</u>
Closing balance of cash and cash equivalents available on demand	<u><u>13,519,681,411.12</u></u>	<u><u>18,231,355,343.89</u></u>

76.5 Cash flows relating to other operating activities

	2022 RMB	2021 RMB
Proceeds from other operating activities		
Proceeds from government grants	367,130,454.14	279,288,003.67
Proceeds from interest, fee and commission charged by finance company	110,551,200.98	128,623,228.87
Proceeds from interest income obtained by group companies other than the finance company	478,110,705.58	94,085,739.83
Changes in deposit reserve	50,604,900.70	31,823,979.48
Others	<u>51,191,891.18</u>	<u>236,476,778.79</u>
Sub-total	<u>1,057,589,152.58</u>	<u>770,297,730.64</u>
Payment for other operating activities		
Payment of selling expenses and administrative expenses	3,195,457,882.34	3,038,793,533.82
Bank charges paid by group companies other than the finance company	74,127,718.89	107,367,670.88
Payments of interest, fees and commission paid by finance company	59,351,100.00	61,231,711.00
Net decrease in deposits from customers	22,609,446.73	118,311,696.13
Others	<u>292,352,769.12</u>	<u>337,411,827.49</u>
Sub-total	<u>3,643,898,917.08</u>	<u>3,663,116,439.32</u>

76.6 Cash flows relating to other investing activities

	2022 RMB	2021 RMB
Payment for other investing activities		
Acquisition of time deposits	<u>958,697,635.00</u>	<u>2,900,000,000.00</u>
Sub-total	<u>958,697,635.00</u>	<u>2,900,000,000.00</u>

76.7. Cash flows relating to other financing activities

	2022 RMB	2021 RMB
Payments for other financing activities		
Total cash outflow for leases	<u>2,159,509,876.57</u>	<u>3,158,640,648.59</u>
Sub-total	<u>2,159,509,876.57</u>	<u>3,158,640,648.59</u>

76.8. Information relating to the acquisition or disposal of subsidiaries and other business units during the year

Obtaining information about subsidiaries and other business units

Consideration for acquisition of subsidiaries and other business units		124,286,220.09
Cash or cash equivalents acquired during the year from subsidiaries and other business units paid during the year		124,286,220.09
Less: Cash and cash equivalents held by subsidiaries and other business units		<u>38,980,234.60</u>
Net cash paid for acquisition of subsidiaries and other business units		<u><u>85,305,985.49</u></u>

Information on the disposal of subsidiaries and other business units

Disposal of RHI (Note VIII.1.2)

Consideration of disposal of Radisson Hospitality Inc.		2,750,054,170.95
Disposal of cash and cash equivalents received		2,750,054,170.95
Less: Cash and cash equivalents held by RHI		<u>773,519,098.00</u>
Net cash generated from disposals		<u><u>1,976,535,072.95</u></u>

Note Monetary funds transferred out with RHI at the date of disposal

:		801,243,121.20
Less: Restricted bank deposits held by RHI at the date of disposal		<u>(27,724,023.20)</u>
Cash and cash equivalents held by RHI at the date of disposal		<u><u>773,519,098.00</u></u>

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

77.1 Acquisition of minority interests in Vienna and Longevity Village by Jinjiang Hotel

On 13 June 2022, Jinjiang Hotel entered into the "Equity Transfer Agreement in respect of Vienna Hotel Co., Ltd. (VHC)" with Shenzhen Vienna Star Hotel Management Co., Ltd. (SVSHM) and Huang De Man ("Mr. Huang") to acquire 7.05% of the equity interest in VHC held by SVSHM and 2.95% of the equity interest in VHC held by Mr. Huang. As agreed by both parties, the total price of the transaction is RMB218,600,000.00. Following the completion of the transaction, Jinjiang Hotel's shareholding in Vienna Hotel increased from 80% to 90%. On the same day, Jinjiang Hotel and Mr. Huang signed the "Equity Transfer Agreement in respect of Shenzhen Longevity Village Catering Chain Co., Ltd. ("Longevity Village"), under which Jinjiang Hotel intended to acquire 10% equity interest in Longevity Village held by Mr. Huang. The transaction price is RMB100,000 as agreed by both parties. Upon completion of the transaction, Jinjiang Hotel's shareholding in Longevity Village will increase from 80% to 90%. As at 31 December 2022, the purchase price had been paid in full.

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

	<i>VHC and Longevity Village</i>
	RMB
Consideration paid for the grant of drag-along right	218,700,000.00
Less: Net assets in subsidiary based on the % of shares disposed	156,983,730.10
Difference	61,716,269.90
Including: Adjustment on capital reserve (decrease)	27,803,179.59

77.2 Acquisition of non-controlling interests by the Company

According to the announcement and notice issued by Jinjiang Capital, a subsidiary of the Company, on 24 November 2021, the Company, as the offeror, has entered into the merger agreement with Jinjiang Capital, pursuant to which Jinjiang Capital will be absorbed and merged by the offeror in accordance with the PRC Company Law and other applicable PRC laws, while the Company will pay a cancellation price of HK\$3.10 per share in cash to the shareholders of Jinjiang Capital for the acquisition of Jinjiang Capital's shares, except that the Company, as the sole domestic shareholder, will not be required to pay consideration for the domestic shares.

Under the above merger agreement arrangement, Jinjiang Capital ceased trading, became delisted and cancelled its identity as an H share listed company in May 2022. In the same month, the Company completed the payment of the purchase consideration with the minority shareholders of Jinjiang Capital. Pursuant to the subsequent transaction arrangements, Jinjiang Capital completed the registration of the change of business registration of the domestic company in relation to the transaction on 22 September 2022, increasing the Company's shareholding in Jinjiang Capital from 75% to 100%. As at the date of these financial statements, the Company's absorption and merger transaction with Jinjiang Capital is still in progress.

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

	<i>Jinjiang Capital</i>
	RMB
Consideration paid for purchase of minority interests	3,704,405,869.42
Less: net assets in subsidiary based on the % of shares disposed	<u>3,206,313,150.46</u>
Difference	<u>498,092,718.96</u>
Including: Adjustment on capital reserve (decrease)	<u>498,092,718.96</u>

77.3 Acquisition of non-controlling interests in GPP by Jinjiang Hotel

On 9 December 2022, Jinjiang Online transferred its 50% equity interest in Shanghai Jinjiang Union Supply Chain Co., Ltd. (GPP) (equivalent to a capital contribution of RMB150,000,000) to Jinjiang Hotel by way of non-public agreement transfer. The consideration for the equity transfer in this transaction was RMB151,666,667 and Jinjiang Hotel acquired control of GPP.

In December 2022, Jinjiang Hotel entered into the equity transfer agreement with Red Star Mei Kai Long Home Furniture Group Co., Ltd. (“RSMKL”) and Shanghai Zhuoxun Enterprise Management Co., Ltd. (“Shanghai Zhuoxun”), each minority shareholder holding 10% shares in GPP entered into the Equity Transfer Agreement, pursuant to which Jinjiang Hotel acquired 20% of the shares of RSMKL and Shanghai Zhuoxun for a consideration of RMB30,333,334.33. As at 31 December 2022, the equity transfer transaction had been completed and RMB15,166,668.00 of the above acquisition amount remained outstanding (Note IX.38).

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

	<i>GPP</i>	
		RMB
Consideration paid for purchase of non-controlling interests	30,333,334.33	
Less: net assets in subsidiary based on the % of shares disposed	<u>24,919,357.05</u>	
Difference		<u>5,413,977.28</u>
Including: Adjustment on capital reserve (decrease)		<u>2,438,996.76</u>

77.4 Capital Reduction at Jinjiang Paradise

On 5 November 2021, with the unanimous consent of all shareholders, Shanghai Guosheng Asset Co., Ltd. (“SGAC”) withdrew its investment in Jinjiang Paradise, a subsidiary of the Group, by way of a capital reduction. In January 2022, Jinjiang Paradise paid RMB26,091,066.49 to SGAC for the capital reduction and withdrawal of shares and the capital reduction was completed. Prior to the capital reduction, the Group held 80.53% of the ownership interest in Jinjiang Paradise, which increased to 88.89% upon completion of the capital reduction.

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

	<i>Jinjiang Paradise</i> RMB
Capital reduction and share refund of SGAC	26,091,066.49
Less: net assets in subsidiaries based on the % of shares disposed	<u>15,914,866.78</u>
Difference	<u>10,176,199.71</u>
Including: Adjustment on capital reserve (decrease)	<u><u>9,045,623.92</u></u>

78. Segment reporting

According to the Group's internal organisation structure, management requirements and internal reporting system, the Group has divided its operating business into 5 reporting segments: hotel rooms and catering, tourism, passenger transportation and logistics, urban services and trading 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		Unallocated items		Elimination among segments		Total		
	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	
Operating income																	
Operating income from external customers	20,361,204,263.41	18,303,434,351.23	650,587,872.29	860,387,717.38	7,007,625,814.86	7,670,192,004.39	510,725,274.47	298,644,424.21	302,435,917.99	319,348,249.43	321,039,243.12	325,767,161.56	-	-	29,153,618,386.14	27,777,773,908.20	
Inter-segment operating income	116,216,497.07	122,997,697.66	30,756,504.91	41,440,605.39	-	-	43,268,693.04	58,599,614.80	-	-	24,312,171.27	53,441,447.13	(214,553,866.29)	(276,479,364.98)	-	-	
Total operating income	20,477,420,760.48	18,426,432,048.89	681,344,377.20	901,828,322.77	7,007,625,814.86	7,670,192,004.39	553,993,967.51	357,244,039.01	302,435,917.99	319,348,249.43	345,351,414.39	379,208,608.69	(214,553,866.29)	(276,479,364.98)	29,153,618,386.14	27,777,773,908.20	
Operating costs																	
Operating costs from external customers	14,632,822,655.64	13,488,259,860.89	396,656,122.76	539,808,889.26	6,565,459,975.41	6,996,016,303.48	418,360,278.96	208,133,643.53	197,524,222.74	193,910,402.54	178,862,488.16	134,868,943.38	-	-	22,389,685,743.67	21,560,998,043.08	
Inter-segment operating costs	2,732,615.00	21,530,936.24	2,520,628.81	528,091.00	-	-	291,866.67	292,000.00	-	-	513,810.00	-	(6,058,520.48)	(22,351,027.24)	-	-	
Total operating costs	14,635,555,270.64	13,509,790,797.13	399,176,751.57	540,336,980.26	6,565,459,975.41	6,996,016,303.48	418,651,945.63	208,425,643.53	197,524,222.74	193,910,402.54	179,376,098.16	134,868,943.38	(6,058,520.48)	(22,351,027.24)	22,389,685,743.67	21,560,998,043.08	
Reconciliation:																	
Less: Taxes and surcharges	288,009,963.85	293,135,098.54	12,752,102.88	20,122,028.76	11,583,730.00	15,203,731.38	8,652,354.46	9,882,805.62	4,033,247.17	5,492,574.62	7,556,622.86	32,401,515.62	-	-	332,588,021.22	376,237,754.54	
Selling and distribution expenses	1,724,461,349.71	1,591,766,369.51	203,888,735.74	213,176,064.69	402,287,625.40	410,738,677.57	22,923,419.91	25,493,395.86	71,092,337.93	72,357,351.94	5,024,631.56	11,573,666.62	(333,333.34)	(1,322,517.56)	2,429,344,766.91	2,323,783,008.63	
General and administrative expenses	4,567,911,142.21	4,252,185,829.69	226,576,358.04	135,950,089.17	250,254,802.76	205,666,594.60	103,186,574.56	76,741,223.29	46,687,113.61	45,724,229.18	337,697,983.08	769,889,341.54	(184,024,077.11)	(157,930,637.13)	5,348,289,897.15	5,328,226,670.34	
Research and development expenses	11,961,423.11	17,966,761.76	4,636,928.59	14,609,800.67	247,954.89	16,606,942.24	1,860,870.58	-	-	-	-	1,818,096.47	-	-	18,707,177.17	51,001,601.14	
Financial expenses (including exchange gains and losses of the finance company)	985,112,434.27	1,314,730,684.54	(20,783,454.46)	(12,425,757.76)	(33,997,562.42)	7,971,421.88	(41,860,482.58)	(46,045,935.20)	(19,192,127.14)	(25,168,136.12)	440,932,021.34	338,396,687.98	(79,273,341.99)	(165,672,343.94)	1,230,937,487.02	1,411,786,621.38	
Add: Impairment loss	(22,389,181.26)	(103,170,748.65)	-	(19,740,000.00)	-	-	(72,397.78)	-	-	2,312,967.33	21,074.43	(3,508,340.09)	-	-	(22,368,106.83)	(124,178,519.19)	
Credit losses	(144,216,178.01)	(94,569,924.10)	(3,772,523.82)	(2,582,415.56)	4,848,109.13	(6,736,774.70)	(533,295.71)	(162,069.97)	(195,612.15)	(166,797.22)	(209,412,561.37)	40,066,484.56	12,677,427.46	81,161,921.94	(340,604,634.47)	17,010,424.95	
Gains / losses from changes in fair value	197,901,888.41	(315,493,518.85)	-	(2,475.85)	(14,185,920.41)	(7,657,103.62)	-	-	-	(2,475.85)	(58,683,168.37)	33,413,979.00	-	-	125,032,799.63	(289,741,595.17)	
Investment income	286,453,156.98	200,501,423.40	83,862,607.11	78,909,392.98	180,010,853.57	133,644,628.41	10,130,888.19	14,579,746.99	2,328,803.75	11,302,571.57	229,158,024.39	1,736,540,070.87	(48,926,260.49)	(70,797,160.89)	743,018,073.50	2,104,680,673.33	
Gains from asset disposals	310,058,526.86	18,023,385.96	84,571.79	(1,010,180.16)	780,493,541.24	56,748,519.78	3,580,456.44	(9,019.31)	47,497,859.52	4,022,100.00	(100,540.30)	75,448,264.13	-	-	1,141,614,415.55	153,223,070.40	
Other income	126,004,164.42	437,186,071.33	19,566,263.66	14,921,429.28	24,773,121.69	12,124,939.93	4,007,371.60	1,415,333.13	4,529,111.66	1,098,157.31	68,248,774.12	63,110,760.90	-	-	247,128,807.15	529,856,691.88	

	Hotel rooms and catering		Tourism		Passenger transportation and logistics		Urban services		Trading		Unallocated items		Elimination among segments		Total	
	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB	2022 RMB	2021 RMB
Operating loss	(981,778,445.91)	(2,410,666,803.19)	(45,162,126.42)	60,554,867.67	787,728,994.04	206,112,543.04	57,764,705.47	98,498,498.97	56,451,286.46	45,598,350.41	(596,004,339.71)	1,035,331,576.45	18,886,573.60	81,161,921.94	(702,113,352.47)	(883,409,044.71)
Non-operating income	86,763,767.43	62,043,662.81	694,553.79	1,952,456.98	7,353,629.88	12,628,921.72	142,470.68	24,068,272.54	14,068,476.99	22,730,890.56	(3,379,896.90)	44,217,623.28	-	(23,895,000.00)	105,643,001.87	143,746,827.89
Non-operating expenses	73,678,332.66	54,965,932.81	440,985.09	142,273.54	2,246,445.86	837,216.65	7,340,833.15	11,216,242.66	6,086,304.09	18,375,676.78	52,371,937.48	43,029,205.60	-	(23,895,000.00)	142,164,838.33	104,671,548.06
Profit before income tax	(968,693,011.14)	(2,403,589,073.19)	(44,908,557.72)	62,365,051.11	792,836,178.06	217,904,248.11	50,566,343.00	111,350,528.83	64,433,459.36	49,953,564.19	(651,756,174.09)	1,036,519,994.13	18,886,573.60	81,161,921.94	(738,635,188.93)	(844,333,764.88)
Less: Income tax	62,920,813.16	(417,694,204.33)	(577,791.12)	6,654,812.20	216,519,562.21	40,244,063.72	17,674,501.03	20,270,493.33	19,192,528.95	10,683,806.50	(38,912,373.08)	162,520,072.84	-	-	276,817,241.15	(177,320,955.74)
Net profit	<u>(1,031,613,824.30)</u>	<u>(1,985,894,868.86)</u>	<u>(44,330,766.60)</u>	<u>55,710,238.91</u>	<u>576,316,615.85</u>	<u>177,660,184.39</u>	<u>32,891,841.97</u>	<u>91,080,035.50</u>	<u>45,240,930.41</u>	<u>39,269,757.69</u>	<u>(612,843,801.01)</u>	<u>873,999,921.29</u>	<u>18,886,573.60</u>	<u>81,161,921.94</u>	<u>(1,015,452,430.08)</u>	<u>(667,012,809.14)</u>
Total assets	<u>78,237,654,667.21</u>	<u>81,771,053,178.73</u>	<u>4,243,710,329.21</u>	<u>4,496,776,463.35</u>	<u>6,388,352,782.95</u>	<u>6,209,411,960.14</u>	<u>2,482,006,660.16</u>	<u>2,362,199,488.84</u>	<u>1,977,379,618.71</u>	<u>1,923,579,404.22</u>	<u>57,775,016,668.40</u>	<u>57,942,590,977.76</u>	<u>(44,468,993,977.50)</u>	<u>(38,196,174,863.83)</u>	<u>106,635,126,749.14</u>	<u>116,509,436,609.21</u>
Total liabilities	<u>50,829,744,457.07</u>	<u>59,000,899,888.79</u>	<u>1,334,238,073.48</u>	<u>1,697,947,691.88</u>	<u>2,007,146,505.25</u>	<u>1,993,585,447.97</u>	<u>890,167,323.08</u>	<u>778,889,280.42</u>	<u>795,185,377.55</u>	<u>789,486,164.49</u>	<u>39,279,041,191.03</u>	<u>33,558,861,788.41</u>	<u>(16,714,294,399.95)</u>	<u>(16,222,397,939.32)</u>	<u>78,421,228,527.51</u>	<u>81,597,272,322.64</u>
Supplementary information																
Depreciation and amortisation	3,833,770,626.17	3,741,100,486.43	74,004,688.12	214,691,998.66	249,512,224.87	258,154,004.95	19,524,720.49	22,433,370.34	8,625,058.92	6,155,152.19	15,194,093.74	12,967,438.88	-	-	4,200,631,412.31	4,255,502,451.45
Impairment losses recognised during the period	166,605,359.27	197,740,672.75	3,772,523.82	22,322,415.56	(4,848,109.13)	6,736,774.70	533,295.71	234,467.75	195,612.15	(2,146,170.11)	209,391,486.94	(36,558,144.47)	(12,677,427.46)	(81,161,921.94)	362,972,741.30	107,168,094.24
Capital expenditure including: Costs of construction in progress	3,577,097,967.19	4,323,969,065.59	5,882,099.55	38,410,601.92	331,681,976.17	42,416,118.63	10,481,982.21	8,103,083.54	5,785,515.42	106,899.65	13,866,962.40	6,202,267.69	-	-	3,944,796,502.94	4,419,208,037.02
Expenditure on acquisition of fixed assets	1,039,192,705.86	1,372,985,314.84	4,525,753.05	33,234,245.06	102,584,839.40	7,034,425.09	3,116,925.00	3,063,292.04	5,649,740.11	17,115.62	13,565,440.81	760,205.17	-	-	1,168,635,404.23	1,417,094,597.82
Expenditures on acquisition of intangible assets	227,434,636.88	489,203,862.53	740,894.71	1,403,067.29	50,174,678.41	2,644,571.28	3,296,180.35	1,374,645.99	135,775.31	-	301,521.59	(181,246.64)	-	-	282,083,687.25	494,444,900.45
Expenditures on acquisition of right-of-use assets	303,629,982.71	613,523,377.28	615,451.79	2,585,534.20	169,842,302.66	13,037,496.35	-	3,665,145.51	-	89,784.03	-	5,623,309.16	-	-	474,087,737.16	638,524,646.53
	2,006,840,641.74	1,848,256,510.94	-	1,187,755.37	9,080,155.70	19,699,625.91	4,068,876.86	-	-	-	-	-	-	-	2,019,989,674.30	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>
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.	Associate of the Company

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

<i>Name of related party</i>	<i>Related party relationship</i>
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.	Associate of Jin Jiang International Investment
Shanghai Nantan City Construction Development Co., Ltd.	Associate of Jin Jiang International Investment

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

<i>Name of related party</i>	<i>Related party relationship</i>
Beijing Xiyun International Freight Agency Co., Ltd.	Associate of JHJ

The above company is collectively referred to as an associate of JHJ.

<i>Name of related party</i>	<i>Related party relationship</i>
Shanghai Zhendong Automobile Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jinmao Jinjiang Automobile Services Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Dazhong Xinya Car Rental Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jinjiang Jiayou Automobile Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai NISSAN Automobile Maintenance Centre	Joint venture of Jinjiang Capital
Shanghai Motor Vehicle Driver Training Centre Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Petroleum Group Changle Gas Station Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jinjiang Sheshan Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Yongda Second-Hand Motor Vehicle Sales Co., Ltd.	Joint venture of Jinjiang Capital
IHHC	Joint venture of Jinjiang Capital
Shanghai Jinjiang Tangchen Hotel Co., Ltd. (上海锦江汤臣大酒店有限公司)	Joint venture of Jinjiang 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 Jinjiang Capital
Shanghai Thayer Jin Jiang Interactive Corporation	Joint venture of Jinjiang 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 Jinjiang Capital
Shanghai Yinhe Hotel	Joint venture of Jinjiang 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 Jinjiang Capital
Shanghai Wubei Parking Garage Co., Ltd. (上海乌北停车库有限公司)	Joint venture of Jinjiang Capital

<i>Name of related party</i>	<i>Related party relationship</i>
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 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.

<i>Name of related party</i>	<i>Related party relationship</i>
Shanghai NEW-SOURCE International Trading Co., Ltd.	Associate of Food Group

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

<i>Name of related party</i>	<i>Related party relationship</i>
Shanghai Laochangfang Entraprenur Industry Management Co., Ltd.	Associate of Jinjiang Industry

The above company is referred to as associate of Jinjiang Industry.

(2) Significant related party transactions and the amounts

(a) Sales and purchase

	2022 RMB	2021 RMB
<u>Revenue from sales</u>		
Joint ventures and associates of Jinjiang Capital	6,165,669.57	14,792,463.55
Total	6,165,669.57	14,792,463.55
<u>Revenue from rendering of services</u>		
Joint venture and associate of Food Group	17,737,242.49	14,941,941.32
Associate of JHJ	7,880,748.03	-
Total	25,617,990.52	14,941,941.32
<u>Revenue from vehicle operation</u>		
Associate of the Company	-	40,872,379.75
Joint ventures and associates of Jinjiang Capital	2,499,126.66	2,881,992.50
Total	2,499,126.66	43,754,372.25
<u>Cost of purchase of goods</u>		
Joint ventures and associates of Jinjiang Capital	-	352,316.50
Associate of the Company	57,717.60	142,521.83
Associate of Food Group	30,500,244.24	22,407,418.83
Total	30,557,961.84	22,902,257.16
<u>Cost of receiving services</u>		
Joint ventures and associates of Jinjiang Capital	468,463.49	89,403.40
Total	468,463.49	89,403.40

(b) Other operating activities

	2022 RMB	2021 RMB
<u>Lease income</u>		
Associates of Jin Jiang International Investment	3,846,688.26	15,386,753.04
Joint ventures and associates of Jinjiang Capital	1,280,000.00	1,176,000.00
Joint ventures and associate of Jinjiang Industry	19,076,600.89	3,259,165.17
Associate of the Company	<u>503,224.77</u>	<u>1,688,714.97</u>
Total	<u>24,706,513.92</u>	<u>21,510,633.18</u>
<u>Management fee income</u>		
Joint ventures and associates of Jinjiang Capital	<u>367,729.24</u>	<u>705,051.13</u>
<u>Lease expenses</u>		
Joint ventures and associates of Jinjiang Capital	<u>1,104,648.00</u>	<u>-</u>
<u>Interest income</u>		
Joint ventures and associates of Jinjiang Capital	2,434,827.96	2,521,350.77
Joint ventures and associates of Jin Jiang International Investment	<u>12,998,807.38</u>	<u>-</u>
Total	<u>15,433,635.34</u>	<u>2,521,350.77</u>
<u>Interest expense</u>		
Joint ventures and associates of Jinjiang Capital	7,015,072.50	8,318,011.16
Associates of Jin Jiang International Investment	<u>1,309.47</u>	<u>2,443.44</u>
Total	<u>7,016,381.97</u>	<u>8,320,454.60</u>

(c) Balances due from/to related parties

<i>Item and name of related party</i>	<i>2022</i>	<i>2021</i>
	RMB	RMB
<u>Accounts receivable (Note VIII.5)</u>		
Joint ventures and associates of Jinjiang Capital	88,132,606.16	85,383,438.90
Associates of Jinjiang Industry	4,622,458.24	-
Associate of Food Group	4,105,664.72	-
Associates of Jin Jiang International Investment	2,545,954.95	-
Associate of JHJ	766,074.41	-
Associate of the Company	20.00	7,631,499.87
	<hr/>	<hr/>
Sub-total	100,172,778.48	93,014,938.77
Less: Provision for impairment	25,772,308.80	25,772,308.80
	<hr/>	<hr/>
Total	74,400,469.68	67,242,629.97
	<hr/>	<hr/>
<u>Loans and advances (Note VIII.14)</u>		
Joint ventures and associates of Jinjiang Capital	56,665,822.00	55,822,844.00
Less: Provision for impairment	1,642,500.00	21,988,500.00
	<hr/>	<hr/>
Net amount	55,023,322.00	33,834,344.00
	<hr/>	<hr/>
Other non-current assets due within one year (Note VIII.12)		
Joint ventures and associates of Jin Jiang International Investment	15,876,194.13	-
	<hr/>	<hr/>
<u>Other current assets (Note VIII.13)</u>		
Joint ventures and associates of Jinjiang Capital	30,531,480.00	33,756,680.00
	<hr/>	<hr/>

<i>Item and name of related party</i>	<i>2022</i> RMB	<i>2021</i> RMB
<u>Other non-current assets (Note IX.27)</u>		
Joint ventures and associates of Jinjiang Capital	3,425,200.00	-
Joint ventures and associates of Jin Jiang International Investment	<u>615,972,765.23</u>	<u>49,133,669.80</u>
Sub-total	619,397,965.23	49,133,669.80
Less: Provision for impairment	<u>42,011,063.40</u>	<u>28,273,394.55</u>
Net amount	<u>577,386,901.83</u>	<u>20,860,275.25</u>
<u>Prepayments</u>		
Joint ventures and associates of Jinjiang Capital	<u>1,000,000.00</u>	<u>1,000,000.00</u>
<u>Dividends receivable (Note IX.8.2)</u>		
Joint ventures and associates of Jinjiang Capital	<u>72,655,053.88</u>	<u>38,863,651.08</u>
<u>Short-term loans (Note IX.30)</u>		
Joint ventures and associates of Jinjiang Capital	<u>5,000,000.00</u>	<u>10,000,000.00</u>
<u>Accounts payable</u>		
Associate of Food Group	16,805,210.15	8,793,398.64
Associate of the Company	<u>6,645.00</u>	<u>36,557.90</u>
Total	<u>16,811,855.15</u>	<u>8,829,956.54</u>
<u>Other receivables (Note IX.8)</u>		
Joint ventures and associates of Jinjiang Capital	44,521,530.95	50,445,376.42
Joint ventures and associates of Jin Jiang International Investment	15,576,124.48	-
Associate of the Company	<u>-</u>	<u>131,780.22</u>
Total	<u>60,097,655.43</u>	<u>50,577,156.64</u>

Item and name of related party	2022 RMB	2021 RMB
<u>Other payables (Note IX.38)</u>		
Joint ventures and associates of Jinjiang		
Capital	64,704,464.30	63,545,238.61
Associate of the Company	57,612.00	273,764.00
Associate of Food Group	1,877,856.00	1,790,000.00
Joint ventures and associates of Jin Jiang International Investment	15,179,892.19	-
Total	81,819,824.49	65,609,002.61
<u>Customer deposits and deposits from banks and other financial institutions (Note IX.42)</u>		
Joint ventures and associates of Jinjiang		
Capital	225,406,510.46	245,289,803.70

(d) Funding from related party

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

	<u>Accrued during</u> 2022 RMB	<u>Balance at the</u> end of 2022 RMB	<u>Accrued during</u> 2021 RMB	<u>Balance at the</u> end of 2021 RMB
<u>(Repayment) / receipt of loans</u>				
Joint ventures and associates of Jinjiang Capital				
- Short-term loans (Note IX.30)	(5,000,000.00)	5,000,000.00	(10,000,000.00)	10,000,000.00
Total	(5,000,000.00)	5,000,000.00	(10,000,000.00)	10,000,000.00
<u>(Recoverable) / lending of loans</u>				
Joint ventures and associates of Jin Jiang International Investment				
- Other non-current assets due within one year (Note IX.12)	3,270,000.00	3,270,000.00	-	-
- Other non-current assets (Note IX.27)	570,264,295.43	619,397,965.23	20,339,969.80	49,133,669.80
- Other current assets (Note IX.13)	(3,225,200.00)	30,531,480.00	1,756,680.00	33,756,680.00
- Other receivables	(1,200,000.00)	-	1,200,000.00	1,200,000.00
Total	569,109,095.43	653,199,445.23	23,296,649.80	84,090,349.80

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. The Group does not provide any 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, 5.98% (2021: 5.14%) 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 IX.5 and IX.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>2022 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	4,929,064,860.47	-	-	-	4,929,064,860.47	4,929,064,860.47	
Customer deposits and deposits from banks and other financial institutions	128,084,305.58	-	-	-	128,084,305.58	128,084,305.58	
Deposits from customers	-	158,500,000.00	-	-	158,500,000.00	158,500,000.00	
Bills payable	65,000,000.00	-	-	-	65,000,000.00	65,000,000.00	
Accounts payable	3,146,643,981.82	-	-	-	3,146,643,981.82	3,146,643,981.82	
Other payables	3,561,913,374.18	-	-	-	3,561,913,374.18	3,561,913,374.18	
Long-term loans / long-term loans due within one year	9,122,967,500.55	14,574,053,051.60	11,233,148,737.14	407,783.00	34,930,577,072.29	33,348,109,829.13	
Debentures payable	3,194,403,891.66	3,538,270,865.71	2,371,600,000.00	-	9,104,274,757.37	8,758,963,648.90	
Lease liabilities / lease liabilities due within 1 year	1,827,133,230.50	2,366,429,833.83	5,343,133,316.55	7,514,001,856.00	17,050,698,236.88	13,276,195,407.84	
Long-term payables / long-term payables due within one year	515,730,707.32	1,109,695.84	8,825,999.00	-	525,666,402.16	525,666,402.16	
Total	26,490,941,852.08	20,638,363,446.98	18,956,708,052.69	7,514,409,639.00	73,600,422,990.75	67,898,141,810.08	

	2021 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	5,722,676,747.31	-	-	-	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	26,443,326,810.33	14,554,779,779.51	28,525,194,942.29	7,527,593,096.42	77,050,894,628.54	70,866,825,176.40	

The Group incurred a net loss of RMB1,015,452,430.08 in FY2022. As at 31 December 2022, the Group's current liabilities had exceeded its current assets by RMB4,334,153,627.98. According to the funding budget prepared by the Group for 2023, the Group is able to defer repayments for borrowings, borrow new bank loans, issue bonds, issue stocks in overseas capital market or use any other way for financing to ensure that the Group will maintain sufficient liquidity for the year 2023; meanwhile, the Group has sufficient bank loan facilities, which will remain in effect at least as of 31 December 2023, to reduce the Group's liquidity risk.

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	2022		2021	
		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	(77,281)	(77,281)	(46,632)	(46,632)
Bank loans - variable rate	Decrease 50 basis points	77,281	77,281	46,632	46,632

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 and thus most of their transactions, assets and liabilities are denominated in RMB. As at 31 December 2022 and 31 December 2021, 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)

	2022			2021		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Cash at bank and on hand	564,059	29,915	593,974	261,326	396,865	658,191
Accounts receivable	1,939,407	231	1,939,637	359,283	249	359,532
Other receivables	96,354	277	96,631	88,148	271	88,419
Accounts payable	(456,857)	(34,315)	(491,172)	(235,552)	(393,452)	(629,004)
Other payables	(218)	(921)	(1,138)	(165)	(1,085)	(1,250)
Contract liabilities	-	(15)	(15)	-	-	-
Gross balance sheet exposure	<u>2,142,745</u>	<u>(4,828)</u>	<u>2,137,917</u>	<u>473,040</u>	<u>2,848</u>	<u>475,888</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	
	2022	2021	2022	2021
USD	<u>6.7261</u>	<u>6.4503</u>	<u>6.9646</u>	<u>6.4601</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 increased equity and decreased net loss by the amount shown below.

(Expressed in RMB'000)

	31 December 2022		31 December 2021	
	Owners' equity	Net loss	Owners' equity	Net loss
USD	<u>107,137</u>	<u>107,137</u>	<u>23,652</u>	<u>23,652</u>

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 2022, 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)

	2022			2021		
	PLN	Other foreign currencies	Total	PLN	Other foreign currencies	Total
Cash at bank and on hand	54,785	50,821	105,606	18,050	22,073	40,123
Accounts receivable	17,847	48,161	66,008	17,319	31,115	48,434
Other receivables	3,533	1,414	4,947	3,446	1,805	5,251
Short-term loans	-	(124)	(124)	-	(249)	(249)
Accounts payable	(32,418)	(43,560)	(75,978)	(28,113)	(34,899)	(63,012)
Other payables	(101,922)	(47,072)	(148,994)	(69,645)	(46,598)	(116,243)
Long-term loans (including long-term loans due within one year)	-	(3,805)	(3,805)	(39,154)	(5,745)	(44,899)
Gross balance sheet exposure	(58,175)	5,835	(52,340)	(98,097)	(32,498)	(130,595)

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

	Average rate		Balance sheet date mid-spot rate	
	2022	2021	2022	2021
PLN	0.2234	0.2173	0.2139	0.2183

(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)

	31 December 2022		31 December 2021	
	Owners' equity	Net profit	Owners' equity	Net profit
PLN	2,909	2,909	4,905	4,905

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 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)

	2022			2021		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Cash at bank and on hand	22,759	2,454	25,213	300,941	35,431	336,372
Other receivables	703,379	14,612	717,990	639,268	903	640,171
Other payables	(104,648)	(15,578)	(120,225)	(686,316)	(41,939)	(728,256)
Gross balance sheet exposure	621,490	1,488	622,978	253,893	(5,605)	248,287

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

	<i>Average rate</i>		<i>Balance sheet date mid-spot rate</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
USD	0.9511	0.8426	0.9383	0.8108

- (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)

	<i>31 December 2022</i>		<i>31 December 2021</i>	
	<i>Owners' equity</i>	<i>Net loss</i>	<i>Owners' equity</i>	<i>Net loss</i>
USD	(31,074)	(31,074)	(12,695)	(12,695)

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	2022		2021	
		Effect on profit RMB'000	Effect on equity RMB'000	Effect on profit RMB'000	Effect on equity RMB'000
Financial assets held for trading	Increase by 10%	89,971	89,971	101,316	101,316
Financial assets held for trading	Decrease by 10%	(89,971)	(89,971)	(101,316)	(101,316)
Investments in other equity instruments	Increase by 10%	-	790,993	-	941,942
Investments in other equity instruments	Decrease by 10%	-	(790,993)	-	(941,942)

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 RMB25,355,147.37 (2021: RMB22,509,030.64) to banks, the accumulated amount of bank acceptances endorsed to suppliers was RMB34,337,091.10 (2021: RMB47,443,811.17). Except for certain bank acceptances that do not meet the conditions (Note IX.4), as the main risks and rewards such as credit risk, interest rate risk associated with these bank acceptance bills have been transferred to banks and suppliers, the Group derecognised the discounted/endorsed bank acceptances that have not matured. According to the relevant agreement, if the bank acceptance bills fail to be accepted, the discounting banks and the endorsing suppliers have the right to request the Group to pay the unsettled balance. As a result, the Group continued to be involved in discounted/endorsed bank acceptance bills. As at 31 December 2022, the discounted bank acceptance bills that have not matured were RMB0 (2021: RMB2,559,265.12). The Group has endorsed outstanding but derecognised bank acceptances amounting to RMB7,665,952.67 (2021: RMB12,692,882.35).

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 2022, the Group's strategy, which was unchanged from 2021, was to maintain an asset-liability ratio of no more than the targets set for the 2022 group budget. 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 banks of some of the Group's subsidiaries require the Group as a whole to meet the financial ratio and capital structure requirements relating to the terms of its bank borrowings, and the Group was in compliance with these requirements during the year.

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 2022			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurement				
I. Financial assets at FVTPL				
1. Financial assets held for trading	899,707,761.40	15,910,000.00	-	915,617,761.40
2. Derivative financial assets	-	85,505,527.94	-	85,505,527.94
II. Receivables under financing	-	-	21,308,877.83	21,308,877.83
III. Investments in other equity instruments				
1. Stock investments	7,909,931,876.51	-	-	7,909,931,876.51
2. Equity investments	-	-	5,120,016,667.65	5,120,016,667.65
IV. Other non-current financial assets	-	39,396,004.32	755,893,202.00	795,289,206.32
Total assets measured at fair value on a recurring basis	<u>8,809,639,637.91</u>	<u>140,811,532.26</u>	<u>5,897,218,747.48</u>	<u>14,847,669,917.65</u>
V. Long-term payables	-	-	509,670,507.32	509,670,507.32
Total liabilities measured at fair value on a recurring basis	<u>-</u>	<u>-</u>	<u>509,670,507.32</u>	<u>509,670,507.32</u>

	31 December 2021			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurement				
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
2. Derivative financial assets	-	86,274,298.15	-	86,274,298.15
II. Receivables under financing	-	-	4,015,299.25	4,015,299.25
III. Investments in other equity instruments				
1. Stock investments	9,496,133,039.82	-	-	9,496,133,039.82
2. Equity investments	-	-	1,640,911,031.70	1,640,911,031.70
IV. Other non-current financial assets	-	61,523,366.02	522,207,568.00	583,730,934.02
Total assets measured at fair value on a recurring basis	<u>10,509,292,669.77</u>	<u>512,833,782.98</u>	<u>2,167,133,898.95</u>	<u>13,189,260,351.70</u>
V. Long-term payables	-	-	761,585,599.60	761,585,599.60
Total liabilities measured at fair value on a recurring basis	<u>-</u>	<u>-</u>	<u>761,585,599.60</u>	<u>761,585,599.60</u>

During 2022, 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 2022, 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:

<i>The Group</i>	<i>Fair value at 31 December 2022</i>	<i>Valuation techniques</i>	<i>Unobservable inputs</i>	<i>Range (Weighted average)</i>
Unlisted equity instruments investment	1,834,708,484.06	Discounted cash flow model	Pre-tax discount rate Revenue growth rate	9.80% ~ 14.00% 0.65% ~ 14.00%
Unlisted equity instruments investment	4,041,201,385.59	Market comparison approach	Discount for lack of marketability	26.00% ~ 50.00%
<i>The Group</i>	<i>Fair value at 31 December 2021</i>	<i>Valuation techniques</i>	<i>Unobservable inputs</i>	<i>Range (Weighted average)</i>
Unlisted equity instruments investment	1,407,710,871.13	Discounted cash flow model	Pre-tax discount rate Revenue growth rate	9.90% ~ 13.00% 0.65% ~ 13.91%
Unlisted equity instruments investment	755,407,728.57	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. The Group's other 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 used by the Group this year remains consistent with that in 2021.

During 2022, 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. Commitments

(1) Capital commitments

	<i>2022 RMB'000</i>	<i>2021 RMB'000</i>
Contracted but not recognised in the financial statements		
Commitment for acquisition and construction of long-term assets	<u>4,354</u>	<u>3,504</u>

(2) Other commitments

	2022 RMB'000	2021 RMB'000
Contracted but not recognised in the financial statements:		
Irrevocable loan commitment	1,000	12,425

(3) Equity acquisition commitment

On 24 November 2022, the Group entered into an equity transfer agreement with Tibet Hongyi Mezzanine Investment Management Center (Limited Partnership) (“Tibet Hongyi”) for the acquisition of 10% equity interest in Shanghai Qicheng Network Technology Co., Ltd. held by Tibet Hongyi for a consideration of RMB130.8 million. As at 31 December 2022, the Group has not yet completed the acquisition of such equity interest.

XV. Contingencies

As at 31 December 2022, the Group had fulfilled the guarantee obligations or accrued the corresponding provisions in respect of the loan guarantee provided by the Group for Overseas Joint-Investment (Note IX.47). As at 31 December 2021, the Group provided a loan guarantee of USD39,900,000.00, equivalent to RMB254,390,430.00, to Shanghai Overseas Joint-Investment Co., Ltd.

XIV. Non-adjusting post balance sheet date events

1. Extension of Jin Jiang International Investment’s Euro borrowing

In March 2023, the Group's subsidiary, Jin Jiang International Investment, extended its short-term borrowings totalling EUR430,000,000.00 (equivalent to approximately RMB3,191,847,000.00) to 28 March 2024 (Note IX.30).

2. Issuance of ultra-short-term financing bonds by the Company

On 26 April 2023, the Company issued the first tranche of ultra-short-term financing bonds for the year 2023 on the interbank market with a total amount of RMB2 billion and an annualised interest rate of 2.31% with a maturity date of 26 July 2023.