



Jiangsu Expressway Company Limited  
(Hong Kong Stock Exchange Stock Code: 00177)



**2022**  
Annual Report

## IMPORTANT NOTICE

- I. **The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this annual report, guarantee that there are no false representations, misleading statements contained in, or material omissions from this report, and jointly and severally accept responsibility in respect thereof.**
- II. **All directors of the Company attended the board of directors' meeting.**
- III. **KPMG Huazhen LLP has issued a standard unqualified audit report for the Company.**
- IV. **Chen Yunjiang, the Person in Charge of the Company, Dai Qian, the Accounting Chief of the Company, and Yao Qunfang, the Person in Charge of the Accounting Department (Head of the Accounting Department), warrant the truthfulness, accuracy and completeness of the financial statements contained in this annual report.**
- V. **Profit distribution plan or plan for the capitalization of capital reserve during the Reporting Period resolved by the board of directors**

During the Reporting Period, the Company realized a net profit attributable to the shareholders of the Company of RMB3,724,115,000 and earnings per share of approximately RMB0.7392. The board of directors of the Company proposed to distribute cash dividends of RMB0.46 per share (tax inclusive) to all shareholders based on the total share capital of the Company of 5,037,747,500 shares. The proposed dividends are expected to be paid on 26 July 2023.

**VI. Risk warning for forward-looking statements**

Applicable       N/A

Forward-looking statements in this annual report which involve development strategies and plans do not constitute actual commitments of the Company to investors. There may be differences between the future actual results of the Company and these forward-looking statements. Investors and related parties are advised to keep sufficient risk awareness in this regard, and understand the difference among plans, predictions and commitments.

**VII. Is there misuse of funds of the Company by the Controlling Shareholder and other related parties for non-operational purposes**

No

**VIII. Did the Company provide external guarantee in violation of the decision-making procedures**

No

**IX. Whether more than half of the directors are unable to warrant the truthfulness, accuracy and completeness of the annual report disclosed by the Company**

No

**X. Major risk alerts**

The risk factors that the Company may face in the operation and development of business in the future have been analyzed and described in this annual report. Investors are advised to refer to the sub-section headed "Possible risks" under Section III "Report of the Board" in this annual report.

**XI. Others**

Applicable       N/A

Unless otherwise specified, the financial figures involved in this annual report are expressed in RMB.

In this report, there may be a tail difference between the sum of individual data and the number of related data, which is caused by rounding when calculating data.

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Documents available for inspection	A copy of the annual report signed by the Chairman
	Financial statements signed and sealed by the legal representative, person in charge of the accounting body, and chief accountant
	Original of the audit report sealed by the accounting firm, and sealed and signed by a certified accountant
	Original copies of all documents and announcements of the Company published in the press designated by the CSRC during the Reporting Period
	Articles of Association
	Copies of annual reports released on other stock exchanges



# DEFINITIONS

## I. DEFINITIONS

Unless the context otherwise requires, the following expressions contained in this annual report shall have the meanings as follows:

### Definitions of commonly used terms

The Company	refers to	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
The Group	refers to	the Company and its subsidiaries
Controlling Shareholder, Jiangsu Communications Holding	refers to	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway	refers to	China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)
Ningchang Zhenli Company	refers to	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)
Ninghu International Company	refers to	Jiangsu Expressway International (Hong Kong) Company Limited (江蘇寧滬國際(香港)有限公司)
Yangtze River Management Company	refers to	Jiangsu Yangtze River Expressway Management Co., Ltd. (江蘇揚子江高速通道管理有限公司)
Ninghu Investment Company	refers to	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)
Factoring Company	refers to	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)
Ninghu Properties Company	refers to	Jiangsu Ninghu Properties Co., Ltd. (江蘇寧滬置業有限責任公司)
Hanwei Company	refers to	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)
Yangtze Commerce and Energy Company	refers to	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)
Guangjing Xicheng Company	refers to	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)
YS Energy Company	refers to	Jiangsu Yunshan Green Energy Investment Holding Company Limited (江蘇雲杉清潔能源投資控股有限公司)
YS Energy Group	refers to	YS Energy Company, its 10 subsidiaries and 3 joint stock companies
YS Capital	refers to	Jiangsu YS Capital Management Co., LTD. (江蘇雲杉資本管理有限公司)
Nantong Tiandian Company	refers to	Nantong Tiandian Xinxing Energy Co., Ltd. (南通天電新興能源有限公司)
Jiangsu Communications Holding Renewable Energy Jiangsu Company	refers to	Jiangsu Communications Holding Renewable Energy Jiangsu Co., LTD. (江蘇交控清潔能源江蘇有限公司)
Rudong Company	refers to	Jiangsu Traffic Control Rudong Offshore Wind Power Co., Ltd. (蘇交控如東海上風力發電有限公司)
Zhendan Company	refers to	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Wufengshan Toll Bridge Company	refers to	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Longtan Bridge Company	refers to	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
Yuexin Company	refers to	Jiangsu Yuexin Ninghu Gas Co., Ltd. (江蘇悅鑫寧滬天然氣有限公司) (previously known as Jiangsu Xiexin Ninghu Gas Co., Ltd.)
Kuailu Company	refers to	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)

## DEFINITIONS

Suzhou Expressway Company	refers to	Suzhou Expressway Management Company Limited (蘇州市高速公路管理有限公司)
Yangtze Bridge Company	refers to	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Hutong Bridge Company	refers to	Jiangsu Hutong Bridge Co., Ltd. (江蘇滬通大橋有限責任公司)
Finance Company	refers to	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Media Company	refers to	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)
Digital Transportation Research Institute	refers to	JiangSu CH Digital Transportation Research Institute Company Limited (江蘇交控數字交通研究院有限公司)
Xiandai R&B Company	refers to	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)
Network Operation Company	refers to	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu	refers to	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Bank of Nanjing	refers to	Bank of Nanjing Co., Ltd. (南京銀行股份有限公司)
Zijin Trust Company	refers to	Zijin Trust Co., Ltd. (紫金信託有限責任公司)
Yichang Company	refers to	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	refers to	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Suxichang South Expressway Company	refers to	Jiangsu Suxichang South Expressway Co., Ltd. (江蘇蘇錫常南部高速公路有限公司)
Nanlin Hotel Company	refers to	Suzhou Jinling Nanlin Hotel Co., Ltd. (蘇州金陵南林飯店有限責任公司)
Tongsha Port	refers to	Nantong Tongsha Harbor Business Co., Ltd. (南通通沙港務有限公司)
Yanjiang Company	refers to	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Lianxu Expressway Company	refers to	Jiangsu Lianxu Expressway Co., Ltd. (江蘇連徐高速公路有限公司)
Ningsuxu Expressway Company	refers to	Jiangsu Ningsuxu Expressway Co., Ltd. (江蘇寧宿徐高速公路有限公司)
Eastern Expressway Company	refers to	Jiangsu East Expressway Management Co., Ltd. (江蘇東部高速公路管理有限公司)
Runyang Bridge Company	refers to	Jiangsu Runyang Bridge Development Co., Ltd. (江蘇潤揚大橋發展有限責任公司)
Suhuaiyan Expressway Company	refers to	Jiangsu Suhuaiyan Expressway Management Co., Ltd. (江蘇宿淮鹽高速公路管理有限公司)
South Yanjiang Railway	refers to	Jiangsu South Yanjiang Intercity Railway Co., Ltd. (江蘇南沿江城際鐵路有限公司)
Jiangsu Leasing Company	refers to	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Railway Group Company	refers to	Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司)
Tongxingbao Company	refers to	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技股份有限公司)
Jinghu Company	refers to	Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司)
Expressway Petroleum Company, Expressway Energy Development Company	refers to	Jiangsu Expressway Energy Development Co., Ltd. (江蘇高速公路能源發展有限公司) (previously known as Jiangsu Expressway Petroleum Development Co., Ltd.)
Taixing Oil Products Company	refers to	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
Far East Shipping Company	refers to	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)

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Information Company	refers to	Jiangsu Expressway Information Engineering Co., Ltd. (江蘇高速公路信息工程有限公司)
Maintenance Technology Company	refers to	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Engineering Maintenance Company	refers to	Jiangsu Expressway Engineering Maintenance Co., Ltd. (江蘇高速公路工程養護有限公司)
Communications Holding Human Resources Company	refers to	Jiangsu Communications Holding Human Resources Development Co., Ltd. (江蘇交控人力資源發展有限公司) (previously known as Jiangsu Communications Holding Training Co., Ltd.)
East Road & Bridge Company	refers to	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
Communications Holding Commercial Operation Company	refers to	Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司)
Xitai Company	refers to	Jiangsu Xitai Tunnel Company Limited (江蘇錫泰隧道有限責任公司)
Cuipingshan Hotel	refers to	Jiangsu Cuipingshan Hotel Management Co., Ltd. (江蘇翠屏山賓館管理有限公司)
Luode Fund Company	refers to	Jiangsu Luode Equity Investment Fund Management Co., Ltd. (江蘇洛德股權投資基金管理有限公司)
Zhongbei Zhiyuan Fund	refers to	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))
Luode Huizhi Fund	refers to	Nanjing Luode Huizhi Equity Investment Partnership (Limited Partnership) (南京洛德匯智股權投資合夥企業(有限合夥))
Ninghang Company	refers to	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Ninghang Cultural Tourism Company	refers to	Jiangsu Ninghang Cultural Tourism Development Co., Ltd. (江蘇寧杭文化旅遊發展有限公司)
Husuzhe Company	refers to	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Engineering Company	refers to	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	refers to	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限責任公司)
Sundian Testing Company	refers to	Jiangsu Sundian Engineering Testing Co., Ltd. (江蘇現代工程檢測有限公司)
Micro Video Company	refers to	Nanjing Micro Video Technology Company Limited (南京感動科技有限公司)
Tongchang Real Estate Investment Company	refers to	Jiangsu Tongchang Real Estate Investment Co., Ltd. (江蘇通昌置業投資有限公司)
CDB Kai Yuan Phase II Fund	refers to	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership) (蘇州工業園區國創開元二期投資中心(有限合夥))
PPP	refers to	Public-Private-Partnership, which is a mode of cooperation between the government and social capital in accordance with laws
Shanghai-Nanjing Expressway	refers to	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	refers to	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	refers to	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	refers to	Jiangyin Yangtze Bridge
Sujiahang Expressway	refers to	Jiangsu Section of Suzhou-Jiaxing Expressway and Suzhou-Hangzhou Expressway
Yanjiang Expressway	refers to	Changzhou-Taicang Expressway
Changjia Expressway	refers to	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway

## DEFINITIONS

Zhendan Expressway	refers to	Zhenjiang-Danyang Expressway
Ningchang Expressway	refers to	Lishui Guizhuang Hub-Changzhou South Interchange Expressway
Zhenli Expressway	refers to	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	refers to	Wuxi North Hub-Yixing Xiwu Hub Expressway
Wuxi Huantaihu	refers to	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	refers to	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Toll Bridge	refers to	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	refers to	Changzhou-Yixing Expressway
Yichang Expressway	refers to	Jiangsu Section of Yixing-Changxing Expressway
Suxichang Expressway	refers to	Changzhou Qianhuang Hub – Wuxi Nanquan Hub
North Connection Project of Longtan Bridge	refers to	Yizheng-Lukou Airport Highway and Shanghai-Xi'an Highway-Yangtze River North Embankment Project
Expansion Project of South Section of Xiyi Expressway	refers to	Wuxi-Yixing Highway and Xueyan Hub-Xiwu Hub Expansion Project
ICA Company	refers to	ICA IC İnçtař Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş. joint stock company duly organized and validly existing under the laws of Turkey
BIM	refers to	Building Information Modeling
GIS	refers to	Geographic Information System
ROE	refers to	Rate of Return on Common Stockholders' Equity, the calculation formula as: ROE = Net Profit/Net Asset
Reporting Period	refers to	from 1 January 2022 to 31 December 2022
Year-on-year	refers to	as compared with the same period of 2021
CSRC	refers to	China Securities Regulatory Commission
SFC	refers to	Securities and Futures Commission of Hong Kong
SSE	refers to	Shanghai Stock Exchange
Stock Exchange	refers to	The Stock Exchange of Hong Kong Limited
A Shares	refers to	RMB-denominated ordinary shares(s) issued by the Company and listed on the SSE
H Shares	refers to	overseas-listed foreign shares(s) issued by the Company and listed on the Stock Exchange
ADR	refers to	Level 1 depositary receipts of the Company listed and traded in the over-the-counter market in the United States
Listing Rules	refers to	Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	refers to	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	refers to	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	refers to	Accounting Standards for Business Enterprises and Relevant Provisions promulgated by the Ministry of Finance of the People's Republic of China
KPMG or Auditors	refers to	KPMG Huazhen LLP
Corporate Governance Code	refers to	The Corporate Governance Code (《企業管治守則》) set out in Appendix 14 to the Hong Kong Listing Rules

**Chen Yunjiang**  
Chairman





# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## I. CORPORATE INFORMATION

Name of the Company in Chinese	江蘇寧滬高速公路股份有限公司
Abbreviation of Chinese Name	寧滬高速
Name of the Company in English	Jiangsu Expressway Company Limited
Abbreviation of English Name	Jiangsu Expressway
Legal Representative of the Company	Chen Yunjiang

## II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the board of directors	Representative of security affairs
Name	Yao Yongjia	Tu Jun
Address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Telephone	8625-84362700-301838	8625-84362700-301835
Fax	8625-84207788	8625-84466643
E-mail	jsnh@jsexpwy.com	tujun@jsexpwy.com

## III. BASIC INFORMATION

Registered Address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Changes of the Company's Registered Address	-
Business address of the Company	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Postal code of the Company's business address	210049
Website of the Company	<a href="http://www.jsexpressway.com">http://www.jsexpressway.com</a>
E-mail	jsnh@jsexpwy.com

## IV. PLACES FOR DISCLOSURE AND INSPECTION OF INFORMATION

Media name and website for Annual Report Disclosure	China Securities Journal (《中國證券報》) Securities Times (《證券時報》) Shanghai Securities News (《上海證券報》)
Websites of the Stock Exchange for Annual Report Disclosure	<a href="http://www.sse.com.cn">www.sse.com.cn</a> <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> <a href="http://www.jsexpressway.com">www.jsexpressway.com</a>
Annual Reports Available at	Shanghai Stock Exchange, 528 Pudong Road South, Shanghai, the PRC; Hong Kong Registrars Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; Hong Kong registered address of the Company, 17/F, One Island East, Taikoo Place, No. 18 Westlands Road, Quarry Bay, Hong Kong; Headquarters of the Company, 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC.

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## V. CLASS OF INFORMATION ON THE COMPANY'S SHARES

Class of Information on the Company's Shares				
shares	Listing stock exchange	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	Jiangsu Expressway	600377	–
H Shares	The Stock Exchange of Hong Kong Limited	Jiangsu Expressway	00177	–
ADR	United States	JEXYY	477373104	–

## VI. OTHER RELEVANT INFORMATION

Accounting firm engaged by the Company (Domestic)	Name	KPMG Huazhen LLP, Public Interest Entity Auditor recognised in accordance with the Accounting and Financial Reporting Council Ordinance 《會計及財務匯報局條例》
	Business address	8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing
Accounting firm engaged by the Company (Foreign)	Name of signing accountants	Zhou Xuchun, Cao Yang
	Name	–
Sponsors who performed continuous supervision duties during the Reporting Period	Business address	–
	Name of signing accountants	–
	Name	–
	Business address	–
Financial counselor conducting	Name of the signing representative of the sponsor	–
	Duration of the continuous supervision	–
	Name	–
	Business address	–
Financial counselor conducting	Name of the signing financial advisor sponsor	–
	Duration of the continuous supervision	–
	Duration of the continuous supervision	–

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR LAST FIVE YEARS

### (I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	2022	2021	Increase/decrease of the period as compared to the same period of the previous year (%)	2020	2019	2018				
		After restatement		Before restatement	After restatement	Before restatement	After restatement	Before restatement		
Operating Income	13,255,603,107.72	14,260,532,858.18	13,792,587,242.50	-7.05	8,138,606,879.35	8,032,466,746.34	10,185,097,639.26	10,078,181,218.81	10,046,133,165.96	9,969,011,165.19
Net profit attributable to shareholders of the listed company	3,724,115,165.87	4,280,010,033.09	4,178,794,496.71	-12.99	2,493,157,887.45	2,464,213,675.74	4,233,161,625.08	4,199,704,371.82	4,402,901,608.64	4,376,603,924.73
Net profit attributable to shareholders of the listed company, net of non-recurring profit and loss	3,423,828,879.88	3,763,332,484.59	3,678,823,218.12	-9.02	2,369,290,066.87	2,339,998,349.98	4,220,443,364.24	4,186,308,082.59	3,879,163,583.60	3,853,866,528.73
Net cash inflow from operating activities	5,527,921,046.44	5,702,769,303.25	5,467,265,535.69	-3.07	3,174,626,755.01	3,137,401,530.39	5,807,694,458.17	5,763,283,624.15	5,733,784,872.56	5,715,489,506.54
	End of 2022	End of 2021	Increase/decrease as compared with the end of the same period of the previous year (%)	End of 2020	End of 2019	End of 2018				
		After restatement		Before restatement	After restatement	Before restatement	After restatement	Before restatement		
Net assets attributable to shareholders of the listed company	31,940,807,710.11	32,042,387,869.42	30,230,283,751.28	-0.32	29,874,365,910.98	28,209,961,098.83	29,792,270,207.59	28,546,983,607.15	26,548,227,078.80	26,137,197,731.62
Total liabilities	40,508,013,176.12	36,609,247,476.84	32,302,127,737.00	10.65	30,337,858,456.19	28,046,290,724.15	23,384,459,494.54	22,942,211,489.26	19,235,654,254.08	18,808,871,890.93
Total Assets	78,458,345,074.07	74,246,831,643.32	67,662,020,722.45	5.67	65,433,359,329.20	61,095,560,365.16	57,524,609,240.13	55,625,048,624.75	49,039,282,440.00	48,162,728,832.15

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## (II) Principal financial indicators

Unit: Yuan Currency: RMB

Principal Financial Indicators	2022		2021		Increase/decrease of the period as compared to the same period of the previous year (%)	2020		2019		2018	
		After adjustment		Before adjustment		After adjustment	Before adjustment	After adjustment	Before adjustment	After adjustment	Before adjustment
Primary earnings per share (RMB/share)	0.7392	0.8496	0.8295		-12.99	0.4949	0.4891	0.8403	0.8336	0.8740	0.8688
Diluted earnings per share (RMB/share)	0.7392	0.8496	0.8295		-12.99	0.4949	0.4891	0.8403	0.8336	0.8740	0.8688
Basic earnings per share, net of non-recurring profit or loss (RMB/share)	0.6796	0.7470	0.7303		-9.02	0.4703	0.4645	0.8378	0.8310	0.7700	0.7650
Weighted average return rate on net assets (%)	11.23	13.90	14.37		Decreased by 2.67 percentage points	8.28	8.82	15.26	15.89	17.64	17.71
Weighted average return rate on net assets, net of non-recurring profit or loss (%)	10.33	12.22	12.76		Decreased by 1.89 percentage points	7.87	8.37	15.23	15.84	15.72	16.14

Explanation of reasons for retrospective adjustment or restatement:

As approved at the 2021 annual general meeting, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. During the Reporting Period, the transfer of equity interest in YS Energy Company and the registration of industrial and commercial changes were completed. As both the Company and YS Energy Company were controlled by Jiangsu Communications Holding before and after the Company's acquisition of 100% equity interest in YS Energy Company and such control was not temporary, the Company consolidated YS Energy Company in accordance with the Chinese Accounting Standard and made corresponding retrospective adjustments to the comparative statement data of the previous period. At the same time, in 2022, the Group implemented the "Bulletin of Accounting Standards for Business Enterprises No. 15" (Cai Kuai [2021] No. 35) issued by the Ministry of Finance, which was implemented from 1 January 2022. The Company made retroactive adjustments to the trial run sales between 1 January 2021 and the initial implementation date in accordance with the above provisions.

Description of the Company's key accounting data and financial indicators for the previous five years at the end of the Reporting Period

Applicable  N/A

During the Reporting Period, affected by the decline in road network traffic operated by the Group and the toll reduction for trucks in the fourth quarter (for details, please refer to Section III Report of the Board – II. Industry of the Company during the Reporting Period (III) Basic information of the road transportation industry), the Company's main business operation of road and bridge was affected to a certain extent, resulting in the Company's operating revenue, net profit attributable to shareholders of the listed company, net profit attributable to shareholders of the listed company after extraordinary gain or loss, basic earnings per share, and basic earnings per share after non-recurring gains and losses decreased year on year.

## COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

### VIII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

- (I) Differences in net profit and net assets attributable to the shareholders of the listed company as shown in the financial reports disclosed in accordance with the International Accounting Standards and the PRC Accounting Standards

Applicable  N/A

- (II) Differences in net profit and net assets attributable to the shareholders of the listed company as shown in the financial reports disclosed in accordance with the Foreign Accounting Standards and the PRC Accounting Standards

Applicable  N/A

- (III) Explanation on the differences between domestic and foreign accounting standards:

Applicable  N/A

### IX. PRINCIPAL FINANCIAL DATA FOR 2022 BY QUARTERS

Unit: Yuan Currency: RMB

	Q1 (January – March)	Q2 (April – June)	Q3 (July – September)	Q4 (October – December)
Operating Income	2,731,362,062.68	2,145,385,919.10	4,608,049,741.06	3,770,805,384.88
Net profit attributable to shareholders of the listed company	866,536,730.53	988,894,003.83	1,253,606,114.77	615,078,316.74
Net profit attributable to the shareholders of the listed company, net of non-recurring profit or loss	845,961,560.92	889,986,224.54	1,228,979,476.26	458,901,618.16
Net cash inflow from operating activities	1,156,311,870.41	1,167,400,944.94	1,692,529,687.42	1,511,678,543.67

Reason for the difference between quarterly data and regularly reported data disclosed

Applicable  N/A

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## X. ITEMS AND AMOUNTS OF NON-RECURRING PROFIT/LOSS

Applicable  N/A

Unit: Yuan Currency: RMB

Items of non-recurring profit or loss	Amount of 2022	Note (if applicable)	Amount of 2021	Amount of 2020
Gain or loss from disposal of non-current assets	25,731,786.68		7,868,251.48	220,298.98
Government grants accounted in profit or loss of the period excluding those that are closely related to the ordinary operations of the Company and grants in compliance with national policies and regulations or subject to fixed amounts or fixed quantity under certain standards	31,982,996.77	Mainly due to the recognition of the compensation and deductible portion of value-added tax for construction of Ningchang Expressway and compensation concerning the construction of transformation project of expressway provincial toll stations during the Reporting Period.	30,036,194.33	70,584,360.06
Net profit or loss for the period from the beginning of the period to the date of consolidation of a subsidiary arising from a business combination under common control	125,330,455.92	Mainly due to the consolidation of YS Energy Company under common control in the Reporting Period.	-	-
Profits or losses from changes in fair values of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment incomes from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging activities related to ordinary business operations of the Company	144,800,179.62	Mainly due to the recognition of gains from fair value changes of approximately RMB-142,950,000 and gains from dividends of approximately RMB174,229,000 on other non-current financial assets, etc. held by subsidiaries during the Reporting Period; and gains from short-term bank finance, etc. of approximately RMB113,522,000.	620,818,161.05	127,576,123.66
Custodian fees earned from entrusted operation	32,351,845.35		-	-
Other non-operating income and expenses other than the aforesaid items	-39,337,791.93	Mainly due to road property damage repair expenses incurred during the Reporting Period.	-16,721,590.76	-43,013,423.67
Other profit and loss items in line with the definition of non-recurring gains and losses	13,595,265.73	Mainly due to investment income formed by the acquisition of Hanwei Company's equity in the previous years.	-	-
Less: Effects of income tax	40,056,503.31		133,977,435.19	30,454,967.58
Effects attributable to minority interests (after tax)	-5,888,051.16		-8,653,967.59	1,044,570.87
Total	300,286,285.99		516,677,548.50	123,867,820.58

Reasons for the case that the Company defined non-recurring profit and loss items in accordance with the Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-Recurring Profit and Loss Items (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) and the case that the Company defined the non-recurring profit and loss items listed in the Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-recurring Profit and Loss Items as recurring profit and loss items shall be specified.

Applicable  N/A

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## XI. ITEMS MEASURED AT FAIR VALUE

Applicable  N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the Reporting Period	Effect on profit for the Reporting Period
Fund investment – Fuanda Advantageous Growth	36,323,820.44	30,613,163.10	-5,710,657.34	-5,710,657.34
Wealth management products	2,610,193,360.00	3,444,000,000.00	833,806,640.00	113,447,577.75
Other non-current financial assets (CDB Kai Yuan Phase II)	1,753,107,019.89	1,686,932,351.72	-66,174,668.17	28,941,266.12
Other non-current financial assets (Zhongbei Zhiyuan Fund)	291,927,158.31	257,357,110.04	-34,570,048.27	-103,957.15
Other non-current financial assets (Luode Huizhi Fund)	498,449,674.06	460,425,716.91	-38,023,957.15	-4,570,048.27
Other non-current financial assets (Jiangsu Leasing Company Convertible Bonds)	460,658,016.00	472,640,608.44	11,982,592.44	12,721,679.23
Other equity Instruments (Bank of Jiangsu)	3,471,763,834.00	5,707,128,132.00	2,235,364,298.00	238,199,920.00
Other equity Instruments (Jiangsu Leasing Company)	1,191,060,000.00	1,282,320,000.00	91,260,000.00	81,900,000.00
Other equity instruments (Fuanda Asset Management Scheme)	1,142,763,244.89	-	-1,142,763,244.89	159,600,000.00
Other	1,496.00	6,985.16	5,489.16	74,319.29
Total	11,456,247,623.59	13,341,424,067.37	1,885,176,443.78	624,500,099.63

## XII. OTHERS

Applicable  N/A

# REPORT OF THE BOARD

## I. DISCUSSION AND ANALYSIS OF THE OPERATIONS

### (I) Company status

The Group was incorporated in Jiangsu Province of the People's Republic of China on 1 August 1992 and is the only listed road and bridge company in Jiangsu Province. On 27 June 1997, 1,222 million H shares issued by the Group were listed on the HKEX. On 16 January 2001, 150 million A shares issued by the Group were listed on the SSE. On 23 December 2002, the Group established a Level 1 American Depositary Receipt (ADR) programme for trading in the US over-the-counter market. As at the end of the Reporting Period, the Group had a total share capital of 5,037,747,500 shares with a par value of RMB1 per share.

The Group is principally engaged in the investment, construction, operation and management of toll roads and bridges in Jiangsu Province and the development of service areas along expressways. In addition to the Jiangsu section of the Shanghai-Nanjing Expressway, the Group has full or partial interests in toll roads and bridges in Jiangsu Province, including the Ningchang Expressway, Zhenli Expressway, Guangjing Expressway, Xicheng Expressway, Xiyi Expressway, Zhendan Expressway, Yanjiang Expressway, Jianguyin Bridge, Sujiahang Expressway, Changyi Expressway, Yichang Expressway and Wufengshan Bridge. As at the end of the Reporting Period, 17 road and bridge projects were directly operated and invested by the Group, and over 910 kilometers of the roads and bridges open to traffic were owned or invested by the Group.

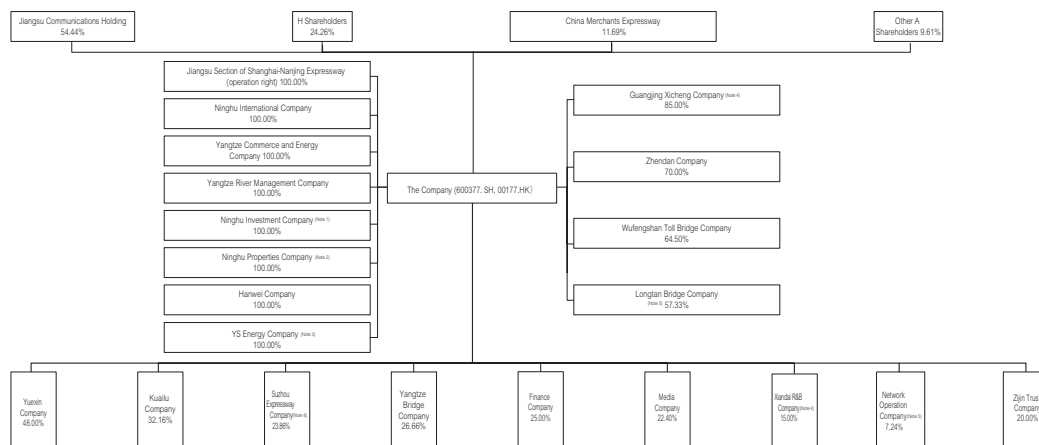
The Group's operating areas are located in the Yangtze River Delta, which is the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Group involve the roads and bridges serving as the major transport corridors linking roads stretching east-to-west and south-to-north across the Jiangsu Province. The Jiangsu Section of Shanghai-Nanjing Expressway, being the Group's core assets, links six large and medium cities namely Shanghai, Suzhou, Wuxi, Changzhou, Zhenjiang and Nanjing, and is one of the busiest expressways in the PRC.

In addition, the Group is also actively exploring and developing its transportation+, new energy business and finance industry that promotes production with finance, in order to further expand its profitability and achieve sustainable development for the Group. As at the end of the Reporting Period, the Group directly owned seven wholly-owned subsidiaries, four holding subsidiaries and 15 associates and joint ventures, with total assets of approximately RMB78,458 million and net assets attributable to shareholders of the listed company of approximately RMB31,941 million.





Subsidiaries directly controlled or invested by the Group are as follows:



**Note 1:** Ninghu Investment Company, a subsidiary of the Company, holds 100% equity interest in Factoring Company, 100% equity interest in Kunshan Feng Yuan Real Estate Development Co., Ltd. ( 昆山豐源房地產開發有限公司 ) and 39.00% equity interest in Luode Fund Company. Among them, on 27 February 2023, Ninghu Investment Company, Jiangsu Communications Holding, YS Capital and Factoring Company signed an equity transfer agreement, pursuant to which Ninghu Investment Company would transfer its 100% equity interest in Factoring Company, of which 80% of the equity interest would be transferred to Jiangsu Communications Holding and 20% of the equity interest would be transferred to YS Capital. Upon completion of this transfer, the Company will no longer hold equity interests in the Factoring Company and will no longer include it in the Company's consolidated financial statements. (As at the date of this Report, the above transaction is subject to review and approval by the local financial supervisory authority. For details, see the Company's announcement dated 27 February 2023.)

**Note 2:** Ninghu Properties Company, a subsidiary of the Company, holds 100% equity interest in Ninghu Properties (Kunshan) Co., Ltd. ( 寧滬置業(昆山)有限公司 ) and 100% equity interest in Ninghu Properties (Suzhou) Co., Ltd. ( 寧滬置業(蘇州)有限公司 ).

**Note 3:** As approved at the 2021 annual general meeting, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. YS Energy Company holds 100% equity interest in Sujiakong Clean Energy Xuzhou Co., Ltd. ( 蘇交控清潔能源徐州有限公司 ), 100% equity interest in Sujiakong New Energy Technology Fengxian Co., Ltd. ( 蘇交控新能源科技豐縣有限公司 ), 70% equity interest in Sujiakong Fengxian Renewable Energy Co., Ltd. ( 蘇交控豐縣再生能源有限公司 ), 100% equity interest in Sujiakong Clean Energy Tongshan Co., Ltd. ( 蘇交控清潔能源銅山有限公司 ), 100% equity interest in Sujiakong Fengxian Agricultural Science and Technology Co., Ltd. ( 蘇交控豐縣農業科技有限公司 ), 90% equity interest in Liyang Youke Energy Co., Ltd. ( 溧陽市優科能源有限公司 ), 100% equity interest in Jiangsu Communications Holding Renewable Energy Jiangsu Company, 72% equity interest in Rudong Company, 80% equity interest in Yancheng Yunshan Photovoltaic Power Company, Limited ( 鹽城雲杉光伏發電有限公司 ), 70% equity interest in Changzhou Jintanheyi New Energy Technology Co., Ltd. ( 常州金壇禾一新能源科技有限公司 ), 20% equity interest in Three Gorges New Energy Nantong Co., Ltd. ( 三峽新能源南通有限公司 ), 30% equity interest in Longyuan Donghai Wind Power Co., Ltd. ( 龍源東海風力發電有限公司 ) and 49% equity interest in Jiangsu Nengtou Xincheng Photovoltaic Power Co., Ltd. ( 江蘇能投新城光伏發電有限公司 ).

**Note 4:** Guangjing Xicheng Company, a subsidiary of the Company, holds 100% equity interest in Wuxi Jingcheng Advertising Company ( 無錫靖澄廣告公司 ), 60% equity interest in Yichang Company, 60% equity interest in Changyi Company, 25.15% equity interest in Yanjiang Company, 34.91% equity interest in Nanlin Hotel Company, 7.24% equity interest in Network Operation Company and 7.50% equity interest in Xiandai R&B Company.

**Note 5:** The eighth meeting of the tenth session of the Board of the Company agreed that the Company increased its capital in Longtan Bridge Company of RMB2,095,376,200. The Company and Longtan Bridge Company and its other existing shareholders signed the capital increase agreement on 8 July 2022. The Company's shareholding ratio became 57.33% after the capital increase.

**Note 6:** Suzhou Expressway Company, an associate in which the Company holds 30.01% of the shares, increased its capital to invest in the construction of the Qidu-Taoyuan section of the Suzhou-Taizhou Expressway in 2021, in which the Company did not participate. The business registration of Suzhou Expressway Company was completed on 13 January 2022, and the registered capital after the capital increase was RMB2,543,392,900 with the Company's shareholding ratio reduced to 23.86%.

# REPORT OF THE BOARD

## (II) Discussion and analysis of the operations of the Company

In 2022, the Company took the main business of road and bridge as the support, prioritized the optimization of the layout, and found support from financial investments to promote the Company's high-quality development to a new level on the occasion of its 30th anniversary.

As at the end of 2022, the Company had total assets of RMB78,458 million (2021: RMB74,246 million) and net assets attributable to shareholders of the listed company of RMB31,941 million (2021: RMB32,043 million). During the Reporting Period, the Company achieved an annual revenue of RMB13,256 million (2021: RMB14,261 million), a decrease of 7.05% year-on-year, total profit of RMB4,581 million (2021: RMB5,566 million), a decrease of 17.70% year-on-year, net profit attributable to shareholders of the listed company of RMB3,724 million (2021: RMB4,280 million), a decrease of 12.99% year-on-year, and earnings per share of RMB0.7392 (2021: RMB0.8496); net cash flow from operations of RMB5,527 million (2021: RMB5,702 million), weighted average return rate on net assets of 11.23% (2021: 13.90%) (weighted average return rate on net assets = consolidated net profit attributable to ordinary shareholders of the Company/weighted average consolidated net assets attributable to ordinary shareholders of the Company).

### 1. Road and bridge operations

**Investment in the main business is steadily advancing.** **First**, the construction of the Longtan Bridge and the North Connection Project was in order. During the Reporting Period, approximately RMB1,129 million was invested in the construction of the Longtan Bridge project, with a cumulative investment of approximately RMB3,136 million, accounting for 50.14% of the total project investment. As a key project to connect the under-construction Longtan Bridge to the motorway network, the North Connection Project of Longtan Bridge commenced construction in August 2022 with a cumulative investment of approximately RMB1,646 million, accounting for 23.57% of the total project investment. The North Connection Project of Longtan Bridge will be opened to traffic at the same time as Longtan Bridge by the end of 2024, giving full play to the synergy effect. **Second**, the Expansion Project of South Section of Xiyi Expressway was under preparation. The project has already started at the end of 2022 for the pilot section and fully started on 6 January 2023, with a cumulative investment of RMB565 million in 2022, and will be opened to traffic by the end of June 2026. The expansion is expected to greatly improve the capacity of Xiyi Expressway, alleviate traffic pressure, enhance service levels and create economic and social benefits. **Third**, preliminary study of the Renovation and Expansion Project of Jiangsu Section of Shanghai-Nanjing Expressway was started. As the Shanghai-Nanjing Expressway is running at a high rate of super-saturation, the Company initiated the preparation work for the further expansion upon the approval of the Board and developed the overall plan during the year. The expansion of Shanghai-Nanjing Expressway will enhance the capacity of the national corridor, help the five cities in southern Jiangsu to develop as a metropolitan area and take the lead in building a national transportation modernization demonstration area.

**Road traffic efficiency continues to improve.** **First**, the large traffic control was effective. The platform of the large traffic control system was continuously upgraded, automatically generating the optimal control scheme and significantly reducing congestion nodes. In important road sections and critical time sections, the Company further strengthens the "1+N"<sup>1</sup> synergy to ensure smooth flow of traffic, and achieved 99.98% of 30-minute arrival rate<sup>2</sup> and 98.38% of 1-hour clearing rate<sup>3</sup> in 2022. The "Shanghai-Nanjing Expressway Nanjing Toll Station Entrance Capacity Enhancement Project" and "Research and Application of Safety and Smoothness Protection for High-traffic Road Sections" were awarded as the Top Ten Cases of National Expressway Operation and Management in 2022. **Second**, the "Cloud Toll" system was optimized and improved. The "Quasi-free Flow" toll lane transformation project have been steadily promoted and the "Quasi-free Flow" transformation plan for 36 toll stations of the Company have been completed; the "Cloud" toll booths with multiple functions were integrated, including "Self-service Toll Collection + Cloud Toll Collection + Manual Assistance", were constructed, and the special situation disposal time was shortened to 30 seconds; the pilot construction of "Free Flow Cloud Tolling" was actively carried out, and the project site management was done comprehensively, and the first "cloud tolling" system in the province was built. **Third**, the BIM system has been fully functional. On the basis of perfecting traffic safety facilities and optimizing road traffic diversion control schemes, electronic sand table exercises were carried out for congestion nodes, a live 3D digital system was built, using BIM + GIS + tilt photography technology and relying on digital twin technology to realize simulation, full-line monitoring and intelligent early warning analysis.

<sup>1</sup> "1+N" means that physical isolation is adopted to increase or decrease the number of lanes, to mitigate the impact of meeting of vehicles on smooth flow, improve the traffic efficiency and reduce the possibility of accidents

<sup>2</sup> 30-minute arrival rate = the number of road block removal operations in which the personnel arrive at the sites within 30 minutes / the total number of road block removal operations in the month × 100%

<sup>3</sup> 1-hour clearing rate = the number of cases where vehicles are dragged away from the sites within 1 hour / the total number of road block removal operations in the month × 100%

<sup>4</sup> According to the Standards for Technical Condition Evaluation of Highway Bridges (《公路橋樑技術狀況評定標準》) (JTGT H21-2011), the overall technical condition evaluation ratings include Category 1, Category 2, Category 3, Category 4, and Category 5, among which Category 1 refers to bridges with brand new condition and perfect function, while Category 2 refers to bridges with mild impairment and normal function.

**Intensive maintenance level continues to upgrade.** **First**, the road and bridge management and maintenance is in the forefront. The Company always upholds the concept of whole life cycle, insists on ensuring the best road condition with minimum investment, and keeps the road condition indicators in good condition, and strives to build a “public satisfied, highly protected, industry-leading” expressway maintenance protection system. The ratio of Category 1 and 2 bridges<sup>4</sup> on the road sections under the Group’s jurisdiction has always remained 100%. **Second**, special action was taken to strengthen the foundation. The quality upgrade of the middle division belt and roadside guardrail in important road sections was completed to lay a good foundation for improving the essential safety; in terms of bridge maintenance, the Group insisted on the concept of equal emphasis on safety and durability, and carried out inspections and reinforcement work in a scientific and reasonable manner; in terms of tunnel safety, the Group carried out special operations to identify safety hazards and complete defect rectification. **Third**, intensive maintenance and meticulous work. Focusing on the brand of “Jiangsu-style maintenance”, we carried out intensive maintenance for super-saturated traffic sections, using the “one-way fully closed, no-borrowing” traffic organization method, which is a new exploration of the intensive maintenance and construction mode of super-large traffic sections, reducing the impact of maintenance construction on the Shanghai-Nanjing Expressway and the surrounding road network, and creating economic benefits while saving construction time.

**Technological innovation has been reported frequently.** **First**, the Company has achieved remarkable achievements in scientific research. The Company built up a postgraduate workstation jointly with universities and used the Science and Technology Innovation Fund as a basis to deepen the integration of industry and education and promote independent innovation. In 2022, research projects “Future-oriented Key Technology and Demonstration Application of New Generation Expressway in Wufengshan” and “25-year Integrated Technology Research and Development and Tracking Verification Demonstration for the Asphalt Pavement Efficient Maintenance of Shanghai-Nanjing Expressway” won the Grand Prize and the First Prize of China Highway & Transportation Society respectively. **Second**, the cloud control platform was iteratively upgraded. The Company continued to iterate and develop the nation’s first and leading intelligent cloud control platform based on the digital twin, optimised the digital cockpit, digital twin and emergency planning modules, and successfully completed the initial inspection of the platform, which was promoted in several provinces. **Third**, intelligent maintenance showed its effectiveness. We actively explored intelligent and informative means of maintenance, comprehensively applied non-destructive intelligent inspection technologies such as laser deflectometer and high dynamic ground-penetrating radar, adopted new materials such as ECC high-ductile concrete and anti-corrosion self-cleaning coating on a pilot basis, continued to explore unmanned intelligent construction technologies, and further expanded the application scale of “intelligent unmanned cluster technology”. The new mode of “intelligent maintenance” will enable high-quality and smooth expressways.

### 2. Ancillary business

**Resource integration for enhanced experience.** The ETC contactless fueling payment has been installed in several service areas on the Shanghai-Nanjing Expressway, allowing vehicle owners to enjoy contactless fueling without getting off the car, queuing for payment, swiping cards or scanning codes, and quickly completing “instant refueling”. The “aggregated payment” function, which integrates various payment methods, has been launched to continue to improve customer experience while enhancing efficiency.

**Innovative models in response to the situation.** Business investment and operation management methods were innovated to explore a new model of benefit-sharing, risk-sharing and win-win development between the Company and the leasing parties. The “big platform” investment plan was improved and optimised; taking the Xianrenshan Service Area as a pilot, a “base benefit + dividend” big platform investment plan was formed, and industry experts were invited to evaluate and improve the overall idea and implementation path of the plan.

**The new industry leads to new consumption.** In the context of the rapid development of new energy vehicles in China, the first expressway service area premium experience centre for new energy vehicles in Jiangsu Province was built, receiving an average of more than 1,000 visitors per week to visit the exhibition and test drive the vehicles. The average daily traffic and passenger flow in the Yangchenghu Service Area increased significantly, which had a significant pulling and boosting effect on the average daily revenue of merchants.

# REPORT OF THE BOARD

## 3. New energy business

In order to actively respond to the call of the State to promote green development, further optimise the layout of the Company's industrial structure and open up new profit growth points, during the Reporting Period, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. As at the end of the Reporting Period, the total installed capacity of the grid-connected projects of YS Energy Company reached 526.6 MW (including the installed capacity of equity participation), and all the power stations held by YS Energy Company have been put into operation, producing a total of 900 million kWh of clean energy power in 2022. In addition, YS Energy Company has actively developed distributed PV projects on industrial and commercial rooftops, taking into account the actual situation of PV project resource endowment in Jiangsu Province, and since the acquisition until the date of this Report, the Board of Directors has approved the newly invested and constructed distributed PV power plants with an installed capacity of 57.34 MW. With the rapid increase in the number of new energy vehicles, the booming development of 5G and autonomous driving technology, and the arrival of the wave of mathematization in the field of transportation, the new energy business will achieve business synergy with the Company's main business of road and bridge, providing new momentum for the Company's sustainable development.

## 4. Financial investments

In order to diversify operational risks and enhance development momentum, the Group continued to focus on the opportunities to participate in high quality financial targets and actively promoted the optimization and adjustment of industrial layout. During the Reporting Period, the Company and its wholly-owned subsidiary, Ninghu Investment Company, contributed RMB1,273,407,380 to increase its equity interest in Bank of Jiangsu, and as at the end of the Reporting Period, the two companies held a total of 782,870,800 shares in Bank of Jiangsu (approximately 5.3005% of the total number of shares currently in issue, the market value of which during the Reporting Period accounts for approximately 7.28% of the total assets of the Group). Subsequent to the Reporting Period, the Company (as the principal) entered into a termination agreement of "Fuxiang No. 15" with Fuanda Fund Management Co., Ltd. (as the manager of the Asset Management Scheme) and Bank of Jiangsu, Shanghai Branch (as the custodian of the Asset Management Scheme) to complete the liquidation process of the Asset Management Scheme. Subsequent to the Reporting Period, Ninghu Investment Company, Jiangsu Communications Holding, YS Capital and Factoring Company entered into the Transfer Agreement, and Ninghu Investment Company, a wholly-owned subsidiary of the Company, shall transfer its 100% equity interest in the Factoring Company. Upon completion of this transfer, the Company will no longer hold equity interests in the Factoring Company and will cease to consolidate it in the scope of the Company's consolidated financial statements (as at the disclosure date of this report, the above transaction is subject to review and approval by the local financial supervision and administration bureau).

## II. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

### (I) Basic Information of the Road Transportation Industry

From the macroeconomic background, since 2022, in the face of the repeated impact of multiple unexpected factors, China has achieved a GDP of RMB121.02 trillion, an increase of 3.0% over the previous year, with the total economic volume and per capita level continuing to increase. It is fully demonstrated with practice that the strong resilience, great potential, broad space and the foundation of long-term positive momentum of China's economy have become more prominent, and the expressway industry has shown steady development.

In view of the changes in transportation demand, currently, the main sales areas of various industries in Jiangsu are located in the Yangtze River Delta region, where highway transportation plays a leading role. With the acceleration of transformation and upgrading of industries in Jiangsu, the characteristics of "high value, small batch, and timeliness" of freight transportation have become more prominent, and the demand for "door-to-door" and professional services continued to grow. The advantages of short-distance, fast and direct road transportation in facilitating the economic cycle and stabilizing and optimizing the supply chain will continue to maintain.

From the perspective of changes in the competitive landscape, road, as the most basic and extensive transport infrastructure, is the main support for bridging various other modes of transport and playing a role in the overall efficiency of the integrated transport network; the rapid development of modern logistics and express delivery industry will also provide a guarantee for the growth of the subsequent road freight volume. According to the Statistical Communiqué of The People's Republic of China on the 2022 National Economic and Social Development (《中華人民共和國 2022 年國民經濟和社會發展統計公報》) issued by the National Bureau of Statistics, road transport is responsible for 63.51% of passenger traffic and 73.35% of cargo traffic in China, and plays an irreplaceable role in the comprehensive transport system.

## (II) Position of the Company in the industry

In terms of location, the Company is the only listed road and bridge company in Jiangsu Province, focusing on the continuous integration of high-quality road and bridge projects in the road network of southern Jiangsu. The roads operated by the Group occupied a dominant position in the expressway network of southern Jiangsu. Jiangsu Province has always been playing an important and supportive role in the overall development of the country. The province's gross regional production volume reached RMB12.29 trillion in 2022, an increase of 2.80% over the previous year, ranking second in the country and further narrowing the gap with Guangdong Province, which ranked first. The economic operation of Jiangsu Province has shown a sustained recovery, stabilisation and improvement, which is a favourable external condition to drive the Company's business development.

In terms of market image, the SSE has awarded the Company the highest grade of A in information disclosure assessment for three consecutive years, and the Company has been awarded the "Best Board of Directors" in the 13th Tianma Awards Forum for Investor Relations of Chinese Listed Companies for three consecutive years, demonstrating that the Company, as a listed company with "A+H" shares, has effective compliance governance and actively fulfills its responsibilities as a listed company, which has gained high market recognition.

In terms of operating results, the Company's performance indicators ranked top among listed companies in the same industry. In addition, the Company has always maintained a high dividends payout ratio since its listing. The high cash dividend demonstrates the Company's responsibility as a listed company to ensure long-term stable returns for shareholders.

## (III) Policies relating to road transportation industry

The Regulations for the Administration of Toll Highways (《收費公路管理條例》), which came into effect on 1 November 2004, has been organised for amendment since 2013 and has been open for public consultation twice in 2013 and 2015. On 20 December 2018, the Ministry of Transport issued the draft amendments on the Regulations for the Administration of Toll Highways. Currently, the time of official promulgation of the revised Regulations for the Administration of Toll Highways has not yet been determined.

On 15 February 2020, the Ministry of Transport issued a notice that from 00:00 midnight on 17 February 2020 until the end of the containment measures, toll roads payment nationwide would be waived; on 28 April 2020, the Ministry of Transport issued a notice that the toll roads payment legally approved by the law would be resumed from 00:00 midnight on 6 May 2020. The Ministry of Transport, the National Development and Reform Commission and other eight ministries and commissions issued a notice, which clearly required the provincial governments and relevant operating entities to extend the payment period of toll roads through negotiation, signing of contracts and other means in accordance with relevant regulations, and compensate certain amount during the toll-free period accordingly. Till now, Jiangsu Province has not specified the toll-free compensation policy for expressways.

On 2 June 2021, the Ministry of Transport and other three departments issued the Implementation Plan for Comprehensively Promoting Differentiated Toll Collection on Expressways (《全面推廣高速公路差異化收費實施方案》), proposing to comprehensively promote differentiated toll on expressways. As at the date of disclosure of this Report, the relevant authorities in Jiangsu Province have been discussing, formulating and piloting the policy of differential toll collection on expressways. The Company has been closely monitoring the trend of the policy of differential toll collection and currently, the roads under the Group's jurisdiction are not included in the scope of differential toll collection.

On 28 September 2022, the Ministry of Transport and the Ministry of Finance issued a Notice on the Work Related to the Phased Reduction and Exemption of Truck Tolls on Toll Roads (《關於做好階段性減免收費公路貨車通行費有關工作的通知》), which provides for a uniform 10% reduction and exemption of truck tolls on toll roads nationwide from 00:00 on 1 October to 24:00 on 31 December 2022, on the basis of the continued implementation of the existing policies on the reduction and exemption of various types of tolls. In addition, the implementation of preferential policies on 5% discount on toll payment of ETC vehicles, toll-free travel for small passenger vehicles in major festivals and holidays, toll-free "green passage" for vehicles carrying fresh and live agricultural products, "Union Card" and "Preferential Port Container Vehicles" within Jiangsu Province continued.

## REPORT OF THE BOARD

As at the date of disclosure of this Report, the Jiangsu Provincial People's Government issued General Policy Measures on Promoting the First Overall Improvement in Economic Operation (《關於推動經濟運行率先整體好轉若干政策措施》) on 16 January 2023, giving a 15% discount on ETC tolls for expressway passenger buses with 30 or more passes per month (inclusive) and a 15% discount on tolls for freight vehicles with the Yunzheng Sutong Card. A 50% discount on ETC tolls at all general road toll stations and expressways in the province will be given for international standard container transport vehicles entering and exiting major container ports in the province with an annual throughput of over 2 million TEUs or an annual throughput of 1 million TEUs and a growth rate exceeding the average growth level of the province for three consecutive years (currently the eligible ports are Taicang Port, Lianyungang Port, Nanjing Port and Nantong Port), with the implementation period from 1 April 2023 to 31 December 2027 (the first quarter of 2023 will be subject to the original preferential policy and scope for the time being). For container transport vehicles entering and leaving the main loading points and collection points for containers of the China-Europe (Asia) Express in the province, full exemption of vehicle tolls will continue at all ordinary road toll stations and expressways in the province until 31 December 2027.

### III. BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

**The principal business of roads and bridges.** During the Reporting Period, the Group recorded toll road income of approximately RMB7,323,017,000, representing a year-on-year decrease of approximately 11.38%, and accounting for approximately 55.24% of the total operating revenue of the Group. Of which, the average daily toll road income of Shanghai-Nanjing Expressway amounted to approximately RMB11,728,510, representing a year-on-year decrease of approximately 16.56%. During the Reporting Period, the average daily traffic volume of Shanghai-Nanjing Expressway was approximately 79,550 vehicles, representing a year-on-year decrease of approximately 21.96%. During the Reporting Period, the data of the operations of each of the road and bridge projects is set out as below:

Class	Indicator	Reporting Period	The Same Period of the Prior Year	Year-on-year (%)
Shanghai-Nanjing Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	59,578	80,230	-25.74
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	19,972	21,706	-7.99
	Total traffic volume ( <i>vehicle/day</i> )	79,550	101,936	-21.96
	Average daily toll revenue ( <i>RMB'000/day</i> )	11,728.51	14,055.95	-16.56
Ningchang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	25,985	31,970	-18.72
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	12,563	13,800	-8.96
	Total traffic volume ( <i>vehicle/day</i> )	38,548	45,770	-15.78
	Average daily toll revenue ( <i>RMB'000/day</i> )	2,317.99	2,659.95	-12.86
Zhenli Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	9,152	10,850	-15.65
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	7,713	7,136	8.09
	Total traffic volume ( <i>vehicle/day</i> )	16,865	17,986	-6.23
	Average daily toll revenue ( <i>RMB'000/day</i> )	964.86	925.03	4.31
Xicheng Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	43,186	61,339	-29.59
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	15,028	17,775	-15.45
	Total traffic volume ( <i>vehicle/day</i> )	58,214	79,114	-26.42
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,246.61	1,635.46	-23.78
Guangjing Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	37,451	51,864	-27.79
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	15,443	16,572	-6.81
	Total traffic volume ( <i>vehicle/day</i> )	52,894	68,436	-22.71
	Average daily toll revenue ( <i>RMB'000/day</i> )	622.46	747.94	-16.78
Xiyi Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	17,673	23,752	-25.59
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	6,286	5,886	6.80
	Total traffic volume ( <i>vehicle/day</i> )	23,959	29,638	-19.16
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,062.02	1,177.48	-9.81

# REPORT OF THE BOARD

Class	Indicator	Reporting Period	The Same Period of the Prior Year	Year-on-year (%)
Wuxi Huantaihu	Traffic volume of passenger vehicles (vehicle/day)	15,445	9,481	62.90
	Traffic volume of trucks vehicles (vehicle/day)	3,949	2,827	39.69
	Total traffic volume (vehicle/day)	19,394	12,308	57.57
	Average daily toll revenue (RMB'000/day)	207.13	149.60	38.45
Jiangyin Bridge	Traffic volume of passenger vehicles (vehicle/day)	44,998	64,114	-29.82
	Traffic volume of trucks vehicles (vehicle/day)	20,746	24,006	-13.58
	Total traffic volume (vehicle/day)	65,744	88,120	-25.39
	Average daily toll revenue (RMB'000/day)	2,649.17	3,322.15	-20.26
Sujiahang Expressway	Traffic volume of passenger vehicles (vehicle/day)	31,866	42,995	-25.88
	Traffic volume of trucks vehicles (vehicle/day)	8,628	8,995	-4.08
	Total traffic volume (vehicle/day)	40,494	51,990	-22.11
	Average daily toll revenue (RMB'000/day)	2,029.78	2,485.67	-18.34
Yanjiang Expressway	Traffic volume of passenger vehicles (vehicle/day)	26,292	38,540	-31.78
	Traffic volume of trucks vehicles (vehicle/day)	17,450	18,369	-5.00
	Total traffic volume (vehicle/day)	43,742	56,909	-23.14
	Average daily toll revenue (RMB'000/day)	4,077.52	4,751.13	-14.18
Changjia Expressway	Traffic volume of passenger vehicles (vehicle/day)	19,367	27,269	-28.98
	Traffic volume of trucks vehicles (vehicle/day)	26,886	28,172	-4.56
	Total traffic volume (vehicle/day)	46,253	55,441	-16.57
	Average daily toll revenue (RMB'000/day)	1,129.91	1,263.38	-10.56
Zhendan Expressway	Traffic volume of passenger vehicles (vehicle/day)	12,303	16,447	-25.20
	Traffic volume of trucks vehicles (vehicle/day)	3,195	3,071	4.04
	Total traffic volume (vehicle/day)	15,498	19,518	-20.60
	Average daily toll revenue (RMB'000/day)	204.49	241.47	-15.31
Changyi Expressway	Traffic volume of passenger vehicles (vehicle/day)	14,410	16,265	-11.40
	Traffic volume of trucks vehicles (vehicle/day)	7,625	5,523	38.06
	Total traffic volume (vehicle/day)	22,035	21,788	1.13
	Average daily toll revenue (RMB'000/day)	271.53	235.43	15.34
Yichang Expressway	Traffic volume of passenger vehicles (vehicle/day)	10,221	10,743	-4.86
	Traffic volume of trucks vehicles (vehicle/day)	6,967	5,854	19.01
	Total traffic volume (vehicle/day)	17,188	16,597	3.56
	Average daily toll revenue (RMB'000/day)	362.38	322.23	12.46
Wufengshan Toll Bridge	Traffic volume of passenger vehicles (vehicle/day)	10,887	11,855	-8.17
	Traffic volume of trucks vehicles (vehicle/day)	5,010	4,834	3.64
	Total traffic volume (vehicle/day)	15,897	16,689	-4.75
	Average daily toll revenue (RMB'000/day)	1,075.08	995.96	7.94

**Note 1:** The 17 toll road and bridge projects controlled or invested by the Group included Longtan Bridge and North Connection of Longtan Bridge in addition to the 15 toll roads and bridges projects listed in the table above. Of which, Luma First Class Highway was operated by Xiyi Expressway, and the data of the operation of Xiyi Expressway included the data of the operation of Luma First Class Highway.

**Note 2:** The Wuxi Taihu Ring Road benefited from the positive impact of the opening and operation of the Suxichang South Expressway at the end of December 2021 and the closure of the Nanquan Toll Station for renovation during the same period last year led to a lower base, resulting in an increase in toll road income year-on-year for the Reporting Period.

**Note 3:** Changyi Expressway was opened and commenced its operations in December 2020, Yichang Expressway was opened and commenced its operations in January 2021, and Wufengshan Toll Bridge was opened and commenced its operations on 30 June 2021.

## REPORT OF THE BOARD

**Ancillary business.** During the Reporting Period, the Group's ancillary service business achieved revenue of approximately RMB1,124,123,000, representing a decrease of 21.78% as compared to the same period last year. Of which, revenue from service area leasing business amounted to approximately RMB50,974,000, representing a year-on-year decrease of 76.22%, mainly due to the termination of the original leasing contracts of some service areas and the reduction of rentals in accordance with relevant state policies; as a result of the the decrease in traffic volume of the road network operated by the Group, the sales volume of oil products decreased, and the revenue from sales of oil products amounted to approximately RMB1,052,963,000, representing a year-on-year decrease of 11.58%, and gross profit from oil products decreased by 20.39% year on year. Affected by the year-on-year decrease in the gross operating profit of the leasing and sales of petroleum products business, the gross operating profit of the ancillary services business presented a year-on-year decrease.

**New energy business.** As approved at the 2021 annual general meeting, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. As at the date of this Report, the transfer of equity interest in YS Energy Company has been completed and the business change was registered in July 2022. Founded in November 2016, YS Energy Company is mainly engaged in clean energy generation such as PV and offshore wind power, and together with its 10 subsidiaries and 3 investee companies, has invested in 67 clean energy projects. As at 31 December 2022, the total installed capacity of grid-connected projects amounted to 526.6 MW (including the installed capacity of equity participation), of which: 300 MW of offshore wind power (being the full capacity of the Rudong H5 offshore wind power project of the subsidiary put into operation in the fourth quarter of 2021), 113.1 MW of controlling PV power plants, 3.5 MW of PV power plants and 110 MW of shareholding wind power. Since the acquisition of YS Energy Company, its revenue scale and profit level have continued to grow, showing high growth and stable revenue expectations. During the Reporting Period, the Group achieved revenue of approximately RMB651,675,000 from electricity sales, representing a year-on-year increase of approximately 39.81%, being the full capacity of the Rudong H5 offshore wind power project of the subsidiary put into operation in the fourth quarter of 2021.

**Property business.** The Group's real estate development and sales were operated by its subsidiaries Ninghu Properties Company and Hanwei Company. During the Reporting Period, the Group pushed forward the construction of projects under construction in an orderly manner and actively promoted destock of existing projects. During the Reporting Period, the Group carry-forward sales revenue of approximately RMB674,079,000, representing a year-on-year decrease of 34.46%, mainly due to the smaller scale of property projects delivered compared to the same period of the previous year.

For the cost of property development and the products ready-for-sale, please refer to Part "9. Inventories" of "Section X Financial Reporting".

**Other businesses. First**, the investment income of investee companies. During the Reporting Period, the Group's investment income from roads and bridges companies in which the Group held equity reached approximately RMB733,460,000, representing a year-on-year increase of approximately 11.80%, mainly due to the significant increase in investment income from the issuance of infrastructure public REITs by an associated company, Yanjiang Company, through the transfer of 100% equity interest in Husuzhe Company; and an investment income from financial companies in which the Group held equity of approximately RMB206,963,000, representing a year-on-year increase of approximately 410.89%. **Second**, gain from other equity instruments and other non-current financial assets. During the Reporting Period, the Group received cumulative dividends of approximately RMB653,929,000 from other equity instruments and other non-current financial assets, representing a year-on-year increase of approximately 55.73%, which was mainly attributable to the increase in dividends from financial companies invested by the Company. **Third**, income from such business as advertising operation, factoring and management services of subsidiaries. During the Reporting Period, these businesses achieved revenue of approximately RMB142,322,000, representing a year-on-year increase of approximately 21.82%, mainly due to the increase in revenue from factoring business and income from entrusted operation management services.



## IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable       N/A

Since its establishment, the Group has been focusing on the transportation infrastructure industry for years. The roads operated by the Company play a dominant role in the expressway networks in southern Jiangsu. It has accumulated rich experiences in large infrastructure investment, construction, operation and management and built a progressive and innovative management and staff team. Through the complete investment decision-making, operation management system and risk management system and leveraging on excellent financing platforms, the Group built its distinct competitive edges in operation and development in the future.

**Unique geographical advantages.** The Group operates in the Yangtze River Delta area, the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Company are core components of the road transport corridors linking the two important industrial belts along the Yangtze River, Shanghai and Nanjing in the southern part of Jiangsu. With the integrated development of the Yangtze River Delta region, the prosperous economy in the region created a favorable environment for the long-term development of the Group and promoted the sustainable and steady improvement on the Group's economic efficiency.

**High-quality road and bridge assets.** 17 road and bridge projects are controlled or invested by the Group. Core road and bridge assets are the main lines in the expressway network in Jiangsu Province and an integral part in the national expressway network. With outstanding quality, road assets achieved coordinated benefits. The quality road network resources lay a solid foundation for the stable growth in the operating results of the Group and provide guarantees to the sustainable and healthy development of the Company.

**Leading operation concepts.** The Group is engaged in road operation and has accumulated rich operation experience. The growth in the operating results from the Jiangsu Section of Shanghai-Nanjing Expressway is mainly attributable to the growth in traffic volume driven by the development of the regional economy and the improved utilization of expressways, which demonstrated the competitive edge of the Group in roads operation and management. Meanwhile, the Group has strengthened the development results with systems and built a modern corporate operation management and control method. Focusing on building digitalized expressways and intelligent traffic, the Group has taken a leading position in road clearance and rescue in China.

**Professional management team.** After years of accumulation and development, the Group has built a professional and experienced operation and management team. On the premise of ensuring the quality and efficiency of the Group's expressway operation services, the Group actively utilises capital operation means to optimise its asset portfolio, carry out quality project acquisitions, effectively reduce operating costs and operational risks, continuously enhance the Group's strategic research and investment development capabilities, ensuring that the Group's overall profitability is at the leading level in the industry.

**Comprehensive risk management.** The Group proactively adapted to new situation, and implemented risk control arrangement by improving the top-level design. The Group formulated its risk strategy, built a risk control system in coordinated operation with a risk management oriented approach for covering legal and regulation compliance, internal control and risk management, which optimized its management measures, strengthened in-process control and highlighted duty performance management, and effectively consolidated the resources of all relevant parties. It continuously put forward the establishment of risk control system which is compatible with the new development trends, and improved its risk management ability, so as to achieve its long-term goal of steady progress.

**Outstanding financing platforms.** The Group maintains the listing status on two exchanges (in Hong Kong and Shanghai) and is traded in three cities (Hong Kong, Shanghai and New York) and achieves sound operation and sustainable performance growth with high credit rating, low gearing ratio and strong solvency. The Group achieved outstanding results in investor relations management and owns a stable investors base and an excellent market image in domestic and overseas capital markets thanks to its long-term policies with high proportion of cash dividend. The Group will continue to improve its financing structure and reduce financing costs in the future development through leveraging on the capital market's efficient financing channels.

# REPORT OF THE BOARD

## V. PRIMARY OPERATING CONDITIONS DURING THE REPORTING PERIOD

During the Reporting Period, the Group realised a cumulative operating profit of approximately RMB13,255,603,000, representing a year-on-year decrease of approximately 7.05%; under the PRC Accounting Standards, the Group realised operating profit of approximately RMB4,620,360,000, representing a year-on-year decrease of approximately 17.24%; net profit attributable to shareholders of the Company amounted to approximately RMB3,724,115,000, and earnings per share was approximately RMB0.7392, representing a decrease of approximately 12.99% as compared to the same period of the previous year.

### (I) Analysis of principal businesses

#### 1. Table of Analysis of Changes in the Relevant Items in Income Statement and Cash Flow Statement

Unit: Yuan Currency: RMB

Item	Amount in the Reporting Period	Amount in the Same Period of the Previous Year	Changes (%)
Operating Income	13,255,603,107.72	14,260,532,858.18	-7.05
Operating costs	8,841,449,322.89	8,998,605,756.71	-1.75
Selling expenses	14,501,739.24	26,111,192.22	-44.46
Administrative expenses	293,508,570.18	245,992,998.91	19.32
Finance costs	1,094,226,669.03	867,170,637.90	26.18
Research and development expenses	–	–	–
Net cash flow from operating activities	5,527,921,046.44	5,702,769,303.25	-3.07
Net cash flow from investing activities	-6,426,644,763.03	-8,020,315,337.57	-19.87
Net cash flow from financing activities	1,206,429,772.33	2,307,943,443.59	-47.73
Taxes and surcharges	168,927,615.17	266,701,703.32	-36.66
Gains from changes in fair value	-142,950,442.33	489,879,008.21	-129.18
Investment income	1,867,961,513.05	1,213,714,101.38	53.90
Gains from asset disposals	25,731,786.68	7,868,251.48	227.03
Impairment losses on assets	–	-5,497,868.60	-100
Non-operating expenses	49,967,992.41	29,670,574.13	68.41
Income tax	833,033,706.01	1,289,660,707.85	-35.41
Other comprehensive income, net of tax	847,357,806.80	151,824,228.78	458.12

Note: Retrospective adjustments were made to the data of the previous year. For details, see the explanation of reasons for retrospective adjustment or restatement in "Section II Company Information and Principal Financial Indicators – VII. Key Accounting Data and Financial Indicators for Last Five Years" of this Report.

The reason for the change in operating income: It was mainly due to the year-on-year decrease in the Group's toll road income and ancillary business income due to the decline in road network traffic and the toll waiver for trucks in the fourth quarter during the Reporting Period, and the decrease in the delivery scale of property projects of subsidiaries as compared to the same period of the previous year, which resulted in the decrease in carry-forward sales revenue.

The reason for the change in operating costs: It was mainly due to the decrease in traffic volume during the Reporting Period, and the amortisation of toll operating rights of each road section according to the new estimated total traffic volume from 1 April 2022, which resulted in the year-on-year decrease in the amortisation of road operating rights; the decrease in oil sales and the corresponding decrease in oil procurement costs; the suspension of some maintenance projects and surface maintenance of the Shanghai-Nanjing Expressway and major repairs in Wuxi Huantaihu Expressway and other road sections in the same period of the previous year, resulting in a relatively high base and a year-on-year decrease in road and bridge maintenance costs; and the decrease in the delivery scale of property projects of subsidiaries as compared to the same period of the previous year, which resulted in the year-on-year decrease in carry-forward sales costs.

## REPORT OF THE BOARD

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

Reasons for the change in administrative expenses: The increase in administrative expenses was mainly due to the rigid increase in labour costs and the year-on-year increase in intermediary fees during the Reporting Period.

Reasons for the change in finance costs: The increase in finance costs was mainly because the interest accrued on borrowings were recognised as expenses with the opening of Wufengshan Toll Bridge for operation in June 2021 and due to the increase in the size of the Group's interest-bearing debts.

Reasons for the change in research and development expenses: None.

Reasons for the change in net cash flow from operating activities: Due to the decline in road network traffic, the toll road income and ancillary business income decreased year-on-year during the Reporting Period, resulting in the decrease in net cash flow from operating activities.

Reasons for the change in net cash flow from investing activities: The decrease in net cash outflow from investing activities was mainly due to the year-on-year decrease in external investment and the year-on-year increase in dividend payments received during the Reporting Period.

Reasons for the change in net cash flow from financing activities: The decrease in net cash flow from financing activities was mainly due to the year-on-year decrease in net cash inflow obtained from the Company's borrowings during the Reporting Period.

Reasons for the change in taxes and surcharges: The decrease in taxes and surcharges was mainly due to the year-on-year decrease in the Group's toll road income, ancillary business income and revenue from property sales during the Reporting Period.

Reasons for the change in gains from changes in fair value: It was mainly due to the decrease in fair value of other non-current financial assets held by subsidiaries of the Company during the Reporting Period.

Reasons for the change in investment income: It was mainly due to the year-on-year increase in investment income contributed by associates, dividends from investment in other equity instruments, and distribution of other non-current financial assets during the Reporting Period.

Reasons for the change in gains from assets disposal: It was mainly due to the disposal of Nanquan Toll Station of Wuxi Huantaihu Expressway during the Reporting Period.

Reasons for the change in impairment losses on assets: It was mainly due to the asset valuation of certain spare parts that were idle in the same period of the previous year, and the provision of corresponding impairment losses in accordance with the valuation results.

Reasons for the change in non-operating expenses: It was mainly due to the year-on-year increase in the expenses for road assets repair during the Reporting Period.

Reason for the change in income tax: It was mainly due to the decline in road network traffic and the toll waiver for trucks in the fourth quarter during the Reporting Period, which resulted in a corresponding decrease in the taxable income of the Group.

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

Description of material change in business type, profit composition or profit source of the Company during the Reporting Period

Applicable  N/A

# REPORT OF THE BOARD

## 2. Analysis of revenue and cost

Applicable  N/A

During the Reporting Period, the Group had a cumulative operating revenue of approximately RMB13,255,603,000, representing a decrease of approximately 7.05% as compared to the same period of the previous year. The decrease in operating revenue was mainly due to the year-on-year decrease in the Group's toll road income and ancillary business income due to the decrease in traffic volume of road network and the toll waiver for trucks in the fourth quarter during the Reporting Period, and the decrease in the scale of housing delivery as compared to the same period of the previous year, which resulted in the decrease in carry-forward sales revenue of property business. The Group had a cumulative operating cost of approximately RMB8,841,449,000, representing a decrease of approximately 1.75% as compared to the same period of the previous year. The decrease in operating costs was mainly due to the decrease in traffic volume, and the amortisation of toll operating rights of each road section according to the new estimated total traffic volume from 1 April 2022, which resulted in the year-on-year decrease in the amortisation of road operating rights; the decrease in oil sales and the corresponding decrease in oil procurement costs; the suspension of some maintenance projects and the corresponding decrease in road and bridge maintenance costs; and the year-on-year decrease in carry-forward sales costs of property business. The Group's consolidated gross profit margin decreased by approximately 3.60 percentage points over the same period of the previous year.

### (1) Principal businesses classified by industries

Unit: Yuan Currency: RMB

By Industry	Principal Business by Industry					
	Operating Income	Operating Costs	Gross Profit Margin (%)	Change in Operating Revenue over the Same Period of the Previous Year (%)	Change in Operating Costs over the Same Period of the Previous Year (%)	Change in Gross Profit Margin over the Same Period of the Previous Year (%)
<b>Toll road</b>	<b>7,323,016,523.07</b>	<b>3,370,981,816.85</b>	<b>53.97</b>	<b>-11.38</b>	<b>-7.41</b>	<b>Decreased by 1.97 percentage points</b>
Shanghai-Nanjing Expressway	4,280,907,517.39	1,814,473,079.60	57.61	-16.56	-3.19	Decreased by 5.85 percentage points
Guangjing Expressway and Xicheng Expressway	682,210,156.22	322,185,776.08	52.77	-21.58	-14.08	Decreased by 4.12 percentage points
Ningchang Expressway and Zhenli Expressway	1,198,241,242.41	493,152,695.24	58.84	-8.43	-25.59	Increased by 9.49 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	463,237,872.83	271,910,990.88	41.30	-4.37	-6.54	Increased by 1.36 percentage points
Zhendao Expressway	74,639,746.98	64,249,857.51	13.92	-15.31	-4.75	Decreased by 9.54 percentage points
Changji Expressway	99,109,995.28	88,565,029.13	10.64	15.34	-3.22	Increased by 17.13 percentage points
Yichang Expressway	132,267,584.77	112,855,821.84	14.68	18.64	-25.97	Increased by 51.42 percentage points
Wufengshan Toll Bridge	392,402,407.19	203,588,566.57	48.12	112.97	61.28	Increased by 16.63 percentage points
<b>Ancillary services</b>	<b>1,124,123,337.41</b>	<b>1,288,604,543.24</b>	<b>-14.63</b>	<b>-21.78</b>	<b>-6.63</b>	<b>Decreased by 18.60 percentage points</b>
Property sales	674,078,627.89	435,356,228.58	35.41	-34.46	-40.57	Increased by 6.64 percentage points
Electricity sales	651,675,244.34	328,148,600.23	49.65	39.81	51.74	Decreased by 3.96 percentage points
Revenue/cost during the construction period	3,340,387,380.03	3,340,387,380.03	-	13.28	13.28	
Other businesses	142,321,994.98	77,970,753.96	45.22	21.82	-2.90	Increased by 13.95 percentage points
<b>Total</b>	<b>13,255,603,107.72</b>	<b>8,841,449,322.89</b>	<b>33.30</b>	<b>-7.05</b>	<b>-1.75</b>	<b>Decreased by 3.60 percentage points</b>

## REPORT OF THE BOARD

*Note 1:* Data in the above table does not include the amount of revenues and costs incurred for the provision of road management services between the Group's segments as the intra-group activities are offset on consolidation.

*Note 2:* During the Reporting Period, since the Group's toll road income was affected by the decrease in traffic volume of road network and the toll waiver for trucks in the fourth quarter. As a result, the gross profit margin of the toll road income decreased as compared with the same period of the previous year. Affected by the overhaul of Xicheng Expressway during the Reporting Period, the road maintenance costs of Xicheng Expressway increased year-on-year, and the gross profit margin of toll business decreased accordingly. Changyi Expressway, Yichang Expressway, and Wufengshan toll Bridge were newly opened roads and bridges, and the traffic volume was in the cultivation period, so there was a natural growth year-on-year.

*Note 3:* During the Reporting Period, since the oil product sales volume decreased due to the impact of the decrease in traffic volume of road network and service area leasing income recorded a decrease, the gross profit margin of the ancillary services business decreased year on year.

Explanation on principal business by industry, product, region and sales model

During the Reporting Period, the Group's main business was distributed in Jiangsu Province.

(2) *Analysis on production and sales volume*

Applicable  N/A

(3) *Performance of material purchase contracts and material sales contracts*

Applicable  N/A



# REPORT OF THE BOARD

## (4) Analysis of costs

Unit: Yuan Currency: RMB

By Industry	Components of Costs	Amount for the Reporting Period	By Industry				Explanation
			Percentage in Total Costs for the Reporting Period (%)	Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year (%)	Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year (%)	
Toll road business	-	3,370,981,816.85	38.13	3,640,585,191.45	40.46	-7.41	
-	Depreciation and amortisation	1,590,550,707.37	17.98	1,822,750,601.75	20.26	-12.74	Mainly due to the decrease in traffic volume during the Reporting Period, and the amortisation of toll operating rights of each road section under the management of the Group according to the new estimated total traffic volume from 1 April 2022, which resulted in the year-on-year decrease in the amortisation of road operating rights. For details, please refer to the announcement on changes in accounting estimates of the Company dated 29 April 2022.
-	Costs on maintenance	609,917,852.14	6.90	696,011,873.33	7.73	-12.37	Mainly due to the suspension of some maintenance projects during the Reporting Period, and the large base figure of the previous year because of the surface maintenance of Shanghai-Nanjing Expressway and the heavy maintenance of Wuxi Huantaihu Expressway and other sections, which resulted in the year-on-year decrease in road and bridge maintenance costs.
-	Costs on system maintenance	81,559,904.85	0.92	53,532,404.70	0.59	52.36	Mainly due to the upgrade of the toll collection system during the Reporting Period.
-	Levy costs	188,341,488.19	2.13	218,775,453.34	2.43	-13.91	The year-on-year decrease in levy costs was mainly due to the decrease in the toll road income during the Reporting Period, the corresponding decrease in road network management fees and the decrease in maintenance and repair costs.
-	Labor costs	900,611,864.30	10.19	849,514,858.33	9.44	6.01	

# REPORT OF THE BOARD

By Industry	Components of Costs	Amount for the Reporting Period	Percentage in Total Costs for the Reporting Period (%)	By Industry		Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year (%)	Explanation
				Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year (%)		
Ancillary services business	-	1,288,604,543.24	14.57	1,380,090,064.44	15.34	-6.63	
-	Raw materials	855,865,519.39	9.68	968,776,505.63	10.77	-11.66	Mainly due to the decrease in oil sales during the Reporting Period and the corresponding decrease in oil procurement costs.
-	Depreciation and amortisation	66,872,218.72	0.76	57,637,695.85	0.64	16.02	Mainly due to factors such as the opening of the Wufengshan Toll Bridge for operation in June 2021 and the opening of the Guangling service area, which resulted in a corresponding increase in depreciation expenses.
-	Labor costs	253,946,197.45	2.87	230,091,233.11	2.56	10.37	Mainly due to the rigid increase in labor costs.
-	Other costs	111,920,607.68	1.27	123,584,629.85	1.37	-9.43	Mainly due to the decrease in maintenance and repair costs in the service area during the Reporting Period.
Property sales business	-	435,356,228.58	4.92	732,545,827.31	8.14	-40.57	During the Reporting Period, the scale of delivery and carry-forward of real estate projects decreased year-on-year, resulting in a year-on-year decrease in the cost of property sales business.
Electricity sales	-	328,148,600.23	3.71	216,258,598.17	2.40	51.74	Mainly due to the grid-connected operation at full capacity of the Rudong H5 offshore wind power project of the subsidiary in the fourth quarter of 2021.
Construction period costs	-	3,340,387,380.03	37.78	2,948,829,334.42	32.77	13.28	Mainly due to the year-on-year increase of investments in the construction of road and bridge projects during the Reporting Period.
Other businesses	-	77,970,753.96	0.89	80,296,740.92	0.89	-2.90	

Explanation on other details of cost analysis

None.

## REPORT OF THE BOARD

- (5) *Changes in the scope of consolidation due to changes in equity of major subsidiaries during the Reporting Period*

Applicable  N/A

As approved at the 2021 annual general meeting, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. During the Reporting Period, the transfer of equity interest in YS Energy Company and the registration of industrial and commercial changes were completed. As both the Company and YS Energy Company were controlled by Jiangsu Communications Holding before and after the Company's acquisition of 100% equity interest in YS Energy Company and such control was not temporary, the Company consolidated YS Energy Company in accordance with the PRC Accounting Standards and made corresponding retrospective adjustments to the comparative statement data of the previous period.

- (6) *Significant changes or adjustments in the business, products or services of the Company during the Reporting Period*

Applicable  N/A

- (7) *Major sales customers and major suppliers*

A. Major sales customers of the Company

Applicable  N/A

The sales to the top five customers amounted to RMB823,890,000, accounting for 14.00% of the total sales for the year; among which, the sales to related/connected parties among the top five customers amounted to RMB192,860,000, accounting for 3.30% of the total sales for the year.

As major customers of the Group's toll road income, service area operation and real estate sales business are individual consumers in the society, the top five customers together accounted for less than 30% of the Company's turnover.

During the Reporting Period, the proportion of sales to a single customer accounted for more than 50% of the total amount, and there were new customers or significant reliance on a few customers among the top five customers.

Applicable  N/A



## REPORT OF THE BOARD

### B. Major suppliers of the Company

Applicable  N/A

Purchases from the top five suppliers amounted to RMB1,279,570,000, accounting for 43.00% of the total purchases for the year (of which the largest supplier accounted for 13.00% of the total purchases for the year); among which, purchases from related/connected parties among the purchases of the top five suppliers amounted to RMB394,160,000, accounting for 13.00% of the total purchases for the year.

No.	Name of the supplier	Purchases (RMB'0,000)	Proportion of the total purchases for the year(%)
1	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)	39,416	13
2	Sinochem Oil Jiangsu Co. Ltd. (中化石油江蘇有限公司)	30,604	10
3	Nanjing Kaisi Petrochemical Co., Ltd. (南京凱斯石油化工有限公司)	23,506	8
4	Nanjing CNPC Kaiwei Petrochemical Co., Ltd. (南京中油凱威石化有限公司)	18,099	6
5	Changshu Kaisi Petrochemical Co., Ltd. (常熟市凱斯石油化工有限公司)	16,332	5

Jiangsu Communications Holdings, the controlling shareholder of the Company, directly holds 24.99% equity interest in Xiandai R&B Company, and China Merchants Expressway, a substantial shareholder of the Company, indirectly holds 6.61% equity interest in Xiandai R&B Company.

Save as disclosed above, during the year, none of the directors, their close associates or any shareholders of the Company (which to the knowledge of our directors owns more than 5% of the Company's issued capital) has any interest in the Group's top five suppliers.

During the Reporting Period, the proportion of purchases to a single supplier accounted for more than 50% of the total amount, and there were new suppliers or significant reliance on a few suppliers among the top five suppliers.

Applicable  N/A

Other explanations

None.

## REPORT OF THE BOARD

### 3. Expenses

Applicable  N/A

#### (1) *Administrative expenses*

During the Reporting Period, administrative expenses incurred by the Group were approximately RMB293,509,000 in aggregate, representing an increase by approximately 19.32% over the same period of the previous year. The increase in administrative expenses was mainly due to the rigid increase in labour costs and the year-on-year increase in intermediary fees during the Reporting Period.

#### (2) *Finance costs*

During the Reporting Period, finance costs incurred by the Group were approximately RMB1,094,227,000 in aggregate, representing an increase by approximately 26.18% over the same period of the previous year. The increase in finance costs was mainly due to the interest accrued on borrowings were recognised as expenses with the opening of Wufengshan Toll Bridge for operation in June 2021 and due to the increase in the size of the Group's interest-bearing debts.

#### (3) *Selling expenses*

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB14,502,000, representing a year-on-year decrease of approximately 44.46%. The decrease in selling expenses was mainly due to the year-on-year decrease in sales commission and advertising fees of the property projects of relevant subsidiaries during the Reporting Period.

#### (4) *Taxes and surcharges*

During the Reporting Period, the taxes and surcharges incurred by the Group were RMB168,928,000 in aggregate, representing a year-on-year decrease of approximately 36.66%. The decrease in taxes and surcharges was mainly due to the year-on-year decrease in the Group's toll road income and ancillary business income and the year-on-year decrease in revenue from property sales during the Reporting Period.

#### (5) *Income tax*

The statutory income tax rate for companies of the Group was 25%, 16.5%, etc. During the Reporting Period, the income tax expense of the Group was approximately RMB833,034,000 in aggregate, representing a year-on-year decrease of approximately 35.41%. The change in income tax was mainly due to the impact of the decrease in traffic volume of road network and the toll waiver for trucks in the fourth quarter during the Reporting Period, which resulted in a corresponding decrease in the taxable income of the Group.

4. R&D input

(1) *Table of R&D input*

Applicable  N/A

(2) *Table of R&D personnel*

Applicable  N/A

(3) *Explanation*

Applicable  N/A

(4) *Reasons for material changes in the composition of R & D personnel and impact on the future development of the Company*

Applicable  N/A

5. Cash flow

Applicable  N/A

The toll road income of the Group is received in cash and bank balances, contributing to a stable operating cash flow. During the Reporting Period, the Group's net cash inflow generated from operating activities was approximately RMB5,527,921,000, representing a year-on-year decrease of approximately 3.07%, mainly due to the year-on-year decrease in the Group's toll road income and ancillary business income due to the impact of the decrease in traffic volume of road network and the toll waiver for trucks in the fourth quarter during the Reporting Period, which resulted in a year-on-year decrease in net cash flows generated from operating activities. The net cash outflow generated from investment activities was approximately RMB6,426,644,000, representing a year-on-year decrease of approximately 19.87%, mainly due to the year-on-year decrease in external investment and the year-on-year increase in dividend payments received during the Reporting Period. The net cash inflow generated from financing activities was approximately RMB1,206,430,000, representing a year-on-year decrease of approximately 47.73%, mainly due to the year-on-year decrease in net cash inflow obtained from the Company's borrowings during the Reporting Period.

6. Gains from changes in fair value

During the Reporting Period, the Group recorded a gain on changes in fair value of approximately RMB-142,950,000, mainly due to the decrease in fair value of other non-current financial assets held by subsidiaries of the Company.

## REPORT OF THE BOARD

### 7. Investment income

During the Reporting Period, the Group's investment income was approximately RMB1,867,962,000, representing a year-on-year increase of approximately 53.90%. It was mainly attributable to significant year-on-year increase in the operating results due to the issuance of infrastructure public REITs by Yanjiang Company, an associate, by way of transferring 100% equity interest in Husuzhe Company. Also, the increase in investment income contributed by associate companies, which are financial companies, such as Zijin Trust led to the corresponding increase in investment income contributed by associates. At the same time, investments in other equity instruments, distribution of other non-current financial assets, and wealth management income increased year on year. During the Reporting Period, the associates invested by the Group contributed investment income of approximately RMB1,086,916,000, representing a year-on-year increase of approximately 41.35%. Operating results of some key associates are set out below:

Unit: Yuan Currency: RMB

Name of Company	Principal Business	Investment Cost	Equity Interest Attributable to the Company %	Net Profit Attributable to the Shareholders of the Associates	Contribution to Investment Income	Percentage of the Company's Net Profit %	Year-on-year Increase/Decrease %
Suzhou Expressway Company	Mainly responsible for the management and operation businesses of Sujiahang Expressway and Changjia Expressway	957,700,163.00	23.86	365,200,909.91	87,143,420.69	2.33	-46.91
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243.00	26.66	844,293,213.62	225,088,570.75	6.01	-27.02
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000.00	25.15	1,526,189,946.80	421,228,425.32	11.24	129.59
Zijin Trust Company	Mainly engaged in trust investment business approved by laws and regulations or the China Banking Regulatory Commission	1,989,582,000.00	20.00	838,461,256.66	167,692,251.33	4.47	2,891.76

*Note 1:* Suzhou Expressway Company, an associate in which the Company holds 30.01% of the shares, increased its capital to invest in the construction of the Qidu-Taoyuan section of the Suzhou-Taizhou Expressway in 2021, in which the Company did not participate. The business registration of Suzhou Expressway Company was completed on 13 January 2022, and the registered capital after the capital increase was RMB2,543 million with the Company's shareholding ratio reduced to 23.86%.

*Note 2:* On 6 August 2021, the second meeting of the tenth session of the board of directors of the Company considered and approved the investment in Zijin Trust Company as a strategic investor with its self-owned funds of not more than RMB2 billion. Upon completion of the capital increase, the Company held 20% equity interest in Zijin Trust Company. On 23 September 2021, the Company received the Approval of the Jiangsu Regulatory Bureau of the CBIRC on the Increase of Registered Capital and Adjustment of Shareholding Structure of Zijin Trust Co., Ltd. (《中國銀保監會江蘇監管局關於紫金信託有限責任公司增加註冊資本及調整股權結構的批覆》) (Su Yin Bao Jian Fu [2021] No. 404), pursuant to the relevant provisions of the Capital Increase Agreement, the Company allocated a capital increase of RMB1.99 billion to complete the capital increase plan.

### 8. Other income

During the Reporting Period, the Group recorded other income of approximately RMB31,983,000, representing a year-on-year increase of approximately 6.48%. It was mainly due to the year-on-year increase in government grants income during the Reporting Period.

## REPORT OF THE BOARD

### 9. Non-operating income and expenses

During the Reporting Period, the Group realised non-operating income of approximately RMB10,630,000, representing a year-on-year decrease of approximately 17.91%, mainly due to the receipt of late payment for service area lease defaults in the same period of the previous year. During the Reporting Period, the Group incurred non-operating expenses of approximately RMB49,968,000, representing a year-on-year increase of approximately 68.41%, mainly due to the year-on-year increase in expenses for road assets repair during the Reporting Period.

### (II) Major changes in profits caused by non-principal businesses

Applicable  N/A

### (III) Analysis of assets and liabilities

Applicable  N/A

#### 1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount as at the End of the Reporting Period	Percentage in the Total Assets as at the End of the Reporting Period (%)	Amount as at the End of the Previous Period	Percentage in the Total Assets as at the End of the Previous Period (%)	Percentage Change of the Amount as at the End of the Reporting Period as Compared with the End of the Previous Period (%)	Explanation
Cash at bank and on hand	932,931,344.38	1.19	623,637,321.80	0.84	49.60	Mainly due to the increase in capital reserve for loan repayment and payment and project construction by the Group at the end of the Reporting Period.
Held-for-trading financial assets (Note 1)	3,474,620,148.26	4.43	2,646,518,676.44	3.56	31.29	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared with the beginning of the period.
Bills payable	950,000.00	0.00	13,024,839.80	0.02	-92.71	Mainly due to the decrease in bank acceptance bills receivable from subsidiaries at the end of the Reporting Period as compared with the beginning of the period.
Accounts receivable	1,127,669,970.08	1.44	868,672,668.69	1.17	29.82	Mainly due to the increase in the amount of state subsidy receivable from power stations transmitting electricity to the State Grid at the end of the Reporting Period as compared with the beginning of the period.
Inventories	2,585,018,115.85	3.29	3,889,500,259.57	5.24	-33.54	Mainly due to the delivery and carry-forward of real estate projects of subsidiaries during the Reporting Period.
Other current assets	1,132,118,913.26	1.44	976,072,886.04	1.31	15.99	Mainly due to the increase in factoring receivables during the Reporting Period.
Long-term equity investments	11,089,989,971.83	14.13	10,155,546,826.36	13.68	9.20	Mainly due to the increase in investment income contributed by associates during the Reporting Period.
Investments in other equity instruments	6,989,448,132.00	8.91	5,805,587,078.89	7.82	20.39	Mainly due to the increase in book value of other equity instrument investments recognized at fair value by the Group in the Reporting Period.

# REPORT OF THE BOARD

Item	Amount as at the End of the Reporting Period	Percentage in the Total Assets as at the End of the Reporting Period	Amount as at the End of the Previous Period	Percentage in the Total Assets as at the End of the Previous Period	Percentage Change of the Amount as at the End of the Reporting Period as Compared with the End of the Previous Period	Explanation
		(%)		(%)	(%)	
Other non-current financial assets	2,877,355,787.11	3.67	3,004,141,868.26	4.05	-4.22	Mainly due to the partial recovery of the principal amount of other non-current financial assets and the decrease in the fair value of other non-current financial assets held during the Reporting Period as compared with the beginning of the period.
Investment properties	308,801,243.53	0.39	91,363,105.92	0.12	237.99	Mainly due to the addition of investment properties by the Company's subsidiary, Hanwei Company, during the Reporting Period.
Fixed assets	8,045,978,815.98	10.26	7,645,933,747.91	10.30	5.23	Mainly due to the completion and delivery of the subsidiary's property project C5 Hotel to the Company's self-owned assets during the Reporting Period.
Construction in progress	188,697,382.38	0.24	265,046,246.08	0.36	-28.81	Mainly due to the completion and carry-forward of some projects under construction during the Reporting Period.
Right-of-use assets	29,471,084.75	0.04	39,288,043.61	0.05	-24.99	Mainly due to the depreciation charged during the Reporting Period.
Intangible assets	39,160,901,716.97	49.91	37,144,247,928.52	50.03	5.43	Mainly due to the recognition of intangible assets for the construction inputs of road and bridge projects in accordance with the <i>Interpretation No. 14 on Accounting Standards for Business Enterprises</i> (《企业会计准则解释第14号》) during the Reporting Period.
Long-term deferred expenses	18,310,574.19	0.02	2,885,785.63	0.00	534.51	Mainly due to the additional renovation input with the completion and delivery of the subsidiary's property project C5 Hotel to the Company's self-owned assets during the Reporting Period.
Long-term receivables	111,904,575.09	0.14	-	-	-	Mainly due to the amount received from the installment purchase of Hanrui Centre project by Communications Holding Commercial Operation Company during the Reporting Period.
Other non-current assets	68,366,860.46	0.09	815,786,455.84	1.10	-91.62	Mainly due to the receipt of value added tax refunds from subsidiaries for value added tax retention, which resulted in the decrease of input tax to be deducted during the Reporting Period as compared with the beginning of the period.
Short-term loans	2,434,124,067.61	3.10	1,077,145,209.09	1.45	125.98	Mainly due to the increase in short-term borrowings from financial institutions during the Reporting Period as compared with the beginning of the period.
Bills payable	366,000,000.00	0.47	134,040,089.33	0.18	173.05	The increase was mainly due to the bank acceptance bills issued by the subsidiary Factoring Company during the Reporting Period.
Accounts payable	2,813,441,518.75	3.59	3,217,552,682.31	4.33	-12.56	Mainly due to the decrease in construction payables and real estate construction payments at the end of the Reporting Period as compared to the beginning of the period.
Contract liabilities	162,928,919.15	0.21	427,561,162.30	0.58	-61.89	Mainly due to the delivery and carry-forward of real estate projects of subsidiaries during the Reporting Period.

## REPORT OF THE BOARD

Item	Amount as at the End of the Reporting Period	Percentage in the Total Assets as at the End of the Reporting Period (%)	Amount as at the End of the Previous Period	Percentage in the Total Assets as at the End of the Previous Period (%)	Percentage Change of the Amount as at the End of the Reporting Period as Compared with the End of the Previous Period (%)	Explanation
Non-current liabilities due within one year	1,815,208,560.25	2.31	808,115,756.98	1.09	124.62	Mainly due to the transfer of long-term loans due within one year during the Reporting Period.
Other current liabilities	5,359,728,092.37	6.83	7,671,965,597.07	10.33	-30.14	Mainly due to the redemption of ultra-short-term notes during the Reporting Period, which resulted in a decrease in the balance as compared with the beginning of the period.
Bonds payable	9,972,337,481.34	12.71	5,777,418,959.86	7.78	72.61	Mainly due to the issuance of corporate bonds of RMB2,700,000,000 and medium-term notes of RMB1,500,000,000 in the Reporting Period.
Deferred tax liabilities	671,751,540.62	0.86	419,248,158.42	0.56	60.23	Mainly due to the adjustments to other comprehensive income and deferred income tax liabilities based on the fair value of other equity instrument investments held by the Group during the Reporting Period.
Other non-current liabilities	-	-	4,451,000.00	0.01	-100.00	Mainly due to the adjustment of other non-current liabilities due within one year to non-current liabilities due within one year during the Reporting Period.
Capital reserve	9,776,409,372.86	12.46	12,122,409,372.86	16.33	-19.35	Mainly due to the consolidation of YS Energy Company under common control during the Reporting Period.
Other comprehensive income	1,752,882,112.53	2.23	931,335,600.50	1.25	88.21	Mainly due to the adjustments to other comprehensive income based on the fair value of other equity instrument investments held by the Group during the Reporting Period.
Total assets	78,458,345,074.07	100.00	74,246,831,643.32	100.00	5.67	
Total gearing ratio	51.63%	-	49.31%	-	Increased by 2.32 percentage points	
Net gearing ratio	106.74%	-	97.27%	-	Increased by 9.47 percentage points	

*Note 1:* The data of the previous year was made retrospective adjustment. For details, see the explanation of reasons for retrospective adjustment or restatement in "Section II Company Information and Principal Financial Indicators – VII. Key Accounting Data and Financial Indicators for Last Five Years" of this Report.

*Note 2:* During the Reporting Period, the accumulated amount of wealth management products purchased by the Group from any one bank did not reach or exceed 5% of the total assets (adjusted according to the Listing Rules to reduce dividends payable) or market capitalisation

### Other explanations

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

## REPORT OF THE BOARD

2. Overseas assets

Applicable  N/A

(1) *Asset size*

Including: Overseas assets of 15,093.21 (Unit: Dollar Currency: USD), accounting for 0.000134% of the total assets.

The overseas assets were mainly the cash and bank balances of Ninghu International Company as at the end of the Reporting Period.

(2) *Relevant explanation of high proportion of overseas assets*

Applicable  N/A

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

Applicable  N/A

Unit: Yuan Currency: RMB

Class	Book Value as at the End of the Reporting Period	Reasons for Restriction
Bank deposits	347,855.62	Customers' mortgage deposit
Bank deposits	270,634.27	Regulated pre-sale proceeds
Bank deposits	7,300,000.00	Margin deposits for notes issued
Intangible assets	23,591,032,436.60	Pledge of toll road concession rights of expressways
Accounts receivable	568,354,076.80	Pledge of the right to charge for electricity receivables
<b>Total</b>	<b>24,167,305,003.29</b>	<b>-</b>

(1) *Explanation for restrictions on bank deposits*

As at the end of the Reporting Period, other currency funds of the Group included customer mortgage loan deposits of RMB348,000, regulated pre-sale proceeds of RMB271,000 and margin deposits for notes issued of RMB7,300,000. Among these items, customers' mortgage deposit is a loan made by the bank to the customer for the sales of properties by Ninghu Properties Company, and the bank will freeze the Group's funds as a deposit according to the agreements, which will be released upon the delivery of the mortgage customers' title certificates to the banks for approval. The regulated pre-sale proceeds are required by the requirements on regulated pre-sale proceeds implemented by some local authorities in China (such as Nanjing, Suzhou, Jurong, Kunshan etc.). Real estate developers need to open a supervised bank account when applying for pre-sale permit for new commercial properties. All the pre-sale proceeds should be deposited in such account which are supervised by regulator. The margin deposits for notes issued are the deposits collected by Finance Company in proportion for commercial bills drawn by Longtan Bridge Company in accordance with the regulatory requirements.



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

Guangjing Xicheng Company, a subsidiary of the Group, entered into a loan contract with Wuxi Branch of Industrial and Commercial Bank of China in respect of a loan of RMB1,200,000,000 in aggregate, which was secured by the toll road concession right of Guangjing Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB405,000,000.

A subsidiary of the Group, Wufengshan Toll Bridge Company, entered into loan contracts with the Jiangsu Branch of China Construction Bank, the Jiangsu Branch of China Development Bank, the Jiangsu Branch of Bank of Communications, the Nanjing Branch of Postal Savings Bank of China and the Nanjing Chengnan Branch of Industrial and Commercial Bank of China with a total amount of RMB2,000,000,000, RMB2,500,000,000, RMB1,500,000,000, RMB1,200,000,000 and RMB1,500,000,000, respectively, which were secured by the toll road part of the Wufengshan Toll Bridge and the toll road concession rights of North-South Connection. As of the end of the Reporting Period, the loan balance amounted to RMB1,560,000,000, RMB371,000,000, RMB891,073,000, RMB988,880,000 and RMB357,500,000, respectively.

Changyi Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Chengzhong Branch of Agricultural Bank of China and the Wuxi Branch of Industrial and Commercial Bank of China with a total amount of RMB500,000,000, RMB382,900,000 and RMB2,000,000,000, respectively, which were secured by the toll road concession rights of Changyi Expressway. As of the end of the Reporting Period, the loan balance amounted to RMB49,160,000, RMB366,000,000 and RMB550,500,000, respectively.

Yichang Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Branch of Industrial and Commercial Bank of China, the Jiangsu Branch of China Development Bank, and Bank of Communications with a total amount of RMB500,000,000, RMB2,400,000,000, RMB2,000,000,000 and RMB300,000,000, respectively, which were secured by the toll road concession rights of Yichang Expressway. As of the end of the Reporting Period, the loan balance amounted to RMB378,560,000, RMB475,000,000, RMB379,000,000 and RMB94,680,000, respectively.

## (3) *Explanation for restrictions on accounts receivable*

Rudong Company, a subsidiary of the Group, entered into a loan contract with the Jiangsu Branch of China Development Bank for a total amount of RMB4,000,000,000, which was guaranteed by Jiangsu Transportation Holdings in addition to the pledge of the right to charge electricity for the project. As of the end of the Reporting Period, the loan balance amounted to RMB2,563,000,000.



# REPORT OF THE BOARD

## 4. Other explanations

Applicable  N/A

### (1) *Investment expenditure*

During the Reporting Period, the Group incurred the planned investment expenditure in a sum of approximately RMB7,641,980,000, representing a decrease of approximately RMB1,591,672,000 or approximately 17.24% from RMB9,233,652,000 in the corresponding period of the prior year, which was mainly due to the year-on-year decrease in the Group's investment in the construction of power generation projects during the Reporting Period. The breakdown of the investment expenditures incurred by the Group during the Reporting Period is as follows:

Names of Investment Projects	Amount (RMB)
Longtan Bridge	2,775,251,439.70
Expansion Project of South Section of Xiyi Expressway	565,135,940.33
Investment in CDB Kai Yuan Phase II Fund	104,223,693.42
Increase in shareholding in Bank of Jiangsu	1,273,407,380.00
Acquisition of Equity Interest in YS Energy Company	2,457,000,000.00
Capital increase in factoring companies	100,000,000.00
Investment in Jiangsu Communications Holding Renewable Energy Jiangsu Company (Note 2)	14,700,000.00
Investment in Rudong Company (Note 2)	111,280,000.00
Renovation and expansion of service areas and toll stations	94,893,792.41
Three major systems and information construction projects	10,033,934.59
Photovoltaic power generation projects	14,234,456.07
Other capital expenditure of the Group	121,819,641.63
<b>Total</b>	<b>7,641,980,278.15</b>

Note 1: The data in the above table includes capital investment in subsidiaries of the Group.

Note 2: The investment of RMB14,700,000 in Jiangsu Clean Energy Company and RMB111,280,000 in Rudong Company during the Reporting Period were both capital contribution obligations created before the Company acquired 100% of the equity interests in YS Energy Company.

### (2) *Capital structure and solvency*

The Group attached great importance to maintaining a reasonable capital structure and continuously improved its profitability in order to maintain the Group's good credit rating and stable financial position. At the end of the Reporting Period, the total liabilities of the Group amounted to approximately RMB40,508,013,000. The overall gearing ratio of the Group was approximately 51.63%, representing an increase of approximately 2.32 percentage points as compared with the beginning of the period. In view of the Group's stable and abundant operating cash flow and sound capacity of financing and capital management, the management believes that the gearing ratio remained at a safe level at the end of the Reporting Period.

### (3) *Financial strategy and financing arrangement*

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and reduced financing costs. Through adopting a proactive financing strategy, the Company was able to meet the funding needs of its operation and management and project investment and controlled the financing costs effectively. The Group's borrowing requirements are not subject to seasonality. During the Reporting Period, an additional fund of RMB29,866,170,000 was obtained through direct financing. As at 31 December 2022, the Group's borrowings amounted to RMB20,106,657,000, of which RMB5,240,054,000 was fixed loans. As of the end of the Reporting Period, the balance of the principal of the interest-bearing liabilities was approximately RMB35,426,657,000, representing an increase of approximately RMB4,146,627,000 as compared with the beginning of the period. The consolidated borrowing cost on interest-bearing liabilities of the Group was approximately 3.41%, representing a year-on-year decrease of approximately 0.26 percentage points, which was lower than the loan prime rate (LPR) of approximately 0.77 percentage points. Details of the main financing activities during the Reporting Period are set out in Section IX Particulars of Corporate Bonds.

## REPORT OF THE BOARD

### (4) Credit policy

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

### (5) Contingencies

As an industrial practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide joint and several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased property is completed and the Building Right Encumbrances Certificate is submitted to banks for enforcement. As of 31 December 2022, the outstanding guarantees amounted to approximately RMB131,898,000.

### (6) Foreign exchange risks

The Group currently operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and major capital expenditures are all settled in RMB except for dividend payments for H Shares and the Group has no investment in foreign currency. In 1998, the Group obtained a loan from the Spanish government of USD9,800,000 at an interest rate of 2% per annum with interest payable annually and due on 18 July 2027. As of 31 December 2022, the balance of the loan was equivalent to approximately RMB10,353,000, against which no foreign exchange hedging arrangements were made by the Group. Fluctuation in exchange rates had no material impact on the Group's results.

### (7) Reserve

Unit: Yuan Currency: RMB

	Total Equity Attributable to Shareholders of the Parent Company							
	Share Capital	Capital Reserve	Other Comprehensive Income	Surplus Reserve	General Risk Reserve	Special Reserve	Undistributed Profits	Total
I. Balance at the beginning of the year	5,037,747,500.00	12,122,409,372.86	931,335,600.50	3,834,110,631.26	6,505,092.88	-	10,110,279,671.92	32,042,387,869.42
II. Changes in equity during the year ("-" for decreases)	-	-2,346,000,000.00	821,546,512.03	185,482,441.68	3,232,638.95	577,468.02	1,233,580,780.01	-101,580,159.31
1. Total comprehensive income	-	-	837,091,056.80	-	-	-	3,724,115,165.87	4,561,206,222.67
2. Capital contribution by shareholders	-	111,000,000.00	-	-	-	-	-	111,000,000.00
(1) Contribution by ordinary shareholders	-	111,000,000.00	-	-	-	-	-	111,000,000.00
3. Appropriation of profits	-	-	-	185,482,441.68	3,232,638.95	-	-2,506,078,930.63	-2,317,363,850.00
(1) Appropriation for surplus reserve	-	-	-	185,482,441.68	-	-	-185,482,441.68	-
(2) Distributions to shareholders	-	-	-	-	-	-	-2,317,363,850.00	-2,317,363,850.00
(3) Appropriation for general risk reserve	-	-	-	-	3,232,638.95	-	-3,232,638.95	-
4. Transfers within equity	-	-	-15,544,544.77	-	-	-	15,544,544.77	-
(1) Transfer of other comprehensive income to retained earnings	-	-	-15,544,544.77	-	-	-	15,544,544.77	-
5. Consideration paid for business merger under common control	-	-2,457,000,000.00	-	-	-	-	-	-2,457,000,000.00
6. Specific reserve	-	-	-	-	-	577,468.02	-	577,468.02
(1) Appropriations during the year	-	-	-	-	-	2,781,972.78	-	2,781,972.78
(2) Utilisations during the year	-	-	-	-	-	-2,204,504.76	-	-2,204,504.76
III. Balance at the end of the year	5,037,747,500.00	9,776,409,372.86	1,752,882,112.53	4,019,593,072.94	9,737,731.83	577,468.02	11,343,860,451.93	31,940,807,710.11

Note: The above statutory reserves may not be used for purposes other than their intended purposes and may not be used for distribution as cash dividends. As of 31 December 2022, the reserves available for distribution to shareholders calculated in accordance with the PRC Accounting Standards amounted to RMB11,343,860,451.93 (as of 31 December 2021: RMB10,110,279,671.92).

# REPORT OF THE BOARD

## (IV) Analysis of operating information

Applicable  N/A

## (V) Analysis of investment

Overall analysis of external equity investment

Applicable  N/A

During the Reporting Period, the Group's total equity investment was approximately RMB6,156 million, representing an increase of approximately 78.54% over 2021. The major items are as follows:

### 1. Material equity investments

Applicable  N/A

Unit: Yuan Currency: RMB

Name of Investee Corporation	Principal Business	Whether the Target is Principally Engaged in the Investment Business	Investment Method	Invested Amount	Shareholding Percentage	Whether to Consolidate	Statement Item (if applicable)	Sources of Funds	Partner (if applicable)	Investment Term (if any)	Status as at the Balance Sheet Date	Estimated Earnings (if any)	Effect of Profit or Loss for the Period	Whether Involved in any Legal Actions	Date of Disclosure (if any)	Disclosure Index (if any)
YS Energy Company	Photovoltaic and wind power generation	No	Acquisition	2,457,000,000.00	100.00%	Yes	-	Self-owned funds	-	-	The transfer of equity interest and the registration of industrial and commercial changes were completed.	-	186,686,249.15	No	18 June 2022	For details, please refer to the announcements on the resolutions of the Shareholders' general meetings published by the Company on the website of the SSE at www.sse.com.cn on 18 June 2022 and on the website of the Stock Exchange at www.hkexnews.hk on 17 June 2022.
Bank of Jiangsu	Banks	No	Capital increase	1,273,407,380.00	5.3005%	No	Investments in other equity instruments	Self-owned funds	-	-	Full capital contribution was completed	-	238,189,920.00	No	27 October 2022	For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn on 27 October 2022 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2022.

# REPORT OF THE BOARD

Name of Investee Corporation	Principal Business	Whether the Target is Principally Engaged in the Investment Business	Investment Method	Invested Amount	Shareholding Percentage	Whether to Consolidate	Statement Item (if applicable)	Sources of Funds	Partner (if applicable)	Investment Term (if any)	Status as at the Balance Sheet Date	Estimated Earnings (if any)	Effect of Profit or Loss for the Period	Whether Involved in any Legal Actions	Date of Disclosure (if any)	Disclosure Index (if any)
		Investment Business														
Factoring Company (Note)	Factoring	No	Capital increase	100,000,000.00	100.00%	Yes	-	Self-owned funds	-	-	Full capital contribution was completed	-	16,116,720.19	No	23 December 2021	For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn on 23 December 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 22 December 2021.
Longtan Bridge Company	Roads and bridges	No	Capital increase	2,065,370,000.00	57.33%	Yes	-	Self-owned funds	Nanjing Highway Development (Group) Co., Ltd., Yangzhou Transportation Industry Group Co., Ltd.	-	As of the end of 2022, a capital increase of RMB900 million had been completed, with the remaining capital contribution to be completed by 30 June 2024.	-	559,018.43	No	28 March 2022	For details, please refer to the announcements on resolution of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 28 March 2022.
COB Kai Yuan Phase II Fund	Fund	No	Others	104,223,693.42	8.20%	No	Other non-current financial assets	Self-owned funds	China Development Kai Yuan Equity Investment Fund Management Co., Ltd.	Until November 2027	Full capital contribution was completed	-	28,941,266.12	No	29 April 2017	For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn on 29 April 2017 and on the website of the Stock Exchange at www.hkexnews.hk on 28 April 2017.
Total	/	/	/	6,030,001,073.42	/	/	/	/	/	/	/	/	470,503,173.89	/	/	/

Note: See Section III Discussion and Analysis of the Management – (i) Company status – Note. 6



## REPORT OF THE BOARD

### 2. Material non-equity investments

Applicable  N/A

**Investment in the construction of road and bridge project.** During the Reporting Period, the Group continued to efficiently advance the construction of road and bridge projects under construction in an orderly fashion. In 2022, approximately RMB1,129 million was invested in the construction of the Longtan Bridge project, with a cumulative investment of approximately RMB3,136 million, accounting for 50.14% of the total project investment. The North Connection Project of Longtan Bridge commenced construction in August 2022 with a cumulative investment of approximately RMB1,646 million, accounting for 23.57% of the total project investment. The Expansion Project of South Section of Xiyi Expressway has already commenced at the end of 2022 for the pilot section and fully commenced on 6 January 2023, with a cumulative investment of RMB565 million in 2022.

### 3. Financial assets measured at fair value

Applicable  N/A

Unit: 0'000 Currency: RMB

Asset Category	Amount at the Beginning of the Reporting Period	Gains or Losses from Changes in Fair Value during the Reporting Period	Accumulative Fair Value Changes Included in Equity	Impairments Accrued during the Reporting Period	Purchased Amount during the Reporting Period	Amount Sold/ Redeemed during the Reporting Period	Other Changes	Amount at the End of the Reporting Period
Private Equity Fund	254,348.39	-14,922.24	0.00	0.00	10,422.37	9,377.00	0.00	240,471.52
Stock	466,282.38	0.00	105,307.68	0.00	127,354.75	0.00	0.00	698,944.81
Others	424,993.84	627.19	6,112.97	0.00	83,380.66	120,389.30	0.00	394,725.38
Total	1,145,624.61	-14,295.04	111,420.66	0.00	221,157.78	129,766.29	0.00	1,334,141.71

#### Note:

The private equity funds comprise the CDB Kai Yuan Phase II Fund, Zhongbei Zhiyuan Fund and Luode Huizhi Fund held by the Company during the Reporting Period. For details, please refer to the following section headed "Private Equity Fund Investment". Shares include shares of Bank of Jiangsu and Jiangsu Leasing Company held by the Company during the Reporting Period. For details, please refer to the table below headed "Securities Investment".

Others include the Fuanda Advantageous Growth Fund, financial products, Fuanda Asset Manage Plan and Jiangsu Leasing Company convertible bonds held by the Company during the Reporting Period. During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, held Fuanda Advantageous Growth Fund purchased in 2011, being approximately 10,000,000 units in total with a net value of approximately RMB36,323,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. There was a decrease in fair value of approximately RMB5,710,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB20,614,000.

# REPORT OF THE BOARD

## Securities Investment

Applicable  N/A

Unit: 0'000 Currency: RMB

Securities Type	Securities Code	Securities Abbreviation	Initial Investment Cost	Sources of Funds	Book Value as at the Beginning of the Reporting Period	Gains or Losses from Changes in Fair Value during the Reporting Period	Accumulative Fair Value Changes Included in Equity	Purchased Amount during the Reporting Period	Sold Amount during the Reporting Period	Gain or Loss on Investments for the Period	Book value as at the End of the Reporting Period	Accounting Items
Shares	600919	Jiangsu Bank (Note)	335,598.34	Self-owned fund	347,176.38	-	96,181.68	127,354.75	-	23,819.99	570,712.81	Investments in other equity instruments
Shares	600901	Jiangsu Financial Lease	27,089.85	Self-owned fund	119,106.00	-	9,126.00	-	-	8,190.00	128,232.00	Investments in other equity instruments
Total	/	/	362,688.18	/	466,282.38	-	105,307.68	127,354.75	-	32,009.99	698,944.81	/

**Note:** On 31 December 2022, the Group held 782,870,800 shares of Bank of Jiangsu (stock code: 600919), with a market value of approximately RMB5,707,128,100, accounting for 7.28% of the Group's total assets. Bank of Jiangsu commenced its business on 24 January 2007, and is one of the 19 systemically important banks in China and the largest corporate bank in Jiangsu Province. As of the end of September 2022, the total assets of Bank of Jiangsu amounted to RMB2.92 trillion, ranking the 71st among the top 1,000 global banks in 2022, and continuing to rank among the top 100 global banks. The Company has continuously invested in the equity of Bank of Jiangsu since 2013, and has achieved significant cash dividend distribution income each year (the dividend distribution income from Bank of Jiangsu during the Reporting Period was RMB238,199,920.00), effectively improving the Company's profit level. Bank of Jiangsu has achieved steady performance in recent years. The Group's investment in Bank of Jiangsu is based on its confidence in the bank's future development and recognition of value growth, and is conducive to further improving the efficiency of capital use of the Company, reducing its financial costs, expanding its profit channels, and creating greater value for the majority of shareholders.



# REPORT OF THE BOARD

## *Private Equity Fund Investment*

Applicable     N/A

The private equity funds comprise the CDB Kai Yuan Phase II Fund, Zhongbei Zhiyuan Fund and Luode Huizhi Fund held by the Company during the Reporting Period. Among them, the net value of CDB Kai Yuan Phase II Fund, which was subscribed by Ninghu Investment Company in 2016, was approximately RMB1,753,107,000 at the beginning of the Reporting Period, with an investment cost of RMB1,072,567,000, an increase in investment principal of RMB104,223,000, a recovery of approximately RMB63,770,000 and an investment income of approximately RMB135,570,000 during the Reporting Period, with a net value of approximately RMB1,686,932,000 at the end of the Reporting Period, a decrease in fair value of approximately RMB106,628,000 during the Reporting Period and an increase in fair value of approximately RMB573,912,000 in aggregate. The net value of Zhongbei Zhiyuan Fund, which was subscribed by Ninghu Investment Company in 2019, was approximately RMB291,927,000 at the beginning of the Reporting Period, with an investment cost of RMB300,000,000, a recovery of approximately RMB30,000,000 and an investment income of approximately RMB7,920,000 during the Reporting Period, with a net value of approximately RMB253,903,000 at the end of the Reporting Period, a decrease in fair value of approximately RMB8,024,000 during the Reporting Period and a decrease in fair value of approximately RMB16,097,000 in aggregate. The net value of Luode Huizhi Fund, which was subscribed by Ninghu Investment Company in 2020, was approximately RMB498,450,000 at the beginning of the Reporting Period, with an investment cost of RMB500,000,000, an investment income of approximately RMB30,000,000 during the Reporting Period, with a net value of approximately RMB463,880,000 at the end of the Reporting Period, a decrease in fair value of approximately RMB34,570,000 during the Reporting Period and an decrease in fair value of approximately RMB36,120,000 in aggregate.

## *Investment in Derivatives*

Applicable     N/A

4. Progress of material asset restructuring and integration during the Reporting Period

Applicable     N/A

## (VI) Material disposal of assets and equity interest

Applicable     N/A



## (VII) Analysis of major subsidiaries and investee companies

Applicable     N/A

### 1. Operations of major subsidiaries

Unit: Yuan    Currency: RMB

Name of Company	Principal Business	Investment Cost	Equity Interest Attributable to the Company %	Total Assets	Net Assets	Net Profit	Percentage of the Company's Net Profit %	Year-on-year Increase/Decrease in Net Profit
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85	15,300,613,755.72	8,443,024,142.56	748,619,452.11	19.97	34.21
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,664,114,076.75	397,869,046.99	-51,271,008.75	-	23.76
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	12,390,295,121.59	4,535,384,676.68	-166,570,942.72	-	31.09
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	2,154,434,377.98	100	4,085,726,187.09	3,218,188,684.05	73,321,163.62	1.96	-82.41
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,641,864,731.82	1,240,716,745.86	7,155,998.28	0.19	-81.08
Hanwei Company	Real estate development and operation	374,499,800	100	1,478,735,614.74	217,720,672.98	9,814,913.07	0.26	-74.18
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000	100	56,988,141.59	53,327,303.98	2,592,024.47	0.07	358.86
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	1,827,260,000	57.33	4,864,361,699.43	3,388,758,140.27	559,018.43	0.01	72.75
Ninghu International Company	Overseas infrastructure investment	732,310.87	100	105,118.17	19,711.90	21,262.55	-	-
Yangtze Commerce and Energy Company	Operation and management of expressway service areas and other ancillary facilities	100,000,000.00	100	99,702,491.92	99,702,491.92	111,202.21	-	-
YS Energy Company	Investment, development and operation management of photovoltaic power generation and wind power generation	2,029,082,181.20	100	6,789,181,987.29	2,610,431,822.11	222,329,546.35	5.93	54.30

**Note 1:** During the Reporting Period, the operating results of Zhendan Company and Wufengshan Toll Bridge Company, subsidiaries of the Group's road and bridge sector, both decreased significantly year-on-year due to the impact of the decrease in traffic volume of road network operated by the Group. Benefiting from the year-on-year increase in investment income contributed by its associate, Yanjiang Company, Guangjing Xicheng Company's operating results increased as compared with the same period of the previous year.

**Note 2:** During the Reporting Period, the fair value of other non-current financial assets held by Ninghu Investment Company decreased significantly year on year, resulting in a year-on-year decrease in its net profit.

**Note 3:** For details of changes in the operation and results of Ninghu Properties Company and Hanwei Company, please refer to the section headed "Property Business" in this report.

**Note 4:** As at the end of the Reporting Period, Yangtze Commerce and Energy Company had no liabilities, so the total assets equalled the net assets.

**Note 5:** Both the Rudong H5 offshore wind power project held by YS Energy Company and the Three Gorges H6 offshore wind power project in which YS Energy Company has an equity interest were commissioned at full capacity in the fourth quarter of 2021, leading to a significant year-on-year increase in operating results.

## (VIII) Structured entities controlled by the Company

Applicable     N/A

# REPORT OF THE BOARD

## VI. DISCUSSION AND ANALYSIS OF THE COMPANY ON ITS FUTURE DEVELOPMENT

### (I) Industry landscape and development trends

Applicable     N/A

**The position of transportation as the foundation of the national economy is unshakeable.** It is the arteries of modern society, vital guarantee of socioeconomic sustainability and solid safeguard for a better life and common prosperity for all. As China's economy enters a new phase, transportation provides a stronger link in the domestic-international dual circulation. The *Guidelines for Serving the Establishment of a New Development Pattern* (《關於服務構建新發展格局的指導意見》) issued by the Ministry of Transport in January 2021 suggest that the comprehensive transport network should be earnestly perfected by constructing new and expanding existing expressways and building and building up new modes and patterns of transport. Meanwhile, transportation is expected to constantly provide support and guarantee to the national economy and serve the establishment of a new development pattern. Transportation, as a pioneer of China's modernisation drive, should be strengthened to sustain the effort to build China into a transportation powerhouse.

**Technological innovation empowers transportation's transformation and upgrade.** The *Development Plan for the Modern Comprehensive Transport System during the 14th Five-year Plan Period* (《“十四五”現代綜合交通運輸體系發展規劃》) released by the State Council in January 2022 clearly states that, the promotion and application of intelligent technology in transportation should be expedited. A ubiquitous and intelligent transport system with interconnectivity, flexible coordination and global competitiveness should be created to enhance the new driving forces of comprehensive transport development by pushing forward intelligent upgrade of infrastructure, promoting the utilisation of advanced transport equipment, and proposing new models of operations and management. The *Jiangsu Provincial Department of Transport issued the Action Plan of Jiangsu for Developing Digital Expressways (2022–2025)* (《江蘇數字公路發展行動計劃(2022–2025)》) in October 2022, which points out that five key tasks regarding the development of digital expressways in Jiangsu Province will be implemented—accelerating the conversion of innovation results of digital technology, driving the digital transformation of infrastructure, improving digital governance of the industry, strengthening the integration and innovation of intelligent applications, and perfecting the supporting system, and stresses the empowerment of high-quality expressway development via digital technology.

**Green and low-carbon transportation is an inevitable trend.** The *Opinions of the Ministry of Transport, the National Railway Administration, the National Railway Administration, the Civil Aviation Administration of China and the State Post Bureau on Implementing the Opinions of the CPC Central Committee and the State Council on Completely, Accurately and Comprehensively Implementing New Development Concepts and Properly Conducting Peak Carbon Emissions and Carbon Neutrality* (《交通運輸部、國家鐵路局、中國民用航空局、國家郵政局貫徹落實〈中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見〉的實施意見》) were issued on 24 June 2022, which emphasise that transportation is essential to carbon emission reduction. Promoting the green and low-carbon transformation of the industry is of great significance for enhancing the high-quality development of the industry and accelerating the building of China in a transport power. According to the *Development Plan of Jiangsu Province for Green Transport during the 14th Five-year Plan Period* (《江蘇省“十四五”綠色交通發展規劃》) issued in September 2021, guided by the goals of peak carbon emissions and carbon neutrality, the province will strive to develop a new pattern of transportation development so as to lead in green transport nationwide. Therefore, the Group will vigorously expand its presence in new energy, accelerate to construct projects of offshore wind power generation and distributed photovoltaic (“PV”) power generation, set up charging piles in service areas where such projects are located, and assist in making new achievements in eco-friendly transport.



## (II) Development strategies of the Company

Applicable  N/A

**Based on “Stability”, the Company will accelerate its investment and construction.** It will seek progress while maintaining stability of its principal business in roads and bridges and consolidate the foundation for high-quality development. Concurrently, the Company will constantly improve its business layout, strengthen multilayer capital operation, and develop driving forces of high-quality development.

**Aiming “High”, the Company will raise the quality and efficiency of business management.** Safe and smooth road traffic will be ensured in a high-level, high-standard and high-quality manner to make it convenient for the public to travel. Technological innovation will be performed more quickly and research results will be earnestly promoted to create socioeconomic benefits.

**Focusing on “Long-term” management, the Company will strive to improve the recognition of its enterprise management.** It will perfect its governance mechanism and align with world-class enterprises to promote long-term and sustainable development, while practicing long-term management and holding the bottom line of compliant operation.

## (III) Operating plan

Applicable  N/A

1. The year 2023 will mark our start of the next development. Based on the principal business and driven by innovation, the Company will endeavour to make high-quality and leapfrog development in the new era. The key tasks include:

**The foundation will be consolidated by the pursuit of perfection.** The Company will build up its principal business in roads and bridges, firmly grasp M&A opportunities of road and bridge projects that can form a synergy effect with the Shanghai-Nanjing Expressway, and constantly reinforce its position as the main operator of the road network of southern Jiangsu. Moreover, it will continuously optimise its investment in auxiliary business, seek excellent investment opportunities, and strengthen the coordinated development of industry and finance. New energy development opportunities will be seized, and “transport + energy” project applications, such as affordable PV power, will be promoted through multiple channels.

**Intensive and meticulous efforts will be exerted for innovation.** The new highlight of intelligent expressways will be created. Demonstration projects of the application of intelligent expressways will be developed by centring on holoception, event detection and vehicle-road collaboration. Additionally, an overall arrangement will be made to achieve the full coverage of the “Free Flow Cloud Tolling” model. Efforts will be doubled to accelerate technological innovation, green transport, peak delicate environment, exquisite management and refined services neutrality, drive green development through science and technology, expedite the comprehensive utilisation of renewable resources, and reduce the cost of whole-lifecycle maintenance. Furthermore, the Company will explore the new modes of the digital economy and integrate digital management, maintenance and operations to turn Jiangsu Expressway more digital.

**A new situation will be opened up through exquisite services.** Measures will be taken to build the “Three Delicacies” service areas (that are refined, exquisite and delicate). Samples in the transformation and upgrade of intelligent service areas will be established. Intelligent equipment and resources in service areas will be integrated through cloud-edge collaboration. In combination of business in logistics and property, the Company will probe into the mode where service areas function as logistics nodes or centres to offer last-kilometre delivery services. Moreover, a public service platform for sharing resources will be created to gather forces in the industry. The Company will promote the new development modes of Chinese expressway service areas by deepening the cooperation with characteristic industries, while facilitating new energy vehicles to enter service areas.

**Quality and efficiency will be improved through strict budgeting and precise control.** Finance costs will be further reduced to cut costs and raise efficiency. The funding cost will be lowered to prevent capital liquidity risks. Meanwhile, capital operations will be actively improved, and diverse financing methods will be explored to keep optimising the financing structure. A comprehensive information-based budget control system will be created based on business and financial collaboration. Economic activities and business data will be analysed from multiple perspectives and dimensions to ensure reasonable and precise budgeting control.

## REPORT OF THE BOARD

**Precise governance will be practiced to drive long-term development.** The Company's risk map will be further refined in combination of the Company's development needs and the industry's characteristics. Risk control will run through our rules and regulations. Risk identification, prevention and management will be comprehensively enhanced. Additionally, the Company will be strengthened through talent. A talent team will be built with strategic depth, based on the pyramid-like talent team consisting of "core talent-reserved talent-young talent". Through a smooth growth channel, talent will be reserved for the Company's long-term development.

**Love and care will be extended for public welfare.** Close attention will be paid to boost the three major projects—the Party Building Leadership Project, the Talent-based Corporate Development Project and the Happy Jiangsu Expressway Project, and continue to deepen "Happy Jiangsu Expressway" and "Harmonious Jiangsu Expressway". Paired volunteer activities for co-building will be carried out in a normalised manner. The "Dream Transformation+" Care Campaign of Jiangsu Expressway will be constantly conducted. Furthermore, cooperation and exchange will be actively conducted with suppliers and industry associations to share fruitful results and strengthen the demonstration and leading effects. Donations and the village-enterprise assistance activity will be continuously carried out to demonstrate the Company's responsibility fulfillment.

2. Funds required for the Group to maintain current business and complete invested projects in progress

The Group expects that the total investment expenditure for 2023 will be approximately RMB4,264,193,000, representing a decrease of RMB3,377,787,000 as compared with the actual expenditure of RMB7,641,980,000 in 2022. Investment expenditure for 2023 mainly includes:

Capital Expenditure	Amount (RMB)
Investment in the construction of Longtan Bridge	800,000,000
Investment in the construction of the North Connection Project of Longtan Bridge	1,650,000,000
Investment in the construction of the Expansion Project of South Section of Xiyi Expressway	1,400,000,000
Routine capital expenditure	195,336,962
Investment in the PV Power Station Projects of YS Energy Company	218,856,000
<b>Total</b>	<b>4,264,192,962</b>

On the basis of fully leveraging its self-owned funds, the Group timely adjusted its financing strategy based on the financing condition of the capital market, while further optimising its debt structure and reducing capital risks so as to satisfy its own funding needs for operation and development. Meanwhile, the Group is actively exploring various types of financing channels, such as convertible bonds and overseas bonds, which will not only provide the Group with efficient funds support for its present stage of development, but also make prior arrangements for its future development strategies. By the end of the Reporting Period, the Group's ultra short-term notes registered with the National Association of Financial Market Institutional Investors but not issued with a validity period of more than one year were approximately RMB5.78 billion, and medium-term notes registered with the above association but not issued with a validity period of more than one year were RMB4.5 billion. Meanwhile, the Group's green corporate bonds approved and registered with the China Securities Regulatory Commission ("CSRC") but not issued with a validity period of more than one year were RMB1 billion. The available unutilised bank loan facilities with a time limit of more than one year were not less than RMB10 billion. The credit line will be sufficient for supporting the capital expenditure, debt roll-over and business development of the Group. If other capital expenditure is required under special circumstances, the Group will adjust its financing plan based on the size of expenditure and the actual cash flow condition.

## (IV) Possible risks

Applicable     N/A

According to the macro environment and the current business situation, the Group will mainly face the following risks:

### 1. Risks associated with industry policies

**Risk analysis:** The Group is primarily engaged in the investment, construction, operations and management of toll roads and bridges, and toll road income are the major source for the Group at present. The adjustment and change of industry policies, national macro-control policies and tax policies will directly or indirectly affect the Group's business revenue and thus the Group is exposed to the operating risks brought by industry policies.

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

### 2. Risks associated with changes in competition patterns

**Risk analysis:** As the expressway network is improved gradually, the industry faces more fierce competition. The opening of roads and bridges with substitution effects may reduce the market share and growth in revenue of the Group. With the on-going expansion of railway network in Jiangsu Province, the existing market share of the Group will be squeezed, which will affect the future development of the principal business of the Group.

**Countermeasures:** The Group will establish high-quality traffic condition and road appearance to create a comfortable travelling environment and establish a sound brand image. It will construct a coordinated platform for road network operations to improve the sharing and control of road information as well as service quality. Additionally, it will promote the construction of "intelligent expressways" to explore 5G application scenarios and increase the dependence of drivers and passengers on the roads of the Group. Meanwhile, the Group will pay close attention to regional planning for the road network and formulate strategies to respond to different situations in a timely manner and enhance contingency capabilities.

### 3. Risks associated with project investment

**Risk analysis:** The Group's road and bridge projects under construction and new road and bridge projects are subject to economic, political and related factors, and there is a risk that the future returns may fall short of expectations. In addition, investment in financial and quasi-financial products may involve risks of losses and gains due to market fluctuations and systematic risks.

**Countermeasures:** The Group will improve the mechanisms for introducing and cultivating professionals, improve its project research capability, strengthen forward-looking judgment, and raise the probability of successful investment. Furthermore, it will reinforce the internal control measures for external investment, establish reasonable procedures for decision-making, and lower the probability of investment risks.

### 4. Risks associated with a lower-than-expected rate of destocking

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

**Countermeasures:** The Group will establish a risk management system and a normalised risk appraisal mechanism, stay up-to-date with policies concerning the industry and the development of the macro-economy and the industry and integrate risk management into real estate projects. Besides, it will reinforce the specialised management of projects, build up its capability to gain insights into government policy and market development trends, adopt effective preventive measures, and step up efforts to accelerate destocking so as to intensify the control of real state funds and minimise risks.

# REPORT OF THE BOARD

## (V) Others

Applicable  N/A

## VII. DETAILS OF AND REASONS FOR THE COMPANY'S NON-DISCLOSURE DUE TO INAPPLICABILITY OR OTHER SPECIAL REASONS SUCH AS INVOLVEMENT OF STATE OR TRADE SECRETS

Applicable  N/A

## VIII. DONATION

During the Reporting Period, the Group contributed a total of RMB1,404,500 externally, of which RMB1,200,000 was used for poverty alleviation, rural revitalisation and other projects.

## IX. DIRECTORS OF THE COMPANY DURING THE REPORTING PERIOD

For the list of directors of the Company during the Reporting Period, see "Changes in shareholdings of directors, supervisors and senior management in office or resigned during the Reporting Period and their remuneration" in "Section IV Corporate Governance" of this Report.

## X. ENVIRONMENTAL POLICY AND PERFORMANCE

For the details of the Company's environmental policy and performance during the Reporting Period, see "Section V Environmental and Social Responsibility" of this Report.

## XI. COMPLIANCE WITH LAWS

The Company was a joint-stock limited company established pursuant to the *Company Law of the People's Republic of China* (《中華人民共和國公司法》). The Group is principally engaged in the investment, construction, operations and management of toll roads and bridges within Jiangsu Province and the development and operations of ancillary service areas along such toll roads (e.g., refuelling and catering). In the course of routine operating activities, the Group must comply with the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Contract Law of the People's Republic of China* (《中華人民共和國合同法》), the *Road Traffic Safety Law of the People's Republic of China* (《中華人民共和國道路交通安全法》), the *Tendering and Bidding Law of the People's Republic of China* (《中華人民共和國招標投標法》) and all other applicable laws and regulations. For the year ended 31 December 2022, there had not been any material violation of or non-compliance with applicable laws and regulations. The Company and its subsidiaries obtained from relevant regulatory authorities all the licenses, approvals and permits that are material to our business operations.

To the knowledge of the Board of Directors and the Management, the Group had also been in compliance with the Hong Kong Listing Rules (香港上市規則), the Securities and Futures Ordinance (《證券及期貨條例》) and applicable Hong Kong laws and regulations for the year ended 31 December 2022.

## XII. DESCRIPTION OF THE COMPANY'S SIGNIFICANT RELATIONSHIPS WITH ITS EMPLOYEES

For the details of the Company's significant relationships with its employees during the Reporting Period, see "X. Details of Staff of the Parent Company and Its Major Subsidiaries at the End of the Reporting Period" in "Section IV Corporate Governance" of this Report.

## XIII. PROPOSED DIVIDENDS

For the details of the Company's proposed dividends during the Reporting Period, see "Important Notice V. Profit distribution plan or plan for the capitalisation of capital reserve during the Reporting Period resolved by the Board of Directors".

## XIV. PERMITTED INDEMNITY PROVISION OF DIRECTORS AND SUPERVISORS AND INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

For the details of the permitted indemnity provision of directors and supervisors and interests of directors and supervisors in contracts of the Company during the Reporting Period, see “X. Details of Staff of the Parent Company and Its Major Subsidiaries at the End of the Reporting Period–v. Others” in Section IV “Corporate Governance” of this Report.

## XV. MANAGEMENT CONTRACTS

During the Reporting Period, no contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed.

## XVI. INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

During the Reporting Period, there was no transaction, arrangement or contract of significance to the Group in which any director or supervisor or any entity related/connected with a director or a supervisor was, either directly or indirectly, materially interested; or there was no transaction, arrangement or contract of the Group in which a director, directly or indirectly, had material interests.

## XVII. INTERESTS OF DIRECTORS AND SUPERVISORS

At no time during the Reporting Period and at the end of the Reporting Period was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable any director or supervisor to acquire benefits by means of the acquisition of shares in, or bonds of, the Company or any other body corporates.

## XVIII. EVENTS AFTER THE REPORTING PERIOD

The Company (as the principal) entered into the “Fuxiang No. 15” Termination Agreement with Fuanda Fund Management Co., Ltd. (as the manager of the asset management scheme) and Bank of Jiangsu Shanghai Branch (as the custodian of the asset management scheme) in February 2023. According to the arrangement under the termination agreement, once the manager of the Asset Management Scheme and the custodian of the Asset Management Scheme distribute all the remaining realizable assets upon the liquidation of the Asset Management Scheme (after deducting the manager’s remuneration, custodian fee and tax payable) to the principal, the Asset Management Scheme shall be fully settled with the completion of the account cancellation and the termination of the duties of the manager of the Asset Management Scheme and the custodian of the Asset Management Scheme, and the liquidation process of the Asset Management Scheme shall be completed. For details, see the Company’s announcement dated 9 February 2023.

In February 2023, Ninghu Investment Company, Jiangsu Communications Holding, YS Capital and Factoring Company signed an equity transfer agreement, pursuant to which Ninghu Investment Company would transfer its 100% equity interests in Factoring Company, of which 80% of the equity interests would be transferred to Jiangsu Communications Holding and 20% of the equity interests would be transferred to YS Capital. Upon completion of this transfer, the Company will no longer hold equity interests in the Factoring Company and will no longer include it in the Company’s consolidated financial statements. The Company previously provided a guarantee for the Factoring Company with a maximum guarantee balance of RMB670 million with authorised guarantee period of three years. The Company entered into guarantee contracts with the banks for one-year loan contracts of RMB670 million in aggregate signed by the Factoring Company during the period. As at 22 November 2022, the Factoring Company had paid off the guaranteed loans, and the guarantee contracts were terminated with the balance of guaranteed loans being RMB0. Since then, the Company has not provided guarantees for the Factoring Company, or entrusted the Factoring Company with wealth management, etc. As at the disclosure date of this Report, the above transaction is subject to review and approval by the local financial supervisory authority. For details, see the Company’s announcement dated 27 February 2023.

**Save as disclosed above, there were no significant events subsequent to the Reporting Period.**

*Chairman*  
**Chen Yunjiang**  
24 March 2023

# CORPORATE GOVERNANCE

## I. DETAILS OF CORPORATE GOVERNANCE OF THE COMPANY

Applicable  N/A

The Group adheres to the philosophy of integrity and diligence, is committed to excellent corporate governance, and continuously improves the corporate governance mechanism of “clear powers and responsibilities, separate functions, effective balancing and coordinated operation” for the shareholders’ general meetings, the board of directors and supervisory committee and the management in accordance with the laws and regulations of the two places and the listing rules and other regulations. It continuously optimizes the corporate governance operating mechanism of “scientific decision-making, firm execution, effective supervision, and stable operation” among power institutions, decision-making institutions, executive agencies, and supervisory agencies, focuses on the establishment of a standardized information disclosure mechanism, a smooth investor communication mechanism and a sound investor return mechanism in order to actively fulfill their responsibilities to stakeholders such as shareholders, customers, employees, and society, and make every effort to build a leading enterprise in the expressway industry.

Throughout the Reporting Period, the corporate governance situation of the Group was in compliance with the requirements outlined by the *Company Law*(《公司法》), the *Securities Law*(《證券法》), and the normative documents on corporate governance of listed companies issued by the CSRC and the SSE. The Group strictly adhered to the guidelines laid out in the *Corporate Governance Code*, Appendix 14 of the Hong Kong Listing Rules, and implemented the recommended best practices outlined in the aforementioned code. The Company, the board of directors of the Company, supervisory committee as well as directors, supervisors, and senior management personnel have not been subject to administrative punishment, or notice of criticism, and public condemnation by the regulatory authorities.

Throughout the Reporting Period, the Group’s corporate governance was widely acknowledged by the capital market and various sectors of society. The Group was awarded the “Best Board of Directors” at the “Thirteenth China Listed Company Investor Relations Tianma Award” by the Securities Times, which served as a testament to the Group’s dedication towards enhancing corporate governance and other related areas.

Whether there is any significant difference between the requirements of the corporate governance of the Company and the provisions of laws, administrative regulations and the relevant regulations of the China Securities Regulatory Commission on the governance of listed companies; if there is a significant difference, the reason should be explained.

Applicable  N/A

## II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND THE DE FACTO CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY’S ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS, AND SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS ADOPTED WHEN THE INDEPENDENCE OF THE COMPANY IS AFFECTED

Applicable  N/A

Based on the principle of “distinctive ownership, clearly defined powers and responsibilities”, the Company and Jiangsu Communications Holding, the Controlling Shareholder, are independent of each other in terms of operations, assets, personnel, organization and finance. The Company and its controlling shareholder have a pure property-based relationship, with separate business scopes and no upstream-downstream relationship. Although there is some objective competition between the Company and its controlling shareholder due to their partially overlapping business operations, it has not significantly affected the Company’s normal business operations. The Company has complete ownership of its operating assets and operates independently from its controlling shareholder. There is no cross-employment between the two entities, and the Company has autonomy in making decisions regarding labor, personnel, and salary management. Candidates recommended by the controlling shareholder for the board of directors and supervisors of the Company undergo a strict review process by the Company’s nomination committee, compensation committee, and board of directors. There is no “two signs, one team,” mixed ownership, or co-office situations in the organization, and the office and operating locations are separate. The Company has an independent finance department, with its own accounts and the ability to make independent financial decisions, without interference from the controlling shareholder.

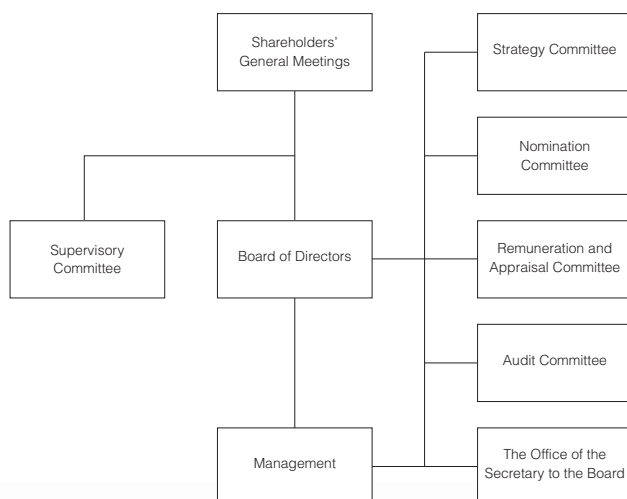
Whether the controlling shareholder, the actual controller, and the other companies controlled by them engage in the same or similar businesses with the Company, the measures taken to cope with the influence on the Company of horizontal competition or the significant changes in situations of horizontal competition, and the work progress and subsequent plans

Applicable  N/A



### III. OVERVIEW OF SHAREHOLDERS' GENERAL MEETINGS

#### (1) Corporate governance structure and rules



The Company is listed on both the SSE and the Stock Exchange. In addition to the compliance with applicable laws and regulations, the Company is also required to comply with the following requirements in respect of corporate governance practice: the *Corporate Governance Code for Listed Companies* (《上市公司治理準則》) stipulated by the CSRC, the *Corporate Governance Code* under Appendix 14 to the Hong Kong Listing Rules and the requirements as imposed by SSE and the Hong Kong Listing Rules. Meanwhile, the Company has formulated various governance systems to enhance its corporate governance standards, such as the *Rules of Procedures for Shareholders' General Meetings*, the *Rules of Procedures for the Board of Directors Meetings*, the *Rules of Procedures for the Meetings of Supervisory Committee*, the *Working Rules for Special Committees*, the *Working Rules for Independent Directors*, the *Working Rules for the General Manager*, the *Standard Code of Conduct for Securities Trading by Directors, Supervisors, Senior Management, and Relevant Employees*, the *Management Measures for Information Disclosure*, the *System for Managing Related-Party Transactions\**, and the *System for Managing Investor Relations*. These systems are diligently adhered to in order to improve the Company's corporate governance level.

\* Including connected transactions

No amendments were made to the *Articles of Association of the Company* during the financial year.

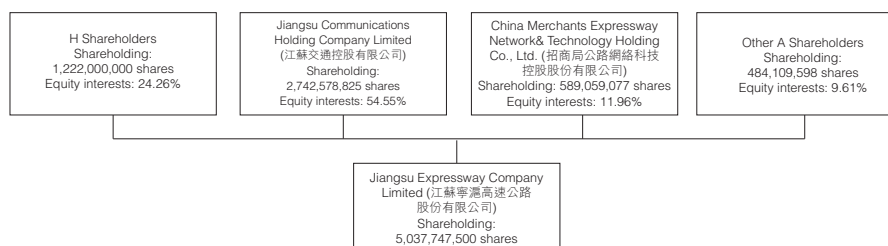


# CORPORATE GOVERNANCE

## (2) Shareholders and Shareholder Rights

The Company has been attaching great importance to the protection of interests of all Shareholders. By convening shareholders' general meeting and establishment of investors' hotline and other ways, the Company establishes and maintains effective communication channel between the Company and all Shareholders, and ensures that all Shareholders are treated equally and have the right to know and participate in important matters of the Company and voting rights.

### 1. Main shareholders



Jiangsu Communications Holding and China Merchants Expressway are substantial shareholders of the Company, holding approximately 54.44% and 11.69% of the shares of the Company respectively. Neither of these two shareholders has ever directly or indirectly intervened in the Company's decision-making and operations beyond the scope of the shareholders' general meetings.

### 2. Shareholder rights

#### (1) Shareholders' entitlement to convene an extraordinary general meeting or special general meeting.

In accordance with the *Articles of Association*, shareholders individually or in aggregate holding a total of 10% or more of the shares of the Company have the right to request in writing to the board of directors to convene an extraordinary general meeting or a meeting of shareholders of different categories. Two or more shareholders holding a total of 10% or more of the shares carrying voting right of the Company may sign one or more written requests of identical form and substance requesting the board of directors to convene a meeting of shareholders of different categories and stating the subject of the meeting. If the board of directors fails to issue a notice of such a meeting within 30 days after having received the written request of convening an extraordinary general meeting or a shareholders' meeting of different categories submitted by the proposing shareholders, the proposing shareholders may themselves convene the meeting within four months after the board of directors received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors. Where the proposing shareholders convene and hold a meeting because the board of directors failed to convene such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.

#### (2) Shareholders' entitlement and protocols for presenting resolutions at the Shareholders' general meetings.

In accordance with the *Articles of Association*, shareholders individually or collectively holding over 3% of the total voting Shares of the Company have the right to submit proposals to the Company. Any shareholder, either individually or jointly holding more than 3% of the Company's shares, may submit a temporary proposal in writing to the convener, i.e., the board of directors. Such a proposal must be submitted 10 days before the shareholders' meeting is scheduled to take place. The submission should be addressed to Mr. Yao Yongjia, the Company's secretary, and secretary of the board of directors, at No. 6, Xianlin Avenue, Nanjing, Jiangsu Province, China. A supplemental notice shall be issued by the convener within 2 days after receipt of such proposals. Save as prescribed above, the convener shall not revise the proposals stated in the notice of shareholders' general meetings nor add in new proposals after issuing the notice of general meeting. The Company shall place the proposal on the agenda for the said meeting if the said proposal falls within the functions and powers of general meetings.

### (3) Shareholders' right to questioning procedure

Pursuant to the Article 8.3(iii) of the Articles of Association, shareholders have the right to raise inquiries as to business and operational activities of the Company. The relevant members of the Board of Directors, the Supervisory Committee or the senior management shall attend the general meeting to receive the inquiries and make corresponding responses or explanations regarding the questions and recommendations of the shareholders.

Shareholders are also able to submit written inquiries and express their opinions to the Board of Directors through the Secretary's Office at any time. The following are the contact details for the Secretary's Office of the Board of Directors:

Address: No. 6, Xianlin Avenue, Nanjing City  
E-mail: jsnh@jsexpwy.com  
Telephone: 8625-84362700 ext. 301815  
Fax: 8625-84207788

The Office of the Secretary to the Board of Directors of the Company handles queries made by shareholders of the Company via telephone and in writing from time to time. Where appropriate, the queries and opinions of shareholders will be forwarded to the board of directors and/or relevant committees under the board of directors of the Company to answer the queries raised by the shareholders.

Shareholders are entitled to obtain relevant information including the *Articles of Association*, all and any branch register of members, personal information of directors, supervisors, managers and other senior management members of the Company, share capital of the Company, total par value, quantity, the highest price and the lowest price of each class of shares repurchased by the Company since the previous accounting year and the report on the total cost paid by the Company therefor, and the minutes of general meetings.

### (3) Shareholders' general meetings

The Shareholders' General Meetings are the highest authority of the Company which make important decisions and lawfully exercise duties and power. The Company formulated the *Rules of Procedures for General Meetings* which has been effectively implemented. The general meeting with well-defined powers and responsibilities, operate in compliance with prescribed procedures. The procedures of convening and holding every annual general meeting are in compliance with relevant rules, and the proposal and deliberation of resolutions at the meeting are in compliance with the statutory procedures. The annual shareholders' meeting or extraordinary shareholders' meeting serves as a direct means of communication between the Company's shareholders and the board of directors. As such, the Company places great emphasis on these meetings and strives to ensure that directors and senior managers attend whenever possible. Additionally, representatives of independent directors, the Audit Committee, the chairman of the Nomination, Remuneration, and Appraisal Committee, or appointed representative members are also arranged to attend the annual shareholders' meeting and address any questions raised by shareholders. At the general meetings, all shareholders are entitled to make suggestions and queries to the attending directors/supervisors and senior management personnel as to the business activities and development strategies of the Group. Except for trade secrets which shall not be made known to the public, the directors, supervisors and senior management personnel shall give illustrations and explanations on the shareholders' suggestions and queries.

The Company encourages all shareholders to attend the general meetings. Notice of the meeting is issued at least 45 days before the meeting is convened. The relevant information about the resolutions to be considered will be posted on websites or sent to shareholders in the form of circulars in accordance with the regulatory requirements of the relevant stock exchange, for the benefit of the decision-making of shareholders. Information such as the procedures for shareholders to attend the meeting in person or by appointing a proxy as well as the communication methods for the acceptance of shareholders' enquiries is disclosed by the Company in detail in the notice of shareholders' meeting. Shareholders who are unable to attend the shareholders' meeting in person may rely on such information for his/her decision-making and appoint a proxy to attend the shareholders' meeting and vote at the meeting.

During the shareholders' meeting, the Company shall hire a lawyer to be present as a witness and to provide a legal opinion. In addition, scrutineers are appointed by the Company's auditor and shareholders to oversee the vote counting process and ensure that the meeting procedures are conducted in a legal, fair, and transparent manner.

# CORPORATE GOVERNANCE

## Overview of Shareholders' General Meetings

Session No. of meeting	Dates	Designated website for publishing resolutions	Date of disclosure and publishing of resolutions	Resolution
2021 Annual General Meeting of Shareholders	17 June 2022	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	18 June 2022	For details, please refer to the announcements of the Company on the website of the SSE at www.sse.com.cn on 18 June 2022 and on the website of the Stock Exchange at www.hkexnews.hk on 17 June 2022.
2022's First Extraordinary Shareholders' General Meeting	12 December 2022	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	13 December 2022	For details, please refer to the announcements of the Company on the website of the SSE at www.sse.com.cn on 13 December 2022 and on the website of the Stock Exchange at www.hkexnews.hk on 12 December 2022.

The aforementioned shareholders' meeting was convened and conducted in strict compliance with the relevant laws, regulations, and listing rules in both locations. It offered both on-site and online voting options to all shareholders, effectively safeguarding their rights to access information, participate, and make decisions. Notably, it ensured the protection of the rights and interests of small and medium-sized shareholders. Furthermore, in accordance with regulatory requirements in both locations, the Company explicitly stipulated the separate vote counting of small and medium-sized investors, as well as the public solicitation of shareholder voting rights. Directors, supervisors and senior management attended the meeting and communicated with shareholders on matters concerned.

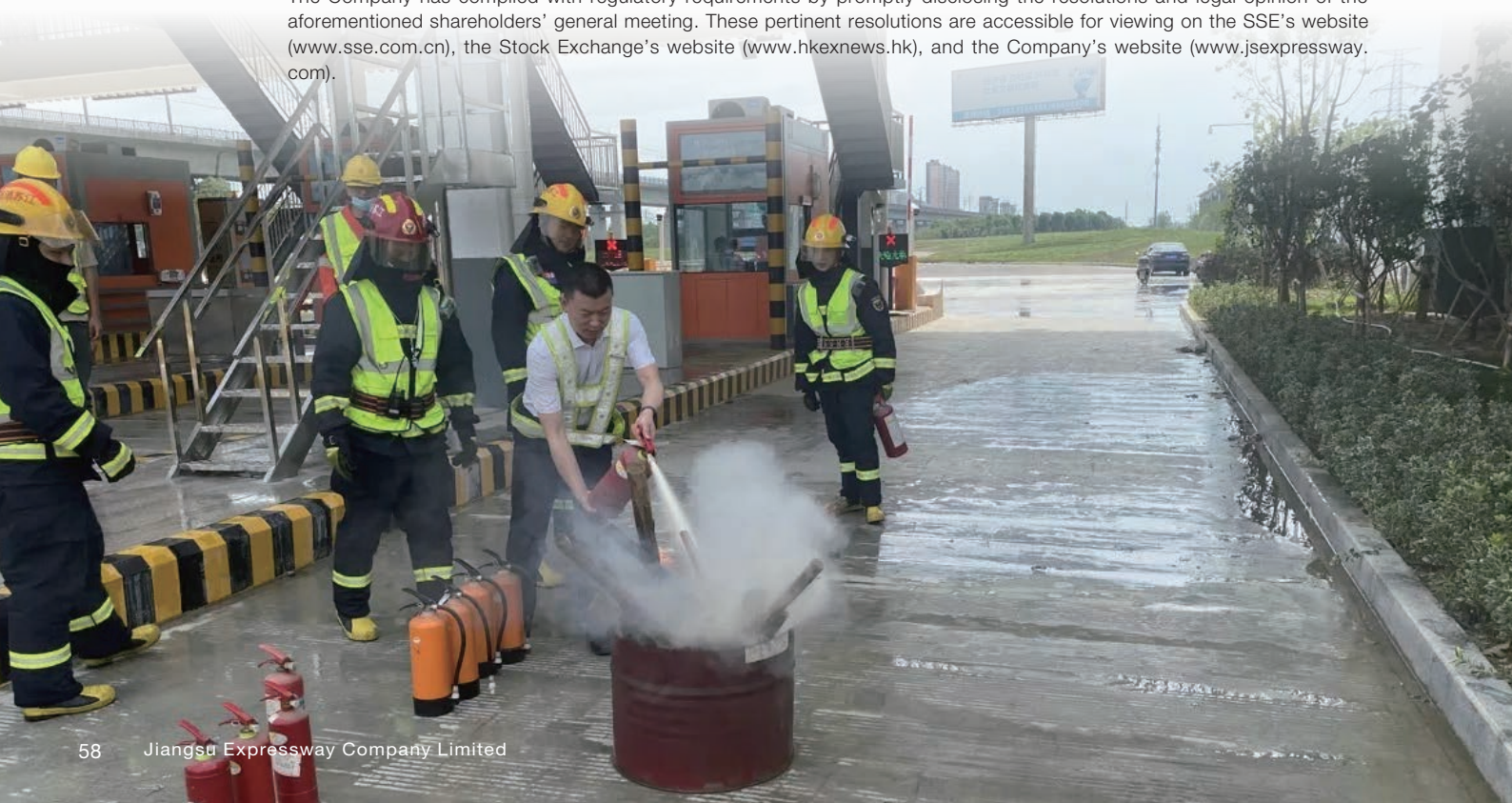
Preference shareholders with voting rights restored requesting to convene an extraordinary general meeting

Applicable  N/A

Explanation of the shareholders' general meetings

Applicable  N/A

The Company has complied with regulatory requirements by promptly disclosing the resolutions and legal opinion of the aforementioned shareholders' general meeting. These pertinent resolutions are accessible for viewing on the SSE's website (www.sse.com.cn), the Stock Exchange's website (www.hkexnews.hk), and the Company's website (www.jsexpressway.com).



## IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## (I) Changes in shareholdings of directors, supervisors and senior management in office or resigned during the Reporting Period and their remuneration

 Applicable       N/A

Unit: share

Name	Position (Note)	Gender	Age	Date of commencement of appointment	Date of termination of appointment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares during the year	Reason(s) for change	Total remuneration before tax received from the Company during the Reporting Period (RMB0' 000)	Whether the Company received any remuneration from related parties/ connected persons
Chen Yunjiang	Chairman, Executive Director	M	50	June 2022	June 2024	-	-	-	Nil	53.20	No
Wang Feng	General Manager, Executive Director	M	47	June 2022	June 2024	-	-	-	Nil	100.00	No
Yao Yongjia	Executive director, deputy general manager, secretary to the board of directors, company secretary in Hong Kong	M	59	June 2017	June 2024	-	-	-	Nil	103.75	No
Chen Yanli <sup>(Note 3)</sup>	Non-executive directors	M	60	June 2018	June 2024	-	-	-	Nil	0	Yes
Wang Yingjian	Non-executive directors	M	53	June 2021	June 2024	-	-	-	Nil	0	Yes
Wu Xinhua	Non-executive directors	M	56	January 2016	June 2024	-	-	-	Nil	0	Yes
Ma Chung Lai Lawrence	Non-executive directors	M	69	June 2015	June 2024	-	-	-	Nil	36.52	No
Li Xiaoyan	Non-executive directors	F	46	June 2021	June 2024	-	-	-	Nil	0	Yes
Zhou Shudong	Independent non-executive directors	M	62	June 2018	June 2024	-	-	-	Nil	10.79	No
Liu Xiaoxing	Independent non-executive directors	M	53	January 2018	June 2024	-	-	-	Nil	10.79	No
Xu Guanghua	Independent non-executive directors	M	60	June 2021	June 2024	-	-	-	Nil	10.79	No
Yu Mingyuan	Independent non-executive directors	M	61	June 2021	June 2024	-	-	-	Nil	10.79	No
Ge Yang	Independent non-executive directors	M	61	June 2022	June 2024	-	-	-	Nil	5.39	No
Yang Shiwei	Chairman of the Supervisory Committee	M	52	June 2018	June 2024	-	-	-	Nil	0	Yes
Pan Ye	Supervisor	M	35	February 2016	June 2024	-	-	-	Nil	0	Yes
Lu Zhengfeng	Supervisor	M	50	May 2019	June 2024	-	-	-	Nil	73.41	No
Kong Yuanyi	Supervisor	F	47	July 2020	June 2024	-	-	-	Nil	64.88	No
Wan Liye	Supervisor	M	52	December 2022	June 2024	-	-	-	Nil	0	Yes
Dai Qian	Financial Controller	M	45	June 2020	June 2023	-	-	-	Nil	88.01	No
Yan Yun	Deputy General Manager	F	49	April 2019	April 2025	-	-	-	Nil	88.18	No
Yang Dengsong	Deputy General Manager	M	51	March 2021	March 2024	-	-	-	Nil	82.95	No
Li Paidong	Assistant to the general manager	M	37	January 2022	January 2025	-	-	-	Nil	0.07	Yes
Cheng Xiaoguang	Chairman, Executive Director (resignation)	M	45	October 2021	May 2022	-	-	-	Nil	56.52	No
Lin Hui	Independent Non-Executive Director (resigned)	M	51	June 2016	May 2022	-	-	-	Nil	5.39	No
Ding Guozhen	Supervisor (resigned)	M	61	June 2018	November 2022	-	-	-	Nil	0	Yes

# CORPORATE GOVERNANCE

*Note 1:* Throughout the Reporting Period, the Company's directors, supervisors, and senior management personnel received a total pre-tax remuneration, which encompasses pre-tax payable salaries, unit deposit portion of social insurance, enterprise annuity, supplementary medical insurance, housing provident fund, and other forms of monetary income.

*Note 2:* The salary of Mr. Ma Zhongli is denominated in Hong Kong dollars. As a result of changes in the exchange rate, variances may arise between the salary computed utilizing the exchange rate and the actual expenses documented in Chinese yuan, which serves as the accounting base currency.

*Note 3:* Mr. Chen Yanli has resigned on 24 March 2023. For details, please refer to the announcement issued by the Company on 26 March 2023.

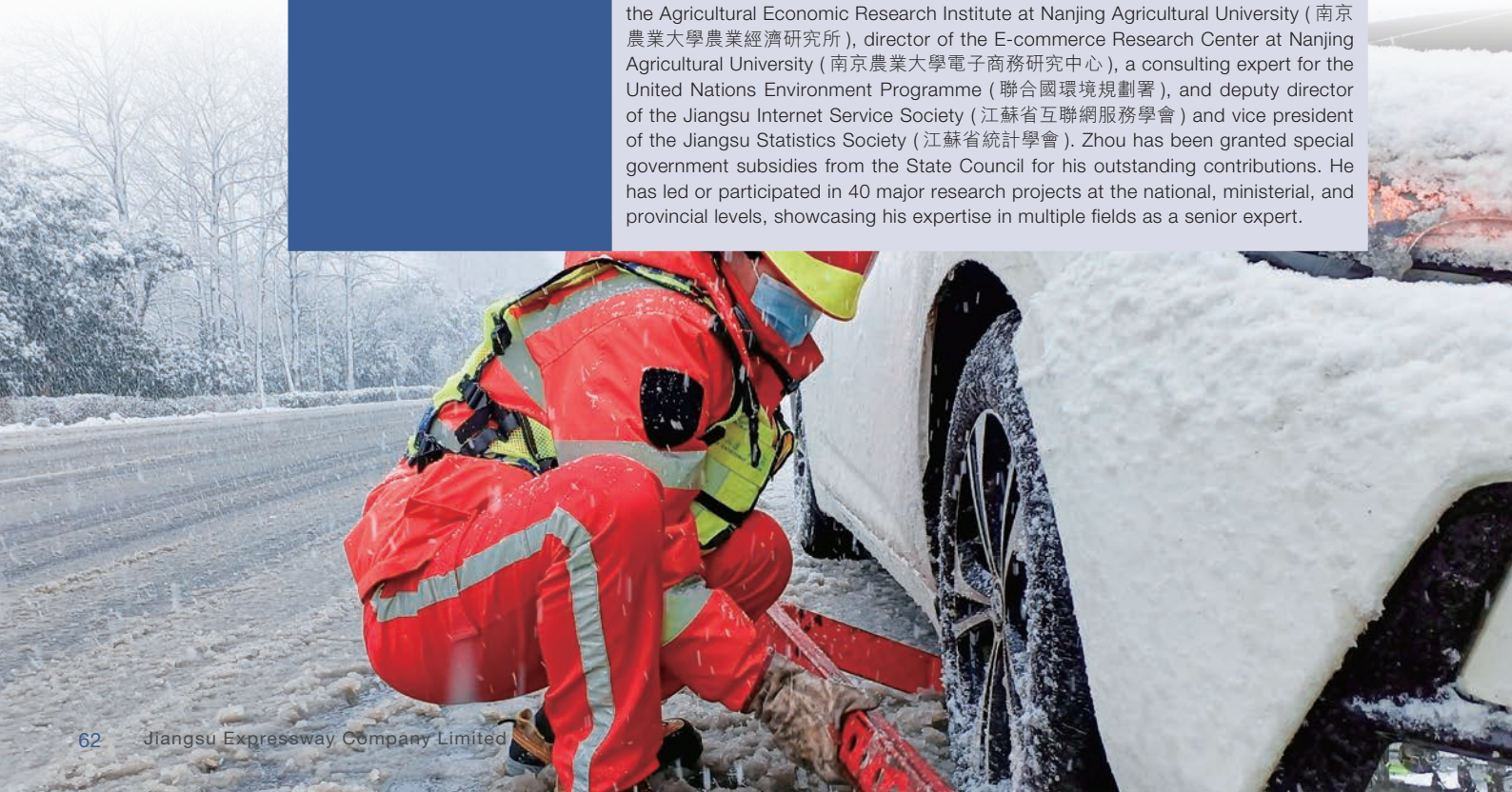
Name	Brief biography
<p><b>Director</b> Chen Yunjiang</p>	<p>Chen Yunjiang is the Party Secretary, Chairman, Executive Director, and Convener of the Strategy Committee. He was born in 1973, holds a master's degree, is a member of the Communist Party of China, and is a senior economist. Mr. Chen began his career at Nanjing Jinling Building Decoration Co., Ltd from August 1995 to March 1999. He worked at Jiangsu Aviation Industry Group Co., Ltd from March 1999 to November 2016, where he held various positions such as clerk, assistant manager, deputy minister, minister, assistant to the general manager, and deputy general manager. He joined Jiangsu Yunshan Clean Energy Investment Holdings Co., Ltd. in November 2016 and served as the general manager and chairman until October 2021. After that, he joined Jiangsu Yunshan Green Energy Investment Holding Company Limited and served as the chairman from October 2021 to November 2021. During this period, he also held the position of chairman of the company and Executive Deputy Director of the Party Committee Organization Department and the Human Resources Department of Jiangsu Transportation Holding Co., Ltd.. Since November 2021, he was appointed as the Director of the Party Committee Organization Department and the Human Resources Department of Jiangsu Transportation Holding Co., Ltd.. With his extensive experience in enterprise management, Chen is a seasoned professional in his field.</p>
<p>Wang Feng</p>	<p>Wang Feng is the Deputy Secretary of the Party Committee, General Manager, and Executive Director, as well as a member of the Strategy Committee. He was born in 1976, holds a bachelor's degree and a master's degree, and is a senior engineer at the level of researcher. Previously, Wang served as the Manager of the Engineering Department, Deputy General Manager, and Committee Member of the Party Committee of Jiangsu Yangtze River Bridge Co., Ltd. He was also the Deputy General Manager and Committee Member of the Party Committee of Jiangsu Yangtze River Expressway Management Co., Ltd., and the Deputy General Manager and Committee Member of the Party Committee of Jiangsu Expressway Company Limited. Mr. Wang has long been engaged in the management of roads and bridges, and has accumulated rich experience in expressway management.</p>
<p>Yao Yongjia</p>	<p>Yao Yongjia is an Executive Director, Vice President, Board Secretary, Company Secretary, and Member of the Strategy Committee. He was born in 1964, holds a master's degree, and has the senior engineer title. Mr. Yao joined the Company in August 1992. Yao joined the Company in August 1992 and has held several positions, including the head of the Jiangsu Transportation Planning and Design Institute, the head of the Jiangsu Expressway Construction Command Office, and the head of the Securities Department and Director of the Office of the Secretary to the Board of Directors of the Company. Throughout his career, Yao has been involved in project management, investment analysis, financing, and securities work, accumulating rich professional experience. Mr. Yao has been serving as an Executive Director of the Company since 22 June 2017.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Chen Yanli	<p>Chen Yanli is a Non-executive Director and member of the Nomination Committee and Remuneration and Appraisal Committee. He was born in 1963, holds a postgraduate degree from the Central Party School, and is a senior economist. Mr. Chen is currently serving as a senior specialist and deputy director under Party Building Engineering Expert Committee of Jiangsu Communications Holding, and a full-time director and supervisor of the controlled (invested) enterprises. Mr. Chen's professional experience includes working at Xuzhou Lifting and Transportation Company, Xuzhou Navigation Engineering Company, and Xuzhou Navigation Management Office between 1983 to 2001, during which he held the position of Deputy Director at Xuzhou Navigation Management Office. He then worked at Jiangsu Lianxu Expressway Co., Ltd. from 2001 to 2016, where he held various positions such as Manager of Comprehensive Department, Assistant General Manager, Deputy General Manager, and General Manager. From 2016 to 2021, he worked at Jiangsu Communications Holding Co., Ltd. and held several roles such as Director of Human Resources Department, Deputy Chief Economist, Chief Economist, Director of the Party Committee Organization Department, and Chairman of Jiangsu Jiaokong Human Resources Development Co., Ltd. Mr. Chen obtained a graduate degree from the Central Party School and is a senior economist. Mr. Chen has long been engaged in transportation management and is a senior expert with extensive experience in transport management.</p>
Wang Yingjian	<p>Born in January 1970, Mr. Wang is a Non-executive Director and a member of the Strategy Committee. He is a postgraduate of Party School of C.P.C Jiangsu Committee and a senior engineer at the postgraduate level. Mr. Wang served as the director of the Technology Information Office of the Jiangsu Expressway Operation and Management Center, director of the Nanjing Management Office and secretary to the general Party branch of Jiangsu Nanjing-Huai'an Expressway, deputy director and a member of the Party committee of Jiangsu Expressway Operation and Management Center, general manager and deputy secretary to the Party committee of Jiangsu Sutong Bridge Company Limited (江蘇蘇通大橋有限公司), and director of the Information Center of Jiangsu Communications Holding Company Limited. He currently serves as the director of the Science and Technology Information Department and director of the Digital Economy Development Office of Jiangsu Communications Holding. Mr. Wang has long been engaged in transportation management work with extensive experience.</p>
Wu Xinhua	<p>Wu Xinhua is a Non-executive Director and member of the Nomination Committee. He was born in 1967 and graduated from Renmin University of China with a Bachelor's degree in National Economic Management. Previously, he worked as the manager of the securities department at Southern Glass Co., Ltd. in Shenzhen Shekou Industrial Zone of China Merchants Group, the general manager of Southern Management Headquarters of Shandong Securities Co., Ltd., the executive director of the investment banking department of China Merchants Securities Co., Ltd., and the secretary of the board of directors of China Merchants Expressway Technology Holdings Co., Ltd. Mr. Wu currently holds the position of Vice General Manager at China Merchants Expressway Network &amp; Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司). He also serves as the Vice Chairman of Shandong High-Speed Group Co., Ltd. (山東高速股份有限公司) and Sichuan Chengyu Expressway Co., Ltd. (四川成渝高速公路股份有限公司) Mr. Wu has been serving as a director of the Company since 2016.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Ma Chung Lai Lawrence	<p>Ma Chung Lai Lawrence is a Non-executive Director and member of the Strategy Committee. He was born in 1954 and obtained a Bachelor's degree in biochemical engineering from the University of London. He also served as an independent director of Nanjing Panda Electronic Company Limited, a committee member and standing committee member of the Jiangsu Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a committee member, an executive member and standing committee member of All-China Federation of Industry &amp; Commerce (中華全國工商業聯合會), the standing committee chairman and honorary chairman of the Chinese General Chamber of Commerce (香港中華總商會), the chairman of Jiangsu Residents (HK) Association (江蘇旅港同鄉聯合會) and a director of China Overseas Friendship Association (中華海外聯誼會). Mr. Ma currently holds the position of General Manager at Daqing Petroleum Co., Ltd., (大慶石油有限公司) Vice President of Yongxing Enterprise Company (永興企業公司) and Executive Committee Member of the 12th Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference. Mr. Ma has been serving as a director of the Company since 23 June 2015.</p>
Li Xiaoyan	<p>Li Xiaoyan is a Non-executive Director and member of the Audit Committee and Remuneration and Appraisal Committee. She was born in 1977, holds a master's degree, and is a senior accountant, Chinese Certified Public Accountant (CPA), UK Royal Chartered Accountant (ACCA), global Certified Management Accountant (CGMA), and national high-end accounting talent. Previously, Ms. Li worked as a member of the Discipline Inspection Commission and the General Manager of the Finance Department of China COSCO Shipping Corporation Limited. Ms. Li currently serves as the Chief Financial Officer of China Merchants Expressway Network &amp; Technology Holdings Co., Ltd. She also holds a director position at Shenzhen Expressway Company Limited. Ms. Li has long been focusing on financial management of listed companies, and has accumulated rich experience in financial management, corporate management and investment and financing management.</p>
Zhou Shudong	<p>Zhou Shudong is an Independent non-executive Director, convener of the Nomination Committee, and member of the Audit Committee. He was born in March 1961 and holds a Ph.D. degree. Zhou is a professor, doctoral supervisor, and currently works in the Department of Economic Management at Nanjing Agricultural University (南京農業大學經濟管理學院經濟管理系). He is also the deputy director of the Agricultural Economic Research Institute at Nanjing Agricultural University (南京農業大學農業經濟研究所), director of the E-commerce Research Center at Nanjing Agricultural University (南京農業大學電子商務研究中心), a consulting expert for the United Nations Environment Programme (聯合國環境規劃署), and deputy director of the Jiangsu Internet Service Society (江蘇省互聯網服務學會) and vice president of the Jiangsu Statistics Society (江蘇省統計學會). Zhou has been granted special government subsidies from the State Council for his outstanding contributions. He has led or participated in 40 major research projects at the national, ministerial, and provincial levels, showcasing his expertise in multiple fields as a senior expert.</p>





## CORPORATE GOVERNANCE

Name	Brief biography
Liu Xiaoxing	<p>Liu Xiaoxing is an Independent non-executive Director and member of the Audit Committee. He was born in 1970 and holds a doctoral degree in Management Science and Engineering (Financial Engineering) and a post-doctoral degree in Finance from Fudan University. Liu is currently the chief professor and second-level professor at Southeast University, a doctoral supervisor in finance and network space security, the director of the Finance Department of Southeast University, and a member of the National Higher Education Financial Professional Teaching Guidance Committee. Additionally, he is a chief expert of the National Key R&amp;D Program, a leading academic figure of the “Qinglan Project” in Jiangsu Province, a director of the China Finance Association, and a vice president of the Jiangsu Capital Market Research Association. He is also an executive member of the Jiangsu International Finance Association, a mentor for Jiangsu Science and Technology Entrepreneurship, and the director of the Southeast University Financial Security Big Data Joint Laboratory (Ministry Level). He also serves as the director of the Southeast University Financial Engineering Research Center, a member of the Humanities and Social Sciences Division of Southeast University, and an editorial board member of the <i>China Journal of Econometrics</i> (《計量經濟學報》).</p>
Xu Guanghua	<p>Xu Guanghua is an Independent Non-executive Director, Chairman of the Audit Committee, and member of the Nomination Committee and the Remuneration and Appraisal Committee. He was born in 1963 and holds a Ph.D. in Management. Xu is currently the Discipline Leader, Professor, Ph.D. Supervisor, and Chairman of the Jiusan Society of the Accounting Department at Nanjing University of Science and Technology. He is also the President of the Senior Engineering Colleges Branch of Accounting Society of China, as well as the Vice Director of the Management Accounting Research Center of Jiangsu. Furthermore, he is a peer-review expert for the National Natural Science Foundation, the National Social Science Foundation, Fok Ying Tung Education Foundation, the China Postdoctoral Science Foundation, and the National MBA Case Library. Mr. Xu has long been engaged in teaching and scientific research in the fields of finance, accounting and strategic performance evaluation, and is the pioneer of the performance evaluation theory of corporate symbiosis strategy and the theory of symbiosis financial performance.</p>
Yu Mingyuan	<p>Born in 1962, Yu Mingyuan currently serves as a member of the Strategy Committee and an Independent Non-executive Director. He graduated from Tongji University majoring in transportation management. He served as the director and secondary researcher of the Research Center for Highway and Comprehensive Transportation Development under Research Institute of the Ministry of Transport, and is an expert entitled to the special allowances from the State Council. Yu Mingyuan is a distinguished authority in transportation policy and strategic research, who has made noteworthy contributions to research on toll road policies and institutional innovation, road management system and investment, toll road operation and management, as well as relevant laws and regulations of road traffic. He has led more than 40 national and provincial research projects and has played a critical role in major transportation department projects, in addition to being involved in the formulation and revision of policies and regulations. Yu is acknowledged as an expert in the national scientific and technological progress award expert database, a high-level talent of the China Association for Science and Technology, an expert in the Ministry of Transport expert database, and a PPP expert in the database of the Ministry of Finance.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Ge Yang	<p>Ge Yang, born in 1962, is a distinguished professor and doctoral supervisor at the School of Economics, Nanjing University. He currently holds multiple positions including Independent Non-executive Director, convener of the Remuneration and Appraisal Committee, and member of the nomination committee. Ge's previous positions include serving as the deputy dean of the School of Economics, Nanjing University and currently serving as the executive editor of China Political Economy. In addition to his academic positions, Ge also serves as the vice president of the <i>Chinese Capital Theory</i>(《資本論》)Research Association, the Jiangsu Real Estate Economics Society, and the Jiangsu Quality Association. He is a member of the expert committee of the Jiangsu Provincial Department of Housing and Urban-Rural Development and an independent director of Jiangsu Hengshun Vinegar Industry Co., Ltd. Ge's academic focus is on socialist economic theory, Chinese economic issues, and related areas. He has published over 20 academic works and more than 100 papers, winning numerous awards such as the National Press and Publication Administration's Chinese Excellent Book Award, first, second, and third prizes of Jiangsu Province's Philosophy and Social Science Research Outstanding Achievement Award, the Jiangsu Province Teaching Achievement Special Prize and First Prize, the National Teaching Achievement First and Second Prizes, and the Baosteel Excellent Teacher Award. He is also the chief expert of a national social science major project and has presided over or participated in over 20 national, key, and provincial-level social science projects.</p>
<p><b>Supervisor</b> Yang Shiwei</p>	<p>Yang Shiwei, born in August 1975, is the current Chairman of the Supervisory Committee. He holds both a university degree and a master's degree, and is also recognized as a senior engineer. Between 1999 and 2017, Mr. Yang's career was based at the Lianyungang Transportation Bureau. During this period, he held several positions including Deputy Director of the Traffic Emergency Office, Director of the Comprehensive Planning Department, Director of the Administrative Services Department, Chief Engineer, and member of the Party Committee. In 2017, Mr. Yang joined the Jiangsu Port Group Co., Ltd. as the Deputy Minister of the Audit and Legal Affairs Department. The following year, he moved on to Jiangsu Communications Holding Co., Ltd. where he held various positions including Deputy Minister of Enterprise Management and Legal Affairs, Deputy Minister of Tendering and Procurement Management Department, Deputy Minister of Audit and Risk Control Department (in charge of work), Deputy Director of Audit Center (in charge of work), Minister of Audit and Risk Control Department, and Director of Audit Center, until 2021. He is currently serving as the director of the Enterprise Management and Legal Affairs Department of Jiangsu Communications Holding, director of the Office of the Board and director of the Examination and Approval Office. Mr. Yang has long been engaged in transportation management and has extensive experience in corporate management, internal audit and risk control.</p>
Pan Ye	<p>Born in 1988, Pan Ye holds a master's degree and works as a Supervisor. Prior to his current role, he served as a project manager in the Enterprise Management Department of China Merchants Huajian Highway Investment Co., Ltd. Presently, he is employed in the Capital Operation Department of China Merchants Expressway Network &amp; Technology Holdings Co., Ltd. In addition to his role in the company, Pan Ye also serves as a Supervisor for Modern Investment Co., Ltd. and Heilongjiang Transportation Development Co., Ltd. Mr. Pan has been serving as a supervisor of the Company since 2016.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Wan Liye	<p>Wan Liye, born in 1971, is a Supervisor and possesses a university degree and a senior accountant qualification. He commenced his career at the Planning and Finance Department of Jiangsu Jinghu Expressway Co., Ltd. in 2000 and progressed through various positions such as department head, assistant manager, and deputy manager (in charge of work) from 2005 to 2015. Between 2015 and 2019, Wan Liye served as the manager and deputy chief accountant of the Financial Audit Department of Jiangsu Ninghang Expressway Co., Ltd. He then moved on to serve as the Deputy Minister of the Audit and Risk Control Department and the Deputy Director of the Audit Center of Jiangsu Communications Holding Co., Ltd. from 2019 to 2020. Currently, Wan Liye holds the position of Deputy Minister of the Financial Management Department of Jiangsu Communications Holding Co., Ltd., which he has held since 2020. Mr. Wan is a seasoned professional with extensive expertise in traffic management and financial management, having worked in these fields for a significant period of time.</p>
Lu Zhengfeng	<p>Born in August 1973, Lu Zhengfeng is a senior engineer and supervisor who holds a graduate degree from Tongji University, as well as a Ph.D. Mr. Lu served as assistant to the manager, deputy manager and manager of the Investment Development Department and manager of each of the Operational Management Department and Information Department of the Company. He is currently the deputy chief economic manager and manager of the Investment Development Department of the Company. Having long been engaged in investment strategies and communications-related operation and management work, Mr. Lu has extensive experience in operation and management as well as investment strategies in the communications industry.</p>
Kong Yuanyi	<p>Kong Yuanyi, born in February 1976, is an economist and a national second-level enterprise human resources manager, serving as a supervisor. He possesses a graduate degree from Nanjing University, along with a master's degree. Ms. Kong has successively served as the head of the office, assistant to the director, the deputy director (in charge of work) of the Party and Mass Work Department of the Company. She is currently the director in of the Investigation Office of the Company.</p>
<b>Senior management</b>	
Dai Qian	<p>Born in 1978, Dai Qian is a senior accountant who holds a graduate degree with a master's degree. He has held various positions in the financial sector, including head of the financial audit department, assistant to the chief of the financial management department, and deputy chief of the financial management department at Jiangsu Transportation Holding Co., Ltd. from 2014 to 2020. Since June 2020, he has been the Chief Financial Officer and a member of the Party Committee at Jiangsu Expressway Company Limited. Mr. Dai has been engaged in financial management for a long time and has extensive theoretical and practical experience.</p>
Yan Yun	<p>Ms. Yan Yun, an economist, was born in 1974 and holds a postgraduate degree and a master's degree in economics. She currently serves as the Deputy General Manager and a member of the Party Committee. Ms. Yan served as the head of Tangshan Toll Station of Jiangsu Expressway Company Limited, office director and the assistant to the head of Ningzhen management office, and the deputy manager and manager of Operation and Development Company. Ms. Yan has been engaging in the field of management of expressway enterprises and she is well-experienced in corporate management.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Yang Dongsong	Mr. Yang Dongsong, a senior engineer in intelligent transportation engineering, was born in 1972 and holds a university degree and a master's degree in the same field. He currently serves as the Deputy General Manager and a member of the Party Committee. Mr. Yang served as the head and Party secretary of the Wuxi Management Office of Jiangsu Expressway Company Limited and the executive deputy director of the Operation Management Centre of Jiangsu Expressway Company Limited. Mr. Yang has been engaged in expressway management for a long time and has extensive experience in corporate management.
Li Peidong	Mr. Li Peidong, an economist and a member of the Communist Party of China, was born in 1986 and holds a postgraduate degree. He has extensive experience in expressway management and previously held various positions at Jiangsu Lianxu Expressway Co., Ltd. and Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd., including co-organizer and organizer of the human resources department, deputy director of the Pengcheng toll station, deputy director of the Xuzhou South toll station, deputy head of the human resources department, deputy manager, and manager of the human resources department. Currently, he is responsible for the Party Committee Organization Department (Human Resources Department) at Jiangsu Communications Holdings Co., Ltd. and serves as the Assistant General Manager at Jiangsu Expressway Company Limited. With a background in enterprise management and years of experience in the expressway industry, Li is well-equipped to take on his current roles.

Other explanations

Applicable  N/A

- Throughout the Reporting Period, none of the Company's directors, supervisors, and members of the senior management (including their spouse or children and 30% controlled companies or trusts) held any shares or shares options of the Company or was granted restricted shares or debentures of the Company.
- No related/connected relationships exist between the directors and senior management of the Company, as defined in paragraph 12 of Appendix 16 of the Hong Kong Listing Rules.
- Apart from the remuneration stated above, no additional payment was made to the directors or supervisors by the Company. During the Reporting Period, there was no arrangement under which a director waived or agreed to waive any remuneration. The remuneration of members of senior management included salaries, performance, bonus, and post-employment benefits and other benefits paid by the Company to them.
- Other benefits offered to employees include housing provident funds, non-monetary benefits, social security coverage (i.e. medical insurance, work-related injury insurance, and maternity insurance) borne by the Company.
- Post-employment benefits borne by the Company such as pensions and contributes to old-age insurance and unemployment insurance in accordance with social security regulations.

## (II) Details of Current and Resigned Directors, Supervisors and Members of Senior Management of the Company during the Reporting Period

## 1. Details of service in shareholders' entities

 Applicable       N/A

Name of employee	Name of shareholders' entities	Position held in shareholders' entity	Date of commencement of appointment	Date of termination of appointment
Chen Yunjiang	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Director of the Party Committee Organization Department (Human Resources Department)	November 2021	-
Chen Yanli	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Senior Specialist, Deputy Director of the Expert Committee on Party Building Projects, Full-time Director and Supervisor of the Controlled (Invested) Enterprises	November 2021	-
Wang Yingjian	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Director of Science and Technology Information Department, Director of Digital Economy Development Office	November 2020	-
Yang Shiwei	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Director of the Enterprise Management and Legal Affairs Department, Director of the Office of the Board and Director of the Examination and Approval Office	November 2021	-
Ding Guozhen	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Senior Specialist, Deputy Director Expert Committee on operation and development and Full-time Director and Supervisor of Controlled (Invested) Enterprise	November 2021	-
Wu Xinhua	China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	Deputy General Manager	August 2016	-
Li Xiaoyan	China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	Financial Controller	April 2022	-
Pan Ye	China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	Senior manager of Capital Operation Department	January 2020	-
Wan Liye	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	The Deputy Director of the Financial Management Department	May 2020	-
Li Peidong	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Person in charge of the Party Committee Organization Department (Human Resources Department)	January 2022	-
Explanation of service in shareholders' entities	Nil			

# CORPORATE GOVERNANCE

## 2. Details of service in other entities

Applicable  N/A

Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Chen Yunjiang	Eastern Airports Group Co., Ltd. (東部機場集團有限公司)	Supervisor	July 2022	–
	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)	Director	September 2022	–
	Jiangsu Expressway International (Hong Kong) Company Limited (江蘇寧滬國際(香港)有限公司)	Director and SPV Director	May 2022	–
Wang Feng	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)	Director	July 2019	–
	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)	Chairman of the Supervisory Committee	September 2020	–
	Jiangsu Expressway International (Hong Kong) Company Limited (江蘇寧滬國際(香港)有限公司)	Director	February 2022	–
	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)	Director, Chairman	June 2022	–
	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)	Director, Chairman	May 2022	–
	Jiangsu Suixichang South Expressway Co., Ltd. (江蘇蘇錫常南部高速公路股份有限公司)	Director, Chairman/General Manager	May 2022	–
	Zijin Trust Co., Ltd. (紫金信託有限責任公司)	Director	March 2022	–
Yao Yongjia	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)	Chairman	June 2021	–
	Jiangsu Luode Equity Investment Fund Management Co., Ltd. (江蘇洛德股權投資基金管理有限公司)	Chairman	October 2016	May 2022
	Jiangsu Expressway International (Hong Kong) Company Limited (江蘇寧滬國際(香港)有限公司)	Director	January 2020	–
Chen Yanli	Nanjing Lukou International Airport (南京祿口國際機場)	Supervisor	March 2017	January 2022
	Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司)	Director	May 2018	–
	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)	Supervisor	September 2022	–
Wang Yingjian	Jiangsu Communication Holding Talent Development Group Co., Ltd. (江蘇交控人才發展集團有限公司)	Director	November 2022	–
	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)	Supervisor	September 2021	–
	Jiangsu Communication Holding Digital Transportation Research Institute Company Limited (江蘇交控數字交通研究院有限公司)	Supervisor	December 2020	–
Wu Xinhua	Shandong Hi-speed Company Limited (山東高速股份有限公司)	Vice Chairman	February 2023	–
	Sichuan Expressway Company Limited (四川成渝高速公路股份有限公司)	Vice Chairman	November 2022	–
Li Xiaoyan	Shenzhen Expressway Group Co., Ltd. (深圳高速公路集團股份有限公司)	Director	December 2020	–
Ma Chung Lai Lawrence	Guizhou Jinhua Highway Co., Ltd. (貴州金華公路有限公司)	Director	January 2021	–
	Taching Petroleum Co., Ltd. (大慶石油有限公司)	General Manager	January 1978	–
	Wing Hing Enterprise Company (永興企業公司)	Vice President	January 1986	–
	Jiangsu Committee of the Chinese People's Political Consultative Conference of the People's Republic of China (13th) (中國人民政治協商會議江蘇省委員會(第十三屆))	Standing Committee Member	2023	–
	Jiangsu Residents (HK) Association (香港江蘇旅港同鄉聯合會)	Permanent Honourary President	2022	–

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Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Liu Xiaoxing	Suzhou Kowloon Hospital Co., Ltd. (蘇州九龍醫院股份有限公司)	Director	June 2020	–
	Focus Technology Co., Ltd. (焦點科技股份有限公司)	Independent Director	March 2020	–
	Jiangsu Academy of Environmental Industry and Technology Corp. (江蘇環保產業技術研究院股份公司)	Director	December 2019	–
	Jiangsu HopeRun Software Co., Ltd. (江蘇潤和軟件股份有限公司)	Independent Director	February 2020	March 2022
	Mutual Benefits Asset Management Co., Ltd. (益民基金管理有限公司)	Independent Director	June 2020	–
Yu Mingyuan	Hubei Chutian Smart Communication Co., Ltd. (湖北楚天智能交通股份有限公司)	Independent Director	December 2022	–
	Guangdong Provincial Expressway Development Co., Ltd.* (廣東省高速公路發展股份有限公司)	Independent Director	September 2022	–
Xu Guanghua	Jiangsu Huaxicun Co., Ltd. (江蘇華西村股份有限公司)	Independent Director	July 2020	July 2022
	Changzhou Qianhong Bio-pharma Co., Ltd. (常州千紅生化製藥股份有限公司)	Independent Director	January 2021	–
	Nantong Haixing Electronics Co., Ltd. (南通海星電子股份有限公司)	Independent Director	November 2020	–
Ge Yang Yang Shiwei	Jiangsu Canopus Wisdom Medical Technology Co., Ltd. (江蘇東星智慧醫療科技股份有限公司)	Independent Director	August 2020	–
	Jiangsu Hengshun Group Co., Ltd. (江蘇恒順集團有限公司)	Director	February 2022	–
	Jiangsu YS Capital Management Co., LTD. (江蘇雲杉資本管理有限公司)	Supervisor	October 2020	–
	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)	Director	May 2022	–
	Jiangsu Chunlan Refrigerating Equipment Stock Co., Ltd. (江蘇春蘭製冷設備股份有限公司)	Director	May 2022	–
Wan Liye	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)	Chairman of the Supervisory Committee	July 2019	–
	Sunan Shuofang International Airport Ltd. (蘇南碩放國際機場有限公司)	Supervisor	May 2020	–
	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)	Chairman of the Supervisory Committee	February 2021	–
	Jiangsu International Talents Advisory Services Co., Ltd. (江蘇省國際人才諮詢服務有限公司)	Chairman of the Supervisory Committee	May 2020	–
	Jiangsu Yunshan Capital Management Co., LTD. (江蘇雲杉資本管理有限公司)	Director	June 2022	–
Pan Ye	Xiandai Investment Co., Ltd. (現代投資股份有限公司)	Supervisor	September 2022	–
	Heilongjiang Transport Development Co., Ltd. (黑龍江交通發展股份有限公司)	Supervisor	February 2023	–
Lu Zhengfeng	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)	Director	June 2021	–
	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)	Supervisor	December 2021	–
	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)	Director	February 2017	–
	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)	Chairman of the Supervisory Committee	June 2022	–
Dai Qian	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)	Director	December 2020	–
	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)	Chairman of the Supervisory Committee	June 2021	–
	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)	Chairman	May 2020	–

# CORPORATE GOVERNANCE

Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Yan Yun	Jiangsu Yuexin Ninghu Gas Co., Ltd. (江蘇悅鑫寧滬天然氣有限公司)	Director	September 2018	–
	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)	Chairman of the Supervisory Committee	May 2022	–
	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)	Chairman	January 2021	–
Yang Dengsong	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)	Director	April 2020	–
	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)	Supervisor	April 2020	–
	Jiangsu Guangjing Xicheng Expressway Company Limited.	Supervisor	April 2019	–
	Jiangsu Suxichang South Expressway Co., Ltd.	Director	September 2018	–
Ding Guozhen	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)	Director	December 2021	–
	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)	Supervisor	April 2018	–
	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)	Chairman of the Supervisory Committee	September 2018	–
	Nanjing Yangtze Shipping Logistics Center Investment and Construction Co., Ltd. (南京長江航運物流中心投資建設有限公司)	Supervisor		–
Lin Hui	Donghua Energy Co., Ltd. (東華能源股份有限公司)	Independent Director	June 2019	June 2022
	Jiangsu Sunrain Solar Energy Co., Ltd. (日出東方太陽能股份有限公司)	Independent Director	August 2016	August 2022
	China Design Group Co., Ltd. (中設設計集團股份有限公司)	Independent Director	January 2017	–
Explanation for service in other entities	Mr. Ding Guozhen, a Supervisor, resigned in November 2022 and Mr. Lin Hui, an Independent Director, resigned in May 2022.			



## (III) Remuneration of directors, supervisors and senior management

Applicable  N/A

Decision-making procedures for the remuneration of directors, supervisors and senior management

The Remuneration and Appraisal Committee has prepared a remuneration scheme for non-executive directors and independent directors by setting benchmarks pursuant to the relevant rules of the domestic and overseas securities regulatory departments. Taking into account of the average remuneration levels in different markets and the actual circumstances of the Company, the committee proposed the remuneration scheme to the board of directors which was considered and approved at the shareholders' general meeting of the Company. The Company enters into agreements with directors who receive remuneration from the Company, under which remuneration is paid annually.

Basis for determination of remuneration of the directors, supervisors and senior management

One non-executive director and 5 independent directors engaged by the Company received directors' remuneration from the Company. The remuneration levels were set with reference to the average remuneration levels in Hong Kong and the Mainland.

Remuneration actually paid to the directors, supervisors and senior management

1. In 2022, remuneration paid to 1 non-executive director in Hong Kong amounted to RMB365,200 (before tax); in 2022, remuneration paid to each of 5 independent directors engaged in the PRC was RMB107,900 (before tax), of which, remuneration paid to each of 2 directors whose time in office was half a year due to re-election of directors was RMB53,900 (before tax). 2. Four non-executive directors and 3 supervisors who were nominated by shareholders' entities received remuneration therefrom. The Company no longer paid additional remuneration to such directors and supervisors. 3. Three executive directors and 2 staff representative supervisors taking up duties in the Company received management remuneration in line with their specific management positions. The Company no longer paid additional remuneration to such directors and supervisors. 4. The senior management of the Company includes various deputy general managers, assistants to general manager and the financial controller. The senior management received management remuneration in line with their respective positions. The total amount of remuneration received consists of salary, performance-based bonus, as well as the Company's contribution to five social insurances (namely, pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) and housing fund and other benefits.

Total remuneration actually received by all directors, supervisors and members of senior management at the end of the Reporting Period

RMB8,014,500



# CORPORATE GOVERNANCE

## (IV) Changes of directors, supervisors, and senior management of the Company

Applicable       N/A

Name	Position held	Change	Reasons for changes
Cheng Xiaoguang	Chairman, Executive Director	Resignation	Change in work arrangements
Lin Hui	Independent non-executive directors	Resignation	Serving as an independent director of the Company for six consecutive years
Ding Guozhen	Supervisor	Resignation	Retirement
Chen Yunjiang	Chairman, Executive Director	Election	Election by the Board of Directors
Wang Feng	General Manager, Executive Director	Election	Election by the Board of Directors
Ge Yang	Independent non-executive directors	Election	Election by the Board of Directors
Wan Liye	Supervisor	Election	Election by the Supervisors Committee
Li Peidong	General Manager	Appointment	Appointment by the Board of Directors

## (V) Explanation of punishment imposed by securities regulator in recent three years

Applicable       N/A

## (VI) Others

Applicable       N/A

## V. DETAILS OF MEETINGS OF BOARD OF DIRECTORS HELD IN THE REPORTING PERIOD

Session No. of meeting	Dates	Resolution
Seventh meeting of the tenth session	27 January 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 January 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 January 2022.
Eighth meeting of the tenth session	25 March 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 March 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2022.
Ninth meeting of the tenth session	29 April 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.
Tenth meeting of the tenth session	11 May 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 12 May 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 11 May 2022.
Eleventh meeting of the tenth session	17 June 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 June 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 June 2022.
Twelfth meeting of the tenth session	26 August 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 August 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 August 2022.
Thirteenth meeting of the tenth session	26 October 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 October 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 October 2022.
Fourteenth meeting of the tenth session	15 December 2022	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.

# CORPORATE GOVERNANCE

## VI. DIRECTORS' PERFORMANCE OF DUTIES

### (I) Details of directors' attendance at Board of Directors and shareholders' general meetings

Director Name	Attendance at Board of Directors						Whether he/she fails to attend two consecutive Board meetings in person	Attendance at shareholders' general meetings
	Whether he/she is an independent director	Number of Board of Directors required to attend during the year	Number of attendance in person	Number of attendance by way of telecommunications	Number of attendance by proxy	Number of absence		
Chen Yunjiang	No	4	4	0	0	0	No	2
Wang Feng	No	4	4	0	0	0	No	2
Yao Yongjia	No	8	7	1	0	0	No	2
Chen Yanli	No	8	7	1	0	0	No	2
Wang Yingjian	No	8	7	1	0	0	No	2
Wu Xinhua	No	8	7	1	0	0	No	2
Ma Chung Lai Lawrence	No	8	7	1	0	0	No	2
Li Xiaoyan	No	8	7	1	0	0	No	2
Zhou Shudong	Yes	8	7	1	0	0	No	2
Liu Xiaoxing	Yes	8	7	1	0	0	No	2
Xu Guanghua	Yes	8	7	1	0	0	No	2
Yu Mingyuan	Yes	8	7	1	0	0	No	2
Ge Yang	Yes	4	4	0	0	0	No	2
Cheng Xiaoguang	No	4	3	1	0	0	No	0 (Note)
Lin Hui	Yes	4	3	1	0	0	No	0 (Note)

Note: Mr. Cheng Xiaoguang and Mr. Lin Hui resigned on 12 May 2022 and 11 May 2022 respectively and therefore did not attend the general meeting held on 17 June 2022 and 12 December 2022.

Explanation for absence of board of director meetings in person for two consecutive times.

Applicable  N/A

Number of board of director meetings convened during the year	8
Of which: Number of face-to-face meetings	0
Number of meetings convened by way of telecommunication	1
Number of meetings convened by combination of face-to-face meetings and via telecommunication	7

During the Reporting Period, the Board of Directors held a total of 8 meetings. Through appropriate means such as holding regular meetings or extraordinary meetings and signing board resolutions or authorizations, the board of directors conducted discussions and made decisions on major matters, such as business and financial performance, financing schemes, investment projects, related party/connected transactions and governance structure of the Group. This ensures the realization of the Company's best interests in its operation, management, development and other aspects.

## (II) Independent directors' objections to matters of the Company

Applicable  N/A

Each of the independent non-executive directors has, upon his nomination, submitted to the board of directors a statement in respect of his independence; in addition, before convening the relevant board meeting for consideration of the annual results, the Company had received written confirmations from all independent non-executive directors in respect of their independence, in which the Company considers the relevant independent non-executive directors to be independent persons according to the relevant guidelines under Rule 3.13 of the Hong Kong Listing Rules.

## (III) Others

Applicable  N/A

## VII. DETAILS OF SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

Applicable  N/A

A total of four specialized committees were established under the board of directors of the Company, including the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Each committee formulated its specific rules of procedures in order to define the scope of responsibility and power and procedures for the performance of duties. These committees assist the board of directors in enhancing standard management in aspects such as strategic development, project investment, financial reporting and human resources and assessment, thereby effectively improving the governance level and operational efficiency of the Company. Independent non-executive directors play major roles in these committees of the board of directors. The independent non-executive directors account for a majority of the composition in the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and an independent non-executive director is the convener in each of these committees.

## (1) Details of members of special committees under the board of directors

Type of special committee	Names of members
Audit Committee	Xu Guanghua, Zhou Shudong, Liu Xiaoxing, Li Xiaoyan
Nomination Committee	Zhou Shudong, Chen Yanli, Wu Xinhua, Ge Yang, Xu Guanghua
Remuneration and Appraisal Committee	Ge Yang, Chen Yanli, Li Xiaoyan, Yu Mingyuan, Xu Guanghua
Strategy Committee	Chen Yunjiang, Wang Feng, Yao Yongjia, Wang Yingjian, Ma Chung Lai Lawrence, Yu Mingyuan

## (2) During the Reporting Period, the Audit Committee held 7 meetings

The Audit Committee was established in 2001. Its current members comprise 4 directors. The convener is Mr. Xu Guanghua\*, an independent non-executive director. Members include Mr. Zhou Shudong, Mr. Liu Xiaoxing and Ms. Li Xiaoyan. There are 1 non-executive director and 3 independent non-executive directors.

\* Mr. Xu Guanghua, an independent non-executive director, possesses the appropriate professional qualifications or appropriate accounting or relevant financial management expertise as required under Rule 3.10(2) of Hong Kong Listing Rules.

The Audit Committee is principally responsible for reviewing and monitoring the quality and procedures of the Company's financial reporting and supervising the establishment and implementation of the Company's internal audit system; examining the financial information of the Company and its subsidiaries and its disclosure; reviewing the establishment of the Company's internal control system and supervising its implementation, including financial control and other aspects; auditing major related party/connected transactions of the Company; and communicating, supervising and reviewing the work of the internal and external auditors of the Company.

## CORPORATE GOVERNANCE

During the Reporting Period, the Audit Committee held a total of 7 meetings, including 4 periodic report meetings and 2 separate communication meetings with external audit institutions. It reviews the Company's periodic reports; reviews related party/connected transactions, supervises and evaluates the external audit work, selects external auditors; reviews the internal control system, supervises and guides internal audits, promotes internal and external audit findings and rectification; strengthens internal control supervision and evaluation; reviews and monitors the Company's financial reporting quality and procedures; and provides support for the board of directors' decision-making on the above matters, and puts forward important opinions and suggestions. Please refer to the table below for matters discussed at each separate meeting.

According to the working rules of the annual report, the Audit Committee reviews the Company's annual financial report, and fully communicates with the management and forms written opinions before the commencement of on-site work of external auditors; for the preliminary audit opinions issued by the external auditors, the committee strengthens communication with the external auditors. It reviews and communicates the annual financial report again; after the completion the audit of the annual financial report, the Audit Committee reviews and votes, and submits to the board of directors for review.

In addition, the Audit Committee pays close attention to the achievements of the Company's operating performance improvement and benefit cost control, and effectively plays a role in assisting the board of directors to perform their duties.

Name of director	Whether he/she is an independent non-executive director	Number of Audit Committee meetings required to attend during the Reporting Period	Number of attendance
Xu Guanghua	Yes	7	7
Zhou Shudong	Yes	7	7
Liu Xiaoxing	Yes	7	7
Li Xiaoyan	No	7	7

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
26 January 2022	the first meeting of the Audit Committee for 2022	A resolution in relation to the termination of the acquisition of offshore assets by the Company and the parties to the consortium;	To consider and approve the <i>Resolution on Termination of the Acquisition of Offshore Assets by the Company and the Parties to the Consortium</i> . (1) Approved that the Company, together with the remaining members of the Consortium, namely China Merchants Expressway, China Merchants Union Co., Ltd., Zhejiang Expressway Co., Ltd., Sichuan Expressway Company Limited and Anhui Expressway Company Limited, would sign the Termination Agreement with Turkish project sellers, IC İÇTAŞ İnşaat Sanayi ve Ticaret A.Ş. and Pacific Motorway Operations Holding Limited (hereinafter collectively referred to as the "Sellers") to terminate the acquisition of 51% equity interest in ICA in Turkey and 51% shareholder's loan from the former shareholders of ICA, 51% equity interest in Eurasia Motorway Maintenance and Operations Limited in Hong Kong; and approved the submission of the resolution to the seventh meeting of the tenth session of the Board of Directors for consideration. (2) The Company and the Consortium jointly discussed the resolution of the cancellation of the Consortium's Hong Kong special-purpose company and the other two special-purpose companies under it, and cancellation of the above three special-purpose companies on a step-by-step basis; and approved the submission of the resolution to the seventh meeting of the tenth session of the Board of Directors for consideration. This related/connected transaction was mainly due to the force majeure factors, which led to the delay in the delivery of equity interests in the course of the transaction, and the decision was made after taking into account the changes in the current international market environment and our own actual situation and development planning. The procedures for consideration of and voting on the related party/connected transaction were in compliance with the relevant laws and regulations and the <i>Articles of Association</i> , etc., without prejudice to the interests of the Company and its non-related/non-connected shareholders.

# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
24 March 2022	the second meeting of the Audit Committee for 2022	<ol style="list-style-type: none"> <li>1. The Company's financial statements and audit report for the year 2021;</li> <li>2. The company's final accounts report for the year 2021;</li> <li>3. The company's budget report for the year 2022;</li> <li>4. A statement on the resolution to appoint the company's financial reporting auditor and internal control auditor for the year 2022;</li> <li>5. A statement on the resolution to appoint the internal control evaluation report and internal control audit report for the year 2021;</li> <li>6. The audit committee report on the performance of its duties for the year 2021;</li> <li>7. Explanation of the resolution to continue the financial business cooperation between the company and the finance company;</li> <li>8. Report on the company's internal audit work for the year 2021;</li> <li>9. The company's internal audit work plan for the year 2022;</li> <li>10. The company's risk assessment report for the year 2021;</li> <li>11. Explanation of the resolution on ordinary related transactions/ continuing connected transactions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Considered and approved the financial statements and audit report of the Company for 2021, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>2. Considered and approved the final financial report of the Company for 2021, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>3. Considered and approved the financial budget report of the Company for 2022, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>4. Considered and approved the appointment of KPMG Huazhen LLP as the Company's auditors of the annual financial reporting and internal control for the year 2022 to audit the annual financial reporting and internal controls and to undertake the duties expected of an international auditor in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (Exchange Listing Rules); approved its annual remuneration of RMB3 million (including RMB2.3 million for the financial audit and RMB700,000 for the internal control audit), and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>5. The <i>Self-evaluation Report on Internal Control of the Company for 2021</i> and the <i>Internal Control Audit Report of the Company for 2021</i> reflected the current status of the Company's internal control system, the design and operation of the Company's internal control was sound and effective, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>6. Considered and approved the report of audit committee on the performance of duties for 2021, and approved the submission of the report to the Board of Directors for consideration.</li> <li>7. Considered and approved that the Company and the Finance Company shall enter into a <i>Financial Services Agreement</i> for a period of three years commencing from 1 April 2022, with the maximum daily deposit balance (including accrued interest) not exceeding RMB600 million and less than 5% of the Company's audited operating revenue, total assets or market value; and that the Finance Company shall grant the Company a comprehensive unsecured credit line of not less than RMB5 billion, and approved the submission of the resolution to the Board of Directors for consideration. Considered and approved the 2021 annual report on internal audit of the Company, and approved the submission of the report to the Board of Directors for consideration. Considered and approved the 2022 annual report on internal audit of the Company, and approved the submission of the report to the Board of Directors for consideration.</li> <li>8. Considered and approved the report on assessment of risk management of the Company for 2021, and approved the submission of the report to the Board of Directors for consideration.</li> <li>9. Considered and approved the <i>Resolution regarding Ordinary Related Party Transactions</i>. The 18 ordinary related party/continuing connected transactions of the Company were approved, and such 18 transactions were carried out by the Company and its subsidiaries in the ordinary course of business, at fair and reasonable prices, with no adverse impact on the Company, without prejudice to the interests of the Company and its non-related shareholders, in particular the interests of the minority shareholders, and in the interests of the Company and its shareholders as a whole, and the submission of the resolution to the Board of Directors for consideration was approved.</li> </ol>

# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
28 April 2022	The third meeting of the Audit Committee for 2022	<ol style="list-style-type: none"> <li>1. The Company's report for the first quarter of 2022;</li> <li>2. The Resolution for the Company's Cash Acquisition of 100% Equity Interest in YS Energy Company;</li> <li>3. The Resolution for the Adjustment of the Company's Related/Connected Transaction Matters Involving Railway Section Renovation Projects;</li> <li>4. The Resolution for the Adjustment of the Caliber of Traffic Data Used for Amortization of Road Operation Rights.</li> </ol>	<ol style="list-style-type: none"> <li>1. Considered and approved the financial statements and audit report of the Company for the first quarter of 2022, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>2. Considered and approved the <i>Resolution for the Company's Cash Acquisition of 100% Equity Interest in YS Energy Company</i>. The pricing of the transaction was based on the asset valuation results issued by Pan-China Assets Appraisal Co., Ltd., which was fair and reasonable and no circumstances were found to be prejudicial to the interests of the Company and other shareholders, in particular the small and medium shareholders. The transaction is conducive to enhancing the overall value of the Company and strengthening its comprehensive strength, which is in the overall interest of the Company and all shareholders.</li> <li>3. Considered and approved the <i>Resolution for the Adjustment of the Company's Related/Connected Transaction Matters Involving Railway Section Renovation Projects</i>; the related/connected transactions involved are based on the needs of normal business activities, and the transactions between the two parties are conducted openly and reasonably under the principles of market economy, in compliance with the principles of openness, fairness and impartiality, and the pricing method is in line with the provisions of relevant laws, regulations and regulatory documents. It is in the interests of the Company and all shareholders and does not prejudice the interests of the Company and its shareholders, in particular the small and medium shareholders and it is approved that the submission of the Resolution to the Board of Directors for consideration.</li> <li>4. Considered and approved the <i>Resolution for the Adjustment of the Caliber of Traffic Data Used for Amortization of Road Operation Rights</i>. The change in the Company's accounting estimates could show the Company's financial position and results of operations in a more objective and fair manner, and the changed accounting information is more accurate and reliable. The change in accounting estimates has no material impact on the financial position, results of operations and cash flows of the Company, and the relevant consideration and decision-making procedures are in compliance with the relevant laws and regulations, and there are no circumstances that would prejudice the interests of the Company and all shareholders, in particular the small and medium shareholders, it is approved that the submission of the Resolution to the Board of Directors for consideration.</li> </ol>
16 June 2022	The fourth meeting of the Audit Committee for 2022	The Resolution on the Ordinary Related Party/Continuing Connected Transactions Between the Company and Its Wholly-owned Subsidiaries, Ninghu Investment Company, Ninghu Real Estate Company, Factoring Company, Hanwei Company and Communications Holding Commercial Operation Company;	<ol style="list-style-type: none"> <li>1. Considered and approved the Resolution on the <i>Ordinary Related Party/Continuing Connected Transactions Between the Company and Its Wholly-owned Subsidiaries, Ninghu Investment Company, Ninghu Real Estate Company, Factoring Company, Hanwei Company and Communications Holding Commercial Operation Company</i>,</li> <li>2. Approved the contractual term of the agreement for this related party/connected transaction of the Company from July 2022 to 30 April 2023, with the transaction amount not exceeding RMB23,096,000. The related party/connected transactions involved are based on the needs of normal business activities, and the transactions between the two parties are conducted openly and reasonably under the principles of market economy, in compliance with the principles of openness, fairness and impartiality, and the pricing method is in line with the provisions of relevant laws, regulations and regulatory documents. It is in the interests of the Company and all shareholders and does not prejudice the interests of the Company and its shareholders, in particular the small and medium shareholders and it is approved that the submission of the Resolution to the Board of Directors for consideration.</li> </ol>



# CORPORATE GOVERNANCE

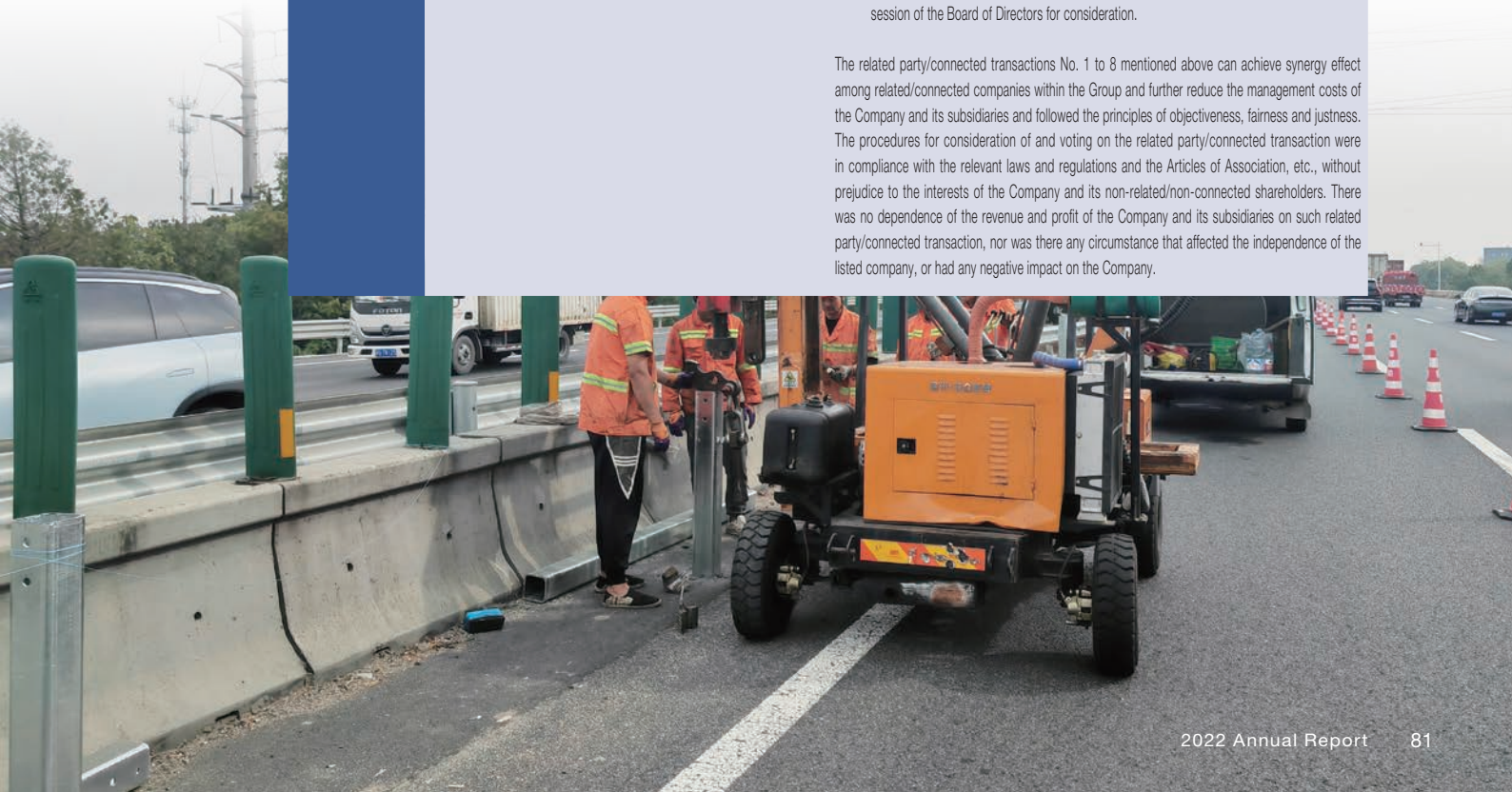
Dates	Content of meetings	Important comments and suggestions	Other performance of duties
25 August 2022	The fifth meeting of the Audit Committee for 2022	<ol style="list-style-type: none"> <li>The Company's report for the first half of 2022;</li> <li>The Resolution to Issue a Risk Assessment Report on the Company's Deposit and Loan Finance Business with the Finance Company;</li> </ol>	<ol style="list-style-type: none"> <li>Considered and approved the financial statements and audit report of the Company for the first half of 2022, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>The Company has conducted a review of the related party/connected transactions in the deposit and loan financial business of Jiangsu Communications Holding Group Finance Co., Ltd., assessed the operating qualification, business and risk status of the Finance Company, made necessary explanations on the funding arrangements in the Finance Company during the Reporting Period, and issued a continuous risk assessment report. We are of the view that the risk of this related/connected transaction is manageable and not prejudicial to the interests of the Company and other small and medium shareholders and agree to submit this Resolution to the Board of Directors for consideration.</li> </ol>
25 October 2022	The sixth meeting of the Audit Committee for 2022	<ol style="list-style-type: none"> <li>The Company's report for the third quarter of 2022;</li> <li>The Resolution on the Sales of Part of the Properties of the Hanrui Centre Project to Communications Holding Commercial Operation Company;</li> <li>The Resolution on the Related Party/Connected Transaction Between the Company and Micro Video Company in Relation to the Development Project of the Simulation System for Vocational Skill Level Identification;</li> <li>The Resolution on the Conclusion of the Related Party/Connected Transaction Between the Company and Kuailu Company.</li> </ol>	<ol style="list-style-type: none"> <li>Considered and approved the financial statements and audit report of the Company for the third quarter of 2022, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for consideration.</li> <li>Considered and approved the <i>Resolution on the Sales of Part of the Properties of the Hanrui Centre Project to Communications Holding Commercial Operation Company</i>. Approved that Hanwei, a wholly-owned subsidiary of the Company, shall sell 5,862.56 sq.m. of commercial properties of Hanrui Centre Project to Communications Holding Commercial Operation Company, a related party, for a total transaction amount of RMB187,706,300, and that upon the submission of this Resolution to the shareholders' general meeting for consideration and approval, the <i>Commodity Property Subscription Agreement</i> shall be concluded and become effective after the transaction proposal of both parties has been approved by the competent decision-making bodies of both parties and by the competent state-owned capital authorities; and approved the submission of the Resolution to the thirteenth meeting of the tenth session of the Board of Directors for consideration.</li> <li>Considered and approved the <i>Resolution on the Related Party/Connected Transaction Between the Company and Micro Video Company in Relation to the Development Project of the Simulation System for Vocational Skill Level Identification</i> to agree that the Company shall sign a contract with Micro Video Company for the development project of the simulation system for vocational skill level identification, and the cumulative amount of the contract shall not exceed RMB1,898,750 within seven months from the date of the contract after consideration and approval by the Board of Directors; and approved the submission of the Resolution to the thirteenth meeting of the tenth session of the Board of Directors for consideration.</li> <li>Considered and approved the <i>Resolution on the Conclusion of the Related Party/Connected Transaction Between the Company and Kuailu Company</i>, agreeing that the Company and Kuailu Company shall enter into an agreement for the collection of vehicle ETC tolls for a term of three years with a cumulative cap of RMB3.3 million. Of which, not more than RMB1 million in 2022, not more than RMB1.1 million in 2023 and not more than RMB1.2 million in 2024, with the settlement costs based on actual tolls and Kuailu Company paying tolls to the Company on a semi-annual and an actual basis; and approved the submission of the Resolution to the thirteenth meeting of the tenth session of the Board of Directors for consideration.</li> </ol> <p>The related party/connected transactions No. 2 to 4 mentioned above can achieve synergy effect among related companies within the Group and further reduce the management costs of the Company and its subsidiaries and followed the principles of objectiveness, fairness and justness. The procedures for consideration of and voting on the related party/connected transaction were in compliance with the relevant laws and regulations and the <i>Articles of Association</i>, etc., without prejudice to the interests of the Company and its non-related/non-connected shareholders. There was no dependence of the revenue and profit of the Company and its subsidiaries on such related party/connected transaction, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.</p>

# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
14 December 2022	The seventh meeting of the Audit Committee for 2022	<ol style="list-style-type: none"> <li>1. The Resolution on the Company's Reduction or Exemption the Rent for the Operation of the Service Area and the Rent for the Publication of Billboards Along the Route in 2022.</li> <li>2. The Resolution for the Company and Its Subsidiaries Guangjing Xicheng Company, Zhendan Company and Wufengshan Toll Bridge Company to enter into Ordinary Related/Continuing Connected Transaction Agreements with Network Operation Company.</li> <li>3. The Resolution on the Company's Extension the Lease Term with Kuailu Company.</li> <li>4. The Resolution on the Conclusion of the Lease Agreement between the Company and Sundian Testing Company for the Maqun Engineering Management Centre.</li> <li>5. The Resolution on the Conclusion of a Related/Connected Lease Contract by Jiangsu Communications Holding Renewable Energy Jiangsu Company, a wholly-owned subsidiary of YS Energy Company.</li> <li>6. The Resolution for the Company and Its Subsidiaries to Enter into Ordinary Related/Continuing Connected Transactions with Digital Transportation Research Institute.</li> <li>7. The Resolution on Appointing Communications Holding Commercial Operation Company as the Property Manager of Hanrui Centre.</li> <li>8. The Resolution on the Conclusion of an Electricity Consumption Agreement Related Party/Connected Transaction between the Company and Nantong Tiandian Company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Considered and approved the <i>Resolution on the Company's Reduction or Exemption the Rent for the Operation of the Service Area and the Rent for the Publication of Billboards Along the Route in 2022</i>. Approved that the Company shall grant a rent reduction or exemption to certain entities for the operation of the service area and the rent for the publication of billboards along the route for the year 2022 in accordance with the instruction of the documents of the Department of Finance of Jiangsu Province, the Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission and other relevant entities; and that the submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</li> <li>2. Considered and approved the <i>Resolution for the Company and Its Subsidiaries Guangjing Xicheng Company, Zhendan Company and Wufengshan Toll Bridge Company to enter into Ordinary Related/Continuing Connected Transaction Agreements with Network Operation Company</i>. Approved that the Company and its subsidiaries, Guangjing Xicheng Company, Zhendan Company and Wufengshan Toll Bridge Company, shall sign a road network management service agreement with Network Operation Company for a term from 1 January 2023 to 30 April 2023, with the total amount of this agreement capped at RMB17.95 million. The maximum amount of the agreement between the Company and Network Operation Company shall not exceed RMB13 million, the maximum amount of the agreement between Guangjing Xicheng Company and Network Operation Company shall not exceed RMB2.7 million, the maximum amount of the agreement between Zhendan Company and Network Operation Company shall not exceed RMB400,000 and the maximum amount of the agreement between Wufengshan Toll Bridge Company and Network Operation Company shall not exceed RMB1.85 million; and approved the submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</li> <li>3. Considered and approved the <i>Resolution on the Company's Extension the Lease Term with Kuailu Company</i>. Agreed that the Company and Kuailu Company should enter into a supplementary agreement on the lease of premises to extend the lease term to 31 March 2023 at a rental of RMB547,100; and approved the submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</li> <li>4. Considered and approved the Resolution on the <i>Conclusion of the Lease Agreement between the Company and Sundian Testing Company for the Maqun Engineering Management Centre</i>. Agreed that the Company and Sundian Testing Company shall sign a lease agreement for the Maqun Engineering Management Centre for a term from 1 January 2023 to 30 April 2025 at an annual rent of RMB2,183,400 and a total rent of approximately RMB5,094,600; and approved the submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</li> <li>5. Considered and approved the <i>Resolution on the Conclusion of a Related/Connected Lease Contract by Jiangsu Communications Holding Renewable Energy Jiangsu Company, a wholly-owned subsidiary of YS Energy Company</i>. Approved that Jiangsu Communications Holding Renewable Energy Jiangsu Company and Jiangsu Eastern Expressway Company shall sign, in relation to the lease of the land in the interchange area for the development and construction of a 6MW distributed PV power plant, the <i>Land Use Right Lease Contract for the Jiangsu Eastern Expressway Interchange Distributed PV Power Generation Project</i> for a term from 1 January 2023 to 31 December 2042, with a lease area of 120 mu and an annual rent rate of RMB600/mu, with an increase of no more than RMB50/mu every 5 years, payable on an annual basis. The total rent price of the land for the Eastern Expressway is RMB1.62 million based on the contracted 20-year lease term. Approved that Jiangsu Communications Holding Renewable Energy Jiangsu Company and Jiangsu NJY Expressway Company shall sign, in relation to the lease of the land in the interchange area for the development and construction of a 43.74MW distributed PV power plant, the <i>Land Use Right Lease Contract for the Jiangsu NJY Expressway Interchange Distributed PV Power Generation Project</i> for a term from 1 January 2023 to 31 December 2042, with a lease area of 698 mu and an annual rent rate of RMB600/mu, with an increase of no more than RMB50/mu every 5 years, payable on an annual basis. The total rent price of the land for the NJY Expressway is RMB9,423,000 based on the contracted 20-year lease term.; and it was approved that submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</li> </ol>

# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
			<p>6. Considered and approved the <i>Resolution for the Company and Its Subsidiaries to Enter into Ordinary Related/Continuing Connected Transactions with Digital Transportation Research Institute</i>. Approved that the Company and its subsidiaries Zhendan Company, Guangjing Xicheng Company, Changyi Company and Yichang Company shall sign agreements with Digital Transportation Research Institute for the "Traffic Control Cloud" and Cloud Resource Technology Service Project respectively for a term from 1 January 2023 to 30 April 2023, with the aggregated amount of the agreements not exceeding RMB5.06 million. The maximum amount of the agreement between Ninghu Company and Digital Transportation Research Institute shall not exceed RMB4.11 million, the maximum amount of the agreement between Zhendan Company and Digital Transportation Research Institute shall not exceed RMB110,000, the maximum amount of the agreement between Guangjing Xicheng Company and Digital Transportation Research Institute shall not exceed RMB720,000, the maximum amount of the agreement between Changyi Company and Digital Transportation Research Institute shall not exceed RMB40,000 and the maximum amount of the agreement between Yichang Company and Digital Transportation Research Institute shall not exceed RMB80,000; and it was approved that submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</p> <p>7. Considered and approved the Resolution on Appointing Communications Holding Commercial Operation Company as the Property Manager of Hanrui Centre. Agreed that Nanjing Hanwei Real Estate Development Co., Ltd, a subsidiary of the Company, appointed Communications Holding Commercial Operation Company as the property manager of Hanrui Centre and signed a property management agreement with it. The appointment term shall be from 1 January 2023 to 30 April 2024, and the aggregate property fee of Hanwei shall be capped at RMB7.87 million, of which not more than RMB5.90 million in 2023 and not more than RMB1.97 million from 1 January 2024 to 30 April 2024; and it was approved that submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</p> <p>8. Considered and approved the Resolution on the Conclusion of an Electricity Consumption Agreement Related/Connected Transaction between the Company and Nantong Tiandian Company. Agreed that the Company and Nantong Tiandian Company shall enter into a power purchase agreement for a term from 1 January 2023 to 31 December 2025, with the maximum transaction amount not exceeding RMB38.5 million per year during the agreement term and the aggregate transaction amount not exceeding RMB115.5 million for three years; and approved that submission of this Resolution to the fourteenth meeting of the tenth session of the Board of Directors for consideration.</p> <p>The related party/connected transactions No. 1 to 8 mentioned above can achieve synergy effect among related/connected companies within the Group and further reduce the management costs of the Company and its subsidiaries and followed the principles of objectiveness, fairness and justness. The procedures for consideration of and voting on the related party/connected transaction were in compliance with the relevant laws and regulations and the Articles of Association, etc., without prejudice to the interests of the Company and its non-related/non-connected shareholders. There was no dependence of the revenue and profit of the Company and its subsidiaries on such related party/connected transaction, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.</p>



# CORPORATE GOVERNANCE

## (3) During the Reporting Period, the Nomination Committee held 5 meetings

The Nomination, Remuneration and Appraisal Committee established by the Company in 2001 was split into the Nomination Committee and the Remuneration and Appraisal Committee in 2012 as required by the Stock Exchange. Its current members comprise 5 directors. The convenor is Mr. Zhou Shudong, an independent non-executive director. Members include Mr. Chen Yanli, Mr. Wu Xinhua, Mr. Ge Yang\* and Mr. Xu Guanghua. There are 2 non-executive directors and 3 independent non-executive directors.

\* On 17 June 2022, Mr. Ge Yang was elected as an independent non-executive director of the tenth session of the Board of Directors of the Company and appointed by the Board of Directors of the Company as a member of the Nomination Committee at the annual general meeting of the Company in 2021. Mr. Lin Hui left the Nomination Committee on the same day.

The Nomination Committee is primarily responsible for devising the Company's human resources development strategies and plans; and conducting studies and making recommendations on candidates, selection criteria and procedures for the appointment of the Company's directors and senior management. It is accountable to the board of directors.

During the Reporting Period, the Nomination Committee held a total of 5 meetings. The Nomination Committee reviews the qualifications of directors, evaluates the structure, number and composition of the Board of Directors, and pays attention to the improvement of diversity. As of the date of this report, there are 13 members of the tenth session of the Board of Directors of the Company, including three executive directors and ten non-executive directors. Five of the non-executive directors are hired by the Company externally, including one director who is a well-known person in Hong Kong, and five independent non-executive directors, which guarantees sufficient independence of the board of directors. The Board of Directors is comprised of persons at different ages and with different work experience and academic background, including one female director, which guarantees the diversity of the board members, which helps the board analyze and discuss issues from multiple perspectives. The Nomination Committee attaches great importance to the development and training of senior management personnel and reserve talents, comprehensively examines the changes of senior executives and some professional employees, and examines the academic qualifications, professional qualifications, experience, and independence of candidates, and performs relevant nomination procedures and submitted to the Company's board of directors for consideration. Candidate executives and professional employees will serve after being reviewed and approved by the board of directors. For information on the gender ratio of all employees (including senior management) of the Company, please see the disclosure under "(I) Staff profile" of "IX. Details of Staff of the Parent Company and Its Major Subsidiaries at the End of the Reporting Period".

The board of directors of the Company has adopted a set of board diversity policy, which sets out the approach to achieving board diversity. In considering the diversity of board members, the Company will take into account a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and tenure of service to achieve board diversity. All board appointments consider candidates on the basis of merit and contribution and objective conditions, and carefully consider the benefits of board diversity. The Nomination Committee regularly reviews the policy to discuss whether any amendments are necessary and to recommend to the board of directors any such amendments for consideration and approval.

After reviewing the board diversity policy and the composition of the board of directors, the Nomination Committee is satisfied that all the requirements set out in the diversification policy have been met.

Name of director	Whether he/she is an independent non-executive director	Number of Nomination Committee meeting required to attend during the Reporting Period	Number of attendance
Zhou Shudong	Yes	5	5
Chen Yanli	No	5	5
Wu Xinhua	No	5	5
Lin Hui (resigned)	Yes	5	5
Ge Yang (took the office on 17 June 2022)	Yes	0	0
Xu Guanghua	Yes	5	5

# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
26 January 2022	The first meeting of the Nomination Committee for 2022	The resolution in relation to the appointment of senior executive of the Company.	To consider and propose Mr. Li Peidong as the General Manager Assistant of the Company and submit the resolution to the Board of Directors for consideration.
24 March 2022	The second meeting of the Nomination Committee for 2022	The Performance Report of Nomination Committee for 2021.	To approve the Performance Report of Nomination Committee for 2021 and submit the resolution to the Board of Directors for consideration.
28 April 2022	The third meeting of the Nomination Committee for 2022	Description of the resolution to nominate Mr. Chen Yunjiang as a director of the tenth session of the Board of Directors of the Company.	To consider and nominate Mr. Chen Yunjiang as a director of the tenth session of the Board of Directors of the Company and submit the resolution to the Board of Directors for consideration.
11 May 2022	The fourth meeting of the Nomination Committee for 2022	The resolution in relation to the nomination of Mr. Ge Yang an independent non-executive director of the tenth session of the Board of Directors of the Company.	To consider and nominate Mr. Ge Yang as an independent non-executive director of the tenth session of the Board of Directors the Company and submit the resolution to the Board of Directors for consideration.
16 June 2022	The fifth meeting of the Nomination Committee for 2022	<ol style="list-style-type: none"> <li>Resolution for the Election of the Chairman of the Tenth Session of the Board of Directors</li> <li>Resolution for the By-election of Members of the Special Committee of the Tenth Session of the Board of Directors</li> </ol>	<ol style="list-style-type: none"> <li>To consider and nominate Mr. Chen Yunjiang as the Chairman of the tenth session of the Board of Directors of the Company and submit the resolution to the Board of Directors for consideration.</li> <li>To consider and nominate Mr. Chen Yunjiang, a Director, as the convener of the Strategy Committee of the tenth session of the Board of Directors of the Company, Mr. Wang Feng, a Director, as a member of the Strategy Committee of the tenth session of the Board of Directors of the Company, and Mr. Ge Yang, a Director, as the convener of the Remuneration and Appraisal Committee and a member of the Nomination Committee of the tenth session of the Board of Directors of the Company, and to submit this Resolution to the Board of Directors for consideration.</li> </ol>

## (4) During the Reporting Period, the Remuneration and Appraisal Committee held 2 meetings

The Nomination, Remuneration and Appraisal Committee established by the Company in 2001 was split into the Nomination Committee and the Remuneration and Appraisal Committee in 2012 pursuant to requirements of the Stock Exchange. Its current members comprise 5 directors. The convener is Mr. Ge Yang\*, an independent non-executive director. Members include Mr. Chen Yanli, Ms. Li Xiaoyan, Mr. Yu Mingyuan and Mr. Xu Guanghua. There are 2 non-executive directors and 3 independent non-executive directors.

\* On 17 June 2022, Mr. Ge Yang was elected as an independent non-executive director of the tenth session of the Board of Directors of the Company and appointed by the Board of Directors of the Company as a convener of the Remuneration and Appraisal Committee at the annual general meeting of the Company in 2021. Mr. Lin Hui left the position of convener of the Remuneration and Appraisal Committee on the same day.

The Remuneration and Appraisal Committee is principally responsible for studying and formulating the Company's remuneration policies and incentive mechanism, and devising the appraisal standards for the directors and members of senior management and the performance of appraisals thereof. It is accountable to the board of directors.

## CORPORATE GOVERNANCE

During the Reporting Period, the Remuneration and Appraisal Committee held 2 meetings. The Remuneration and Appraisal Committee makes recommendations to the Board of Directors on the remuneration of the Company's directors, supervisors and senior management in 2022. The committee has assessed and evaluated the discharge of duties by each of the directors and the management of the Company in the year of 2022. The committee is of the view that all directors of the Company have faithfully fulfilled their obligations of integrity and diligence and have dutifully fulfilled and discharged their duties under their respective service contracts, and that they have devoted the necessary attention and adequate time to the Company's businesses and have brought their professional experience and expertise into full play, thus helping the board of directors to make decisions in a scientific and efficient manner and ensuring the realization of the Company's best interests. The management of the Company has discharged its duty professionally and conscientiously and has satisfactorily achieved the Company's various operation and management objectives for the year which had been set by the board of directors in early 2022. The committee has examined the remuneration information of the directors, supervisors and senior management disclosed by the Company in this annual report and is of the view that the data disclosed is true and accurate. Besides, none of the directors, supervisors or senior management of the Company held any shares, share options or being granted restricted shares of the Company, and the Company has not adopted any share incentive schemes currently.

The committee has approved the terms of the service contract of executive directors and ensured that none of the directors or any of their associates participated in the determination of their own remuneration.

Name of director	Whether he/she is an independent non-executive director	Number of Strategy Committee meetings required to attend during the year	Number of attendance
Ge Yang	Yes	0	0
Lin Hui (resigned)	Yes	2	2
Chen Yanli	No	2	2
Li Xiaoyan	No	2	2
Yu Mingyuan	Yes	2	2
Xu Guanghua	Yes	2	2

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
24 March 2022	The first meeting of the Remuneration and Appraisal Committee for 2022	<ol style="list-style-type: none"> <li>The Company's Total Salary Package for 2022;</li> <li>The Remuneration of the Company's Directors, Supervisors and Senior Management for 2022;</li> <li>The Results of the Business Performance Appraisal for 2021 of the Members of the Management Team and the Chairmen of the Subsidiaries;</li> <li>The Business Performance Appraisal Indicators for 2022 of the Members of the Management Team and the Chairmen of the Subsidiaries;</li> <li>The Report on the Performance of the Remuneration and Appraisal Committee for 2021.</li> </ol>	<ol style="list-style-type: none"> <li>To approve the total remuneration of RMB636,720,400 of the Company for 2022 and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the remuneration of directors, supervisors and senior management of the Company for 2022.</li> <li>To approve the results of the 2021 annual business performance appraisal of the members of the management team and the chairmen of the subsidiaries, and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the 2022 annual business performance appraisal targets for members of the Company's management team and the chairmen of the subsidiaries, and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the Performance Report of the Remuneration and Appraisal Committee for 2021 and submit the report to the Board of Directors for consideration.</li> </ol>
16 June 2022	The second meeting of the Remuneration and Appraisal Committee for 2022	Resolution for the Revision of the Relevant Management System of the Company	<ol style="list-style-type: none"> <li>To approve the formulation the Measures for the Management of Total Wages of Subsidiaries (Trial)</li> <li>To approve the amendment to the Implementation Plan for the Term System and Contractual Management of Members of the Company's Management team, the Rules for Business Performance Appraisal of Members of the Management Team and the Regulations for the Management of Remuneration of Members of the Management Team. To approve the submission of the resolution to the Board of Directors for consideration.</li> </ol>

## (5) During the Reporting Period, the Strategy Committee held 7 meetings

The Strategy Committee was established in 2001. Its current members comprise 6 directors. The convenor is Mr. Chen Yunjiang\*, an executive director. The members include Mr. Wang Yingjian, Mr. Wang Feng, Mr. Yao Yongjia, Mr. Ma Zhongli and Mr. Yu Mingyuan. There are 3 executive directors, 2 non-executive directors and 1 independent non-executive director.

\* Mr. Cheng Xiaoguang resigned from his position as Convenor of the Strategy Committee in May 2022. On 17 June 2022, Mr. Chen Yunjiang and Mr. Wang Feng were elected as Executive Directors of the tenth session of the Board of Directors of the Company and appointed by the Board of Directors of the Company as the convenor of the Remuneration and Appraisal Committee and a member of the Strategy Committee, respectively, at the 2021 annual general meeting.

The Strategy Committee is principally responsible for examining and reviewing the direction for strategic development of the Company, studying and making recommendations on substantial capital operations, asset operation projects and investment and financing proposals, determining the Company's strategic planning, supervising over the execution of strategies and enhancing the investment decision-making procedures, so as to strengthen scientific decision-making and to improve the efficiency of making substantial investment decisions and the quality of such decisions, and conduct independent review on the quality and efficiency of risk management work.

During the Reporting Period, the Strategy Committee held a total of 7 meetings to consider the annual risk management assessment report, the termination of the acquisition of overseas assets by the Company and the parties to the consortium, and the acquisition of 100% equity interest in YS Energy Company, and made opinions or recommendations on such matters to continue to optimize the asset structure, improve asset returns and capital returns, strengthen the Company's compliance awareness, enhance risk management and anti-fraud work, and enhance the ability to serve the real economy.

Name of director	Whether he/she is an independent non-executive director	Number of Strategy Committee meetings required to attend during the year	Number of attendance
Cheng Xiaoguang (resigned)	No	3	3
Chen Yunjiang	No	1	1
Wang Yingjian	No	7	7
Wang Feng	No	1	1
Yao Yongjia	No	7	7
Ma Chung Lai Lawrence	No	7	7
Yu Mingyuan	Yes	7	7

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
26 January 2022	The first meeting of the Strategy Committee for 2022	Description of the Resolution on Termination of the Acquisition of Offshore Assets by the Company and the Parties to the Consortium.	To consider and approve the Resolution on Termination of the Acquisition of Offshore Assets by the Company and the Parties to the Consortium. (1) To approve that the Company, together with the remaining members of the Consortium, namely China Merchants Expressway, China Merchants Union Co., Ltd., Zhejiang Expressway Co., Ltd., Sichuan Expressway Company Limited and Anhui Expressway Company Limited, would sign the Termination Agreement with Turkish project sellers, IC İÇTAŞ İnşaat Sanayi ve Ticaret A.Ş. and Pacific Motorway Operations Holding Limited (hereinafter collectively referred to as the "Sellers") to terminate the acquisition of 51% equity interest in ICA in Turkey and 51% shareholder's loan from the former shareholders of ICA, 51% equity interest in Eurasia Motorway Maintenance and Operations Limited in Hong Kong; and the submission of the resolution to the Board of Directors for consideration. (2) The Company and the Consortium jointly discussed the resolution of the cancellation of the Consortium's Hong Kong special-purpose company and the other two special-purpose companies under it, and cancellation the above three special-purpose companies on a step-by-step basis; and the submission of the resolution to the Board of Directors for consideration.

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Dates	Content of meetings	Important comments and suggestions	Other performance of duties
24 March 2022	The second meeting of the Strategy Committee for 2022	<ol style="list-style-type: none"> <li>Performance Report of Strategy Committee for 2021;</li> <li>Report on Corporate Environment and Social Responsibility for 2021 of the Company;</li> <li>Resolution in Relation to the Registration and Issuance of Medium-term Notes and Ultra-short-term Notes by the Company;</li> <li>Resolution in Relation to the Registration and Issuance of Offshore Debt Financing Products by the Company;</li> <li>Description of Resolution on Increasing Capital in a Subsidiary and Investment in the Construction of Expressway Projects by a Subsidiary;</li> <li>Description of Resolution on the Consolidated Capital Budget and Financing Plan for 2022;</li> <li>Description of Risk Management Assessment for 2021 of the Company.</li> </ol>	<ol style="list-style-type: none"> <li>To approve the Performance Report of Strategy Committee for 2021 of the Company and submit the resolution to the Board for consideration.</li> <li>To approve the Report on Corporate Environment and Social Responsibility for 2021 of the Company and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the Resolution in Relation to the Registration and Issuance of Medium-term Notes by the Company and to approve the registration and issuance of medium-term notes of no more than RMB6 billion (including the registration size of perpetual medium-term notes of a size not exceeding RMB2 billion) by the Company and submit the Resolution to the Board of Directors for consideration.</li> <li>To approve the Resolution in Relation to the Registration and Issuance of Ultra-short-term Notes by the Company and to approve the registration and issuance of ultra-short-term notes of no more than RMB8 billion by the Company and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the Resolution in Relation to the Registration and Issuance of Offshore Debt Financing Products by the Company. To approve that the Company shall register debt financing products, including but not limited to offshore bonds and other debt financing products, not exceeding the equivalent of RMB500 million (including RMB500 million) outside of China in 2022, and to submit this resolution to the Board of Directors for consideration.</li> <li>To approve that the Company shall increase the capital of the Company to its subsidiary and the subsidiary shall invest in the construction of expressway projects, and the submission of the resolution to the Board of Directors for consideration.</li> <li>Resolution on the Consolidated Capital Budget and Financing Plan for 2022. To approve that, subject to the conditions precedent under the listing rules of the SSE and the Stock Exchange, the management will raise debt funds based on the operating conditions of the Company in 2022, and control the total asset-liability ratio of the Company below 55%, and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the Risk Management Assessment for 2021 of the Company and submit the resolution to the Board of Directors for consideration.</li> </ol>
28 April 2022	The third meeting of the Strategy Committee for 2022	<ol style="list-style-type: none"> <li>Resolution for the Company's Cash Acquisition of 100% Equity Interest in YS Energy Company;</li> <li>Resolution in Relation to the Public Offering of Corporate Bonds by the Company.</li> </ol>	<ol style="list-style-type: none"> <li>To approve the Resolution for the Company's Cash Acquisition of 100% Equity Interest in YS Energy Company. The Company's acquisition of the equity interest in YS Energy Company is to develop clean energy industry by taking advantage of geographical resources, actively implement the national strategy of "carbon emission peak and carbon neutrality", build an ESG investment system, give full play to the assets of the listed company, achieve business synergy, fuel the development of clean energy business, improve the industrial chain of the listed company's energy business, broaden the scope of business, open up new profit growth points and achieve sustainable development, and is therefore in line with the Company's strategic development requirements. To approve that the Company shall purchase 100% of the equity interest in YS Energy Company directly held by Jiangsu Communications Holding, and submit the resolution to the Board of Directors for consideration.</li> <li>To approve the Resolution in Relation to the Public Offering of Corporate Bonds by the Company. The Company is qualified to issue corporate bonds in accordance with the relevant policies and the conditions and requirements stipulated by laws and regulations. The issuance of corporate bonds can further broaden financing channels and reduce financing costs, which is in line with the needs of the Company's operation and business development. To approve the public offering of corporate bonds by the Company with an issue size not exceeding RMB3 billion (including RMB3 billion) and to submit this resolution to the Board of Directors for consideration.</li> </ol>
16 June 2022	The fourth meeting of the Strategy Committee for 2022	Resolution on Subsidiary Guangjing Xicheng Company's Investment in the Expansion Project of South Section of Xiyi Expressway	Given that the Expansion Project of South Section of Xiyi Expressway is conducive to promoting regional integrated economic development, constructing a major north-south corridor of the expressway network with matching transport capacity and improving the network function of Wuxi-Yixing to Shanghai, and that the value of shareholders' income rights in Xiyi Expressway will increase after the expansion, the project has a better financial internal rate of return and is therefore in line with the Company's strategic development requirements. To approve that Guangjing Xicheng Company, a subsidiary of the Company, shall invest in the expansion of South Section of Xiyi Expressway and submit this resolution to the Board of Directors for consideration.



# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
25 August 2022	The fifth meeting of the Strategy Committee for 2022	Resolution for the Early Termination of the Company's Right to Operate the Luma Grade 1 Expressway and Compensation	To approve the Resolution for the Early Termination of the Company's Right to Operate the Luma Grade 1 Expressway and Compensation. The early termination of the operating right of the Luma Grade 1 Expressway is in line with the comprehensive traffic planning of the Wuxi Municipal People's Government, to facilitate people's travel, to improve the interchange capacity and service level along the route, and to promote higher quality economic and social development along the route, showing the role and social responsibility of a state-owned enterprise. The Wuxi Municipal Bureau of Transportation will subsequently compensate Guangjing Xicheng Company for the cessation of the operation of the Luma Grade I Expressway by investing RMB196 million in the construction and safety costs of the reconstruction of the Huantaihu Expressway (Phase I) Project. From an overall perspective, it will not affect the future profitability of the Company, will not affect the interests of investors and is in line with the strategic development of the Company. Therefore, it is approved that Guangjing Xicheng Company, a subsidiary of the Company, and Wuxi Municipal Bureau of Transportation shall sign the Agreement on Compensation for Termination of Operation Right of Luma Grade I Expressway, which will terminate the operation right of Luma Grade I Expressway and cease the toll collection in advance, and the resolution is submitted to the Board of Directors for consideration.
25 October 2022	The sixth meeting of the Strategy Committee for 2022	<ol style="list-style-type: none"> <li>The Resolution on Further Increasing the Shares of Bank of Jiangsu by the Company;</li> <li>The Resolution on Commencing the Preliminary Work of the Expansion Project of Jiangsu Section of Shanghai-Nanjing Expressway;</li> <li>The Resolution on the Investment in 49.74MW Distributed PV Power Plant Project of G15 and S28 High-speed Interchange by YS Energy Company</li> </ol>	<ol style="list-style-type: none"> <li>To approve the Resolution on Further Increasing the Shares of Bank of Jiangsu by the Company. In recent years, the Company's assets and profit scale have continued to grow at a rapid pace and its main road and bridge business has remained a national leader, but it is overly dependent on expressway toll operations. As the cost of new projects rises, investment income decline year on year, posing certain challenges to the Company's sustainability. In order to optimise the asset structure and achieve high-quality development through synergy between industry and finance, the Company has continuously invested in the financial equity of Bank of Jiangsu since 2013, which has yielded considerable cash dividend distribution income every year and effectively enhanced the Company's profit level. Accordingly, it is agreed that the Company shall further increase its shareholding in Bank of Jiangsu and the resolution is submitted to the Board of Directors for consideration.</li> <li>To approve the Resolution on Commencing the Preliminary Work of the Expansion Project of the Company. Since 2006, the traffic volume still maintains a high growth rate, and the average daily section traffic volume has reached 150,000 pcu in 2021, especially the Wuxi Section and Suzhou Section in which the daily peak section traffic flow has exceeded 240,000 pcu, which has exceeded the designed traffic volume of eight lanes, and the service level of some sections has seriously decreased and has failed to meet the needs of social development; considering that the traffic volume of Shanghai-Nanjing Expressway has exceeded the design traffic volume, with super saturation and normalized high traffic volume operation all year round, it is necessary to implement the capacity expansion project again in order to effectively improve the capacity, enhance the quality of the Company's expressway assets and its strength at the asset side, and extend the tolling period through renovation and expansion in order to enhance the Company's long-term profitability. We therefore agree to submit this resolution to the Board of Directors for consideration.</li> <li>To approve the Resolution on the Investment in 49.74MW Distributed PV Power Plant Project of G15 and S28 High-speed Interchange by YS Energy Company. "New energy" is an important development direction for the Company's new industry investment cluster. The Company's 14th Five-Year Plan proposes to "explore diversified energy applications: promote the layout of electric energy based on expressways, dig deeper into the potential value of the charging pile business, promote the application of PV power generation on expressways, and gradually improve the efficiency of clean energy use". This batch of projects is distributed PV power generation projects in the interchange area of expressways. After the evaluation by the expert group, it was unanimously considered that the investment risks of the above two projects are basically controllable, feasible and necessary, and in line with the strategic development direction of the Company. We therefore agree to submit this resolution to the Board of Directors for consideration.</li> </ol>
14 December 2022	The seventh meeting of the Strategy Committee for 2022	Resolution on the Establishment of a Subsidiary by YS Energy Company, a Wholly-owned Subsidiary of the Company, to Invest in the Construction of Distributed PV Power Station Projects	To approve the Resolution on Establishment of a Subsidiary by YS Energy Company to Invest in the Construction of Distributed PV Power Station Projects. To approve YS Energy Company, a wholly-owned subsidiary of the Company, to work with Jiangsu Tonghu Logistics Park Co., Ltd. and jointly invest in the development of rooftop distributed PV projects in Suqian by relying on the resource advantages of Suqian Transportation Industry Group in the region; and agree to submit this resolution to the Board of Directors for consideration.

# CORPORATE GOVERNANCE

## (6) Details of the dissenting matters

Applicable  N/A

## VIII. EXPLANATION ON RISKS OF THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

Applicable  N/A

The Supervisory Committee raised no objection to the monitoring issues during the Reporting Period.

During the Reporting Period, Mr. Ding Guozhen of the Supervisors Committee resigned from the position of Supervisor of the Company on 22 November 2022 as he had reached the statutory retirement age. On 12 December 2022, Mr. Wan Liye was elected as a Supervisor of the Company at the First Extraordinary General Meeting in 2022. Currently, the Supervisory Committee of the Company comprises five supervisors, of whom three are nominated by representatives of the shareholders and two are staff representatives of the Company. The number of members and composition of the Supervisory Committee are in compliance with the requirements under the relevant laws and regulations. As at the date of this Report, the supervisors of the Company are Yang Shiwei, Wan Liye, Pan Ye, Lu Zhengfeng and Kong Yuanyi.

The Supervisory Committee is accountable to the shareholders' general meeting and independently exercises its supervisory authority over the Company in a lawful manner, so as to prevent the infringement of the legitimate interests of the shareholders, the Company and its employees. Its main duties include examining the financial situation of the Company, supervising the Company's decision-making on and operational procedures for material business activities and related party/connected transactions, and supervising the discharge of duties of the directors and senior management of the Company to ensure the legality and compliance. The articles of association and the Rules of Procedures for the Supervisory Committee of the Company set out the powers and authorities of the Supervisory Committee in detail.

During the Reporting Period, the Supervisory Committee held eight meetings, and all supervisors were in attendance in each board meeting. In accordance with the Company Law of the People's Republic of China, the Listing Rules and other relevant regulations as well as the Articles of Association and the Rules of Procedures for the Supervisory Committee and by observance of the principle of integrity, all members of the Supervisory Committee have faithfully discharged their duties. It examined the signing of written resolutions of the board of directors, exercised an effective supervision over the legality of the decision-making procedures of the Company, the implementation by the board of directors of the resolutions passed at the shareholders' general meetings, and the performance of duties by the directors and the management of Company, as well as timely reminded the board of directors and the management of the Company of any potential risks; checked the Company's annual financial statement; verified the financial information, such as financial statement, business report, profit distribution scheme and etc., submitted to the shareholders' general meeting by the board of directors; reviewed the periodical reports of the Company prepared by the board of directors and provided its written opinions after review; supervised the Company's decision-making and operational procedures on material business activities, such as project investment and asset restructuring, and whether the contracts signed for the above activities were legal, compliant and reasonable, whether related party/connected transactions were conducted on terms fair and reasonable to the shareholders.

Based on the above supervision, the Supervisory Committee is of the opinion that the Company has operated in strict compliance with relevant laws and regulations and that the directors and members of senior management of the Company have discharged their duties in the interests of both the shareholders and the Company. During the Reporting Period, there was no violation of laws and regulations, nor was there any abuse of power or any act detrimental to the interests of the Company, the shareholders and employees of the Company. The Company's risk management and internal control systems were adequate and the implementation was basically sound and effective, and no risk or material defects were found thereof to be inherent in the operation and management of the Company.

**IX. DETAILS OF FAILURE TO ENSURE THE COMPANY'S INDEPENDENCE FROM THE CONTROLLING SHAREHOLDER IN TERMS OF OPERATION, PERSONNEL, ASSETS, STRUCTURE AND FINANCE AS WELL AS TO MAINTAIN CAPABILITY TO MAINTAIN INDEPENDENT OPERATION**

Applicable  N/A

Based on the principle of “distinctive ownership, clearly defined powers and responsibilities and separation of government functions from enterprise management”, the Company and Jiangsu Communications Holding, the Controlling Shareholder, are independent of each other in terms of operations, assets, personnel, organization and finance. The relationship between the Company and the Controlling Shareholder is defined as purely in relation to ownership. The aforesaid two entities maintain separate scopes of operation and do not relate to each other as upstream or downstream companies. Whilst the respective businesses of the Company and the Controlling Shareholder are to some extent similar to each other, which may objectively give rise to horizontal competition between them, there is no noticeable impact on the usual business operations of the Company. The Company is strictly separate from the Controlling Shareholder in terms of assets, has full ownership of operating assets and operates completely independently; no employees are holding concurrent positions in both companies. The Company possesses the autonomy of appointment, removal and decision-making regarding labour, personnel and remuneration, while the Controlling Shareholder's nominations of director and supervisor candidates to the Company are conducted under lawful procedures. There is no “two brands, same staff”, mixed operation and joint office in the organization, and the office and business premises are separated. The Company maintains its own financial department with separate accounts and makes its financial decisions independently. The Company's capital application is free from any interference of the Controlling Shareholder.

Plan for the Company's corresponding solutions, work progress and follow-up work if competition in the same industry

Applicable  N/A



# CORPORATE GOVERNANCE

## X. DETAILS OF STAFF OF THE PARENT COMPANY AND ITS MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

### (I) Staff profile

Number of current staff in the parent company	3,778
Number of current staff in the major subsidiaries	1,020
Total number of current staff	4,798
Number of resigned and retired staff whose expenses shall be borne by the parent company and its major subsidiaries	26
<b>Composition</b>	
Category	Headcount (based on job nature)
Production staff	3,951
Sales staff	28
Technicians	58
Financial staff	90
Administrative staff	671
Total	4,798
<b>Education level</b>	
Category of education level	Headcount (Persons)
University or above	1,560
Tertiary	1,688
Vocational or below	1,550
Total	4,798
<b>Gender</b>	
Male	2,821
Female	1,977
Total	4,798
<b>Age</b>	
30 or below	327
31–40	1,691
41–50	1,995
51 or above	785
Total	4,798

As of the end of the Reporting Period, male employees accounted for approximately 58.80% of all employees in the Company (including senior management), while female employees accounted for approximately 41.20%. The Company has always adhered to the concept of gender diversity in recruitment, employee training and other aspects, creating an open and inclusive corporate atmosphere. Based on corporate strategic decision-making, the Company offers growth channels such as training for all employees, in-house trainers, and temporary posts for training, actively providing all employees with sustainable development opportunities, sharing achievements of corporate development with all employees, and enabling employees to have a greater sense of belonging and happiness.

### (II) Remuneration policy

Applicable  N/A

Based on the characteristics of road-and-bridge enterprises, the Group determines the employees' salaries according to their specific positions and their performance. The Group always aims at the target positioning of the "Window of Jiangsu Expressway", and continues to innovate the cadre management mechanism to improve the performance appraisal system based on the strategic objectives and work highlights for the year, so as to stimulate the working enthusiasm of our employees through the matching of salaries, incentive-oriented assessment and improvement of welfare. During the Reporting Period, the Group continued to implement various efforts in the reform of state-owned enterprises and formulated five new systems, including the Measures for the Management of Total Wages of Subsidiaries (Trial), and revised five existing systems, including the Measures for the Management of Remuneration of the Company. The total gross salary of employees generated is approximately RMB839,784,800. Meanwhile, the Group nurtured multi-dimensional skillful business professionals and improved all staff members' performance by ways of the station brand-building, as well as research and development of QC groups, certification of the qualifications and skill level identification of production positions and hindrance clearance workers and the on-the-job training, work rotation and communication of management members, etc. During the year, the Company selected a total of 152 outstanding staff members, production veterans and management stars and 26 outstanding teams and guided by benchmarking learning, creating a positive and enterprising working atmosphere and environment.

## (III) Training programs

Applicable  N/A

Staffs are the primary productive force of business development. By closely combining with the development goals, talent needs and the status of the staffs, and adhering to the principle of teaching according to needs and seeking effectiveness, the Group has made proposal of comprehensive quality and competency training for senior management, mid-levels and managers, newly-promoted management, and junior youth backbone employees featuring with multiple dimensions and levels, respectively: First, organize the management to participate in professional manager training, implement the new development concept, build a new development pattern, handle the relationship between reform, development and stability, work better as a main enterprise in the “5824” chain, and promote the high-quality development of state-owned enterprises; second, organize the Company’s mid-level and backbone managers to participate in competency training in batches, learn the innovation and management concepts of benchmark companies; third, organize the business training for ability improvement of duty officers and toll collectors, team leader competency, grassroots managers, maintenance managers, etc., to comprehensively improve the business quality and professional ability of employees; fourth, organize training for safety management personnel and special operators with certificates to ensure a 100% certificate induction rate. Fifth, based on the national skilled talent development strategy, conduct full and comprehensive training for skilled staff, and promote skills upgrading and certificate-based duty assumption; a total of 260 obstacle clearers, 215 toll collectors, 125 refueling workers, 24 maintenance workers participated in the vocational skills level evaluation organized by the human resources department and obtained certificates in 2022. During the Reporting Period, approximately RMB10,745,700 was spent on training, and the staff attendance at the trainings amounted to nearly 23,000, covering all levels from the junior production line workers to senior management, enhancing staff awareness and improving their capabilities through systematic trainings, further improving the talent team empowerment construction of the Group, reserving power sources, thus to provide talent support for the sustainable and rapid development of the Group.

## (IV) Outsourcing of labour

Applicable  N/A

Total working hours of outsourced labour	1 Year
Total remuneration paid to outsourced labour	RMB25,974,400

## (V) Others

Applicable  N/A

## 1. Contracts with directors and supervisors

Apart from entering into service contracts with the executive directors, the Company has also entered into engagement letters with each of the other directors and supervisors. The contents of such contracts were the same in all material respects. The term of such contracts commenced from the date of convening the 2020 annual general meeting (or the appointment date) until the date of convening the 2023 annual general meeting. The Company, the directors or the supervisors may terminate the contracts by giving not less than three months of prior notice in writing. Save as the abovementioned, none of the directors or supervisors has entered into or intends to enter into any service contracts with the Company determinable by the employer within one year with payment of compensation (other than statutory compensation). The Company was not required to pay compensation for the reason that the directors’ service contracts remained unexpired and they intended to be re-elected at the next annual general meeting.

## 2. Interests of directors and supervisors in contracts

There was no transaction, arrangement or contract of significance to the Group in which any director or supervisor or any entity related/connected with a director or a supervisor is or was, either directly or indirectly, materially interested; or there was no transaction, arrangement or contract of the Group in which a director, directly or indirectly, has material interests.

# CORPORATE GOVERNANCE

3. Declaration and undertaking of directors, supervisors and members of senior management

During the Reporting Period, the directors, supervisors and members of senior management of the Company have signed the letters of declaration and undertaking in accordance with the requirements of Listing Rules of the SSE.

4. Loan or loan guarantee granted to directors, supervisors and members of senior management

During the Reporting Period, the Company did not directly or indirectly grant any loan or quasi-loan to the directors or supervisors of the Company or its Controlling Shareholder, bodies corporate controlled by such directors or supervisors or entities related/connected with such directors or supervisors, or did not enter into credit transactions with them or provide guarantee or security to them; and there was no such transaction entered into by any subsidiaries of the Company for their directors or supervisors.

5. Model Code for Securities Transactions by directors

After the Company has made enquiries with all of the directors and supervisors, directors of the Company have complied with the provisions on securities transactions under the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Hong Kong Listing Rules during the Reporting Period. The Company has formulated the Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees to ensure the relevant personnel's compliance with this Code in carrying out securities transactions.

6. Securities transactions entered into by the directors, supervisors and members of senior management

During the Reporting Period, there was no record showing that any directors, supervisors, chief executives or key members of senior management of the Company or any of their respective related/connected parties held any interests in the registered capital of the Company and its subsidiaries or associated companies subject to disclosure under the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers.

During the Reporting Period, the Company and its subsidiaries and associated companies did not make any arrangements to grant to any of the directors, supervisors or members of senior management, or any of their respective related/connected parties (including their spouses and children under 18 years of age) any rights to subscribe for the equity or debenture of the Company, its subsidiaries or its associated corporations to acquire benefits.



## CORPORATE GOVERNANCE

### 7. Training for directors, supervisors and members of senior management

To promote awareness of corporate governance among directors, supervisors and members of senior management, the secretary to the board of directors of the Company continuously focused on the governance requirements of securities regulatory authorities and timely relayed such requirements to the directors, supervisors and members of senior management. Meanwhile, the secretary to the board of directors also arranged the relevant directors, supervisors and members of senior management to participate in seminars and training programmes, including telephone video conferences held by the CSRC and topical training programmes arranged by the local securities regulatory bureau, so as to facilitate their continuous professional development.

Name	Director's responsibilities/ environmental, social and corporate governance			The Group's Operations	Total
	Director's responsibilities/ environmental, social and corporate governance (Hours)	Laws, regulations and listing rules (Hours)	The Group's Operations (Hours)		
<b>Executive directors</b>					
Chen Yunjiang (current)	3	2	3	8	
Wang Feng (current)	3	2	2	7	
Yao Yongjia (current)	7	7	4	18	
<b>Non-executive directors</b>					
Chen Yanli (current)	5	5	3	13	
Wang Yingjian (current)	4	4	4	12	
Wu Xinhua (current)	5	5	3	13	
Li Xiaoyan (current)	6	4	2	12	
Ma Chung Lai Lawrence (current)	5	5	3	13	
<b>Independent non-executive directors</b>					
Zhou Shudong (current)	4	5	4	13	
Liu Xiaoxing (current)	5	3	5	13	
Yu Mingyuan (current)	4	4	4	12	
Xu Guanghua (current)	5	3	4	13	
Ge Yang (current)	3	2	2	7	
<b>Resigned directors</b>					
Cheng Xiaoguang	2	3	2	7	
Lin Hui	2	2	2	6	

### 8. Directors and supervisors' interests in competitive businesses

None of the directors and supervisors has interests as stipulated in Rule 8.10 of the Hong Kong Listing Rules. Such interests refer to the interests either in the Company's businesses or another business which competes or is likely to compete with the Company's businesses.

### 9. Permitted indemnity provision of directors and supervisors

There is no permitted indemnity provision in favor of one or more (former and existing) directors of the Company (or the Company's associated company(ies)) or of his/their associated company(ies).

## CORPORATE GOVERNANCE

### XI. PROFIT DISTRIBUTION PLAN OR PLAN FOR THE CONVERSION OF SURPLUS RESERVES INTO SHARE CAPITAL

#### (I) Formulation, implementation and adjustment of cash dividend distribution policies

Applicable  N/A

During the Reporting Period, the Company strictly complied with the cash dividend distribution policy as stipulated in the Articles of Association, which fully protected the legitimate rights and interests of minority shareholders. Independent directors also expressed their independent opinions on the profit distribution plan. Upon approval at the Company's 2021 annual general meeting held on 17 June 2022, the Company's profit distribution plan for 2021 was as follows: based on the total share capital of 5,037,747,500 shares as at the end of 2021, a cash dividend of RMB0.46 (tax inclusive) per share will be distributed, totaling RMB2,317,363,850 (tax inclusive).

#### (II) Special note on the cash dividend distribution policy

Applicable  N/A

Whether it complies with the provisions of the Articles of Association or requirements of resolutions in shareholders' general meetings	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the standards and ratio of dividends are clear and definite	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the independent directors have tried their best to perform their duties and duly fulfilled their roles	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the minority shareholders have sufficient opportunity to express their views and appeals; whether their legitimate rights and interests are fully protected	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

#### (III) Profits are made during the Reporting Period and the parent company's profits distributed to ordinary shareholders are positive. However, if the proposal on distribution of cash profit of ordinary shares is unavailable, the Company shall disclose in detail the causes thereof as well as purpose and use plan of the undistributed profit

Applicable  N/A



## CORPORATE GOVERNANCE

### (IV) Information on profit distribution and conversion of surplus reserves into share capital for the Reporting Period

Applicable  N/A

Unit: Yuan Currency: RMB

Number of bonus shares per 1 shares (shares)	–
Dividend payout per 1 shares (yuan) (tax inclusive)	0.46
Number of conversions per 1 shares (shares)	–
Cash dividend amount (tax inclusive)	2,317,363,850
Net profit attributable to ordinary shareholders of the Company in the consolidated report for the dividend year	3,724,115,165.87
As a percentage of net profit attributable to ordinary shareholders of the Company in the consolidated report (%)	62.22
Cash dividend amount accrued from share repurchase in cash	–
Total dividend amount (tax inclusive)	2,317,363,850
Combined dividend amount as a percentage of net profit attributable to ordinary shareholders of the Company in the consolidated report (%)	62.22

## XII. INFORMATION ABOUT THE COMPANY'S SHARE INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

### (I) Relevant incentives disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable  N/A

### (II) Incentives which were not disclosed in the temporary announcements or with subsequent progress

Information on share incentive

Applicable  N/A

Other explanations

Applicable  N/A

Information on employee stock ownership plan

Applicable  N/A

Other incentive measures

Applicable  N/A

## CORPORATE GOVERNANCE

### (III) The equity incentives granted to the directors and senior management during the Reporting Period

Applicable  N/A

### (IV) Details of establishment and implementation of assessment mechanism for senior management and incentive mechanism during the Reporting Period

Applicable  N/A

The management of the Company, comprising 1 general manager, 3 deputy general managers, 1 financial controller, and 1 assistant general manager, is in charge of the coordination and management of the business and operation of the Group, implementation of strategies formulated by the board of directors, and decision-making and control in respect of day-to-day business and operation management, financial management and human resources management.

The board of directors and the Remuneration and Appraisal Committee of the board of directors are responsible for the appraisal of the Company's management and setting of various performance targets in terms of operating revenue, operating costs, etc., profit indicators and business targets of operation management. Upon consideration and approval of the board of directors at the beginning of each year, the Company assigns specific tasks to various functional departments and general managers sign letters of responsibility for annual targets with the heads of departments. At the end of the year, the board of directors evaluates the performance of management based on the achievement of various goals.

## XIII. BUILDING OF THE INTERNAL CONTROL SYSTEM AND ITS IMPLEMENTATION DURING THE REPORTING PERIOD

Applicable  N/A

During the Reporting Period, the Company, in strict compliance with the laws and regulations of the places where it is listed (Hong Kong and Shanghai) and the relevant requirements of the Articles of Association of the Company, continued to deepen the building of the internal control system, while taking into account the characteristics of the industry and the actual operation of the Company, thereby bringing the Company's comprehensive governance capability to a new height.

First, rules were established on a strict basis. Taking into account the actual business situation and industry trends, the Company revised the Management Measures of Rules and Regulations, and implemented the whole process management in respect of "creation, modification and abolition" of rules and regulations. Throughout the year, 107 rules and regulations were created, modified and abolished, of which 14 were added, 75 were revised and 18 were abolished. Additionally, the Company revised and improved rules and regulations such as the Management Rules for Authorized Matters of the Board of Directors, with the aim of continuously improving and streamlining the internal control management system to make it more complete, reasonable and efficient.

Second, rules were implemented in an enhanced manner. The Company launched intensive training on compliance education for internal staff to thoroughly promote and implement the rules and enhance their awareness, while fostering a culture of compliance, and highlighting the building of systematic mechanisms and process management to ensure that the rules and regulations were implemented properly and that the "first two lines of defense" of the Company's internal control and compliance management were firmly established.

Third, systems were built in an optimal way. With the guidance of risk prevention, the Company steadily built the compliance management system. A major risk control system working in concert with legal, compliance, risk and internal control management showed initial results, accomplishing such milestones as the Compliance Management Measures, and the Compliance Risk Checklist at the Company Level. In addition, the Company launched special compliance building projects in key areas such as labor and personnel, procurement and bidding, and further enhanced the scientific and authoritative nature of the system building, thus improving the overall level of internal control governance.

Explanation of significant internal control errors during the Reporting Period

Applicable  N/A

## XIV. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

Applicable  N/A

As at the end of the Reporting Period, the Group directly owned seven wholly-owned subsidiaries, four subsidiaries and invested in 15 associates and joint ventures. During the Reporting Period, with reference to the Rules for the Management of Subsidiaries, the Rules for the Management of Investee Enterprises, and the Management Opinions of Middle-level Personnel of Subsidiaries, the Company continued to refine its internal control system and improve the mechanism for long-term effective internal control and supervision, so as to strengthen the control over various subsidiaries from the management level to the business level. After the acquisition of YS Energy Company was completed in July 2022, with reference to the Rules for the Management of Subsidiaries and other management rules, the Company followed the principles of perfecting the corporate governance structure, reasonably delineating corporate powers and responsibilities, broadening information and communication channels, and building a unified corporate culture, and established a scientific management plan for YS Energy Company based on its business model and actual conditions, mainly including (1) specifying the management responsibilities and approval authority of the Board of Directors and shareholders' general meeting of the Company in relation to YS Energy Company; (2) further refining the management responsibilities in terms of financing decision, financial management and risk prevention, and moderately regulating the operations of subsidiaries to scientifically manage them; (3) establishing a counterpart coordination mechanism, clearing the obstacles in information exchange channels, and strictly enforcing the approval rules for subsidiaries' proposals, so as to ensure timely access to the operating conditions of the subsidiaries; (4) collaborating to build a corporate culture and form a unified cultural mechanism, and enhancing the cohesion, team spirit and sense of identity of employees across companies. The aforesaid measures have enabled efficient management of subsidiaries, and further boosted the Group's management efficiency, thus effectively promoting the sustainable and healthy development of the Group.

## XV. INFORMATION ON THE INTERNAL CONTROL AUDIT REPORT

Applicable  N/A

KPMG Huazhen LLP issued an audit report on the Company's internal control for 2022 and opined that the Company maintained effective internal control over financial reporting in all material aspects as of 31 December 2022 pursuant to the Basic Guidelines on Enterprise Risk Management and Internal Control and other relevant requirements. The full text of the 2022 internal control audit report has been published on the websites of the SSE ([www.sse.com.cn](http://www.sse.com.cn)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jsexpressway.com](http://www.jsexpressway.com)).

Whether to disclose the internal control audit report: Yes

Type of opinion on the internal control audit report: standard unqualified opinion

## XVI. RECTIFICATION OF SELF-INSPECTION PROBLEMS IN THE SPECIAL ACTION FOR CORPORATE GOVERNANCE OF LISTED COMPANIES

In response to the occasional issue of the Company's directors and supervisors being unable to attend the meetings in person in the self-examination of the 2021 special action on corporate governance of listed companies, the Company has adopted the form of remote video conference to actively resolve the relevant problems to ensure that the directors perform their duties diligently and play their due role in corporate governance.

# CORPORATE GOVERNANCE

## XVII. OTHERS

Applicable  N/A

### (I) Corporate governance report

As at the date of this report, the board of directors has reviewed the day-to-day governance practices of the Company pursuant to Part II of the Corporate Governance Code as set out in Appendix 14 of the Hong Kong Listing Rules, and concluded that the Company fully adopted the provisions of Part II of the new Corporate Governance Code and strived to fulfill the recommended best practices. The Company has been in compliance with all the code provisions in Part II of the Corporate Governance Code other than the following code provisions B2.2 and C2.7, and no material deviation or breach has been identified.

Code Provisions	Compliant or Not	Corporate Governance Procedures
B2.2 Each director (including those appointed for a specific term) shall be subject to retirement by rotation, at least once every three years	No	All directors are elected or replaced at shareholders' general meeting. The Company has introduced the cumulative voting system for the election of directors. According to the Company Law of the People's Republic of China and the Articles of Association, each session of the board of directors is for a term of three years, with each director appointed for a term of three years, and all directors should retire upon the expiry of the three-year term, instead of retirement by rotation. Any re-appointment is subject to re-election at a shareholders' general meeting.
C2.7 The chairman should hold a meeting at least once a year with the independent non-executive directors in the absence of the executive directors	No	During the Reporting Period, the Board of Directors of the Company had 13 members, of whom three were executive directors, and the rest were non-executive directors. 10 directors were appointed externally. This ensures adequate independence of the board of directors and safeguards the decisions of the board of directors from being prejudiced by the opinions of executive directors.

## (II) Other matters

### 1. On management of inside information

With respect to the management of inside information, the Company has strictly implemented the Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees, the Management System Governing Insiders and the Management System Governing External Information Users to regulate the acts of such insiders in dealing in the shares of the Company and prevent them from abusing the right to access insider information, leaking insider information or conducting insider trading, so as to safeguard the interests of the Company and uphold the principle of fairness on information disclosure. During the Reporting Period, the Company carried out project investment. The Company strictly complied with regulatory requirements and the system formulated by the Company under which internal insiders and external insiders of the Company were required to sign a confidentiality agreement and a registration form before the commencement of the project investment. This effectively prevented insider dealings and there were no cases of abnormal share price fluctuations or insider trading as a result of information leakage.

### 2. On internal audit management and internal control and risk management

Currently, the Company has established the risk management and internal control systems. During the year, the Company's internal audit department, Strategy Committee and external independent auditor conducted preliminary review, rectification, audit and evaluation of the effectiveness of the establishment and implementation of the risk management and internal control systems respectively, and ensured that a comprehensive audit covering all businesses and management activities under risk management and internal control was carried out each year.

The board of directors of the Company acknowledges that it shall be responsible for the risk management and internal control systems and reviewing their effectiveness annually. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business goals. There is only reasonable but not absolute assurance that material misrepresentations or losses can be avoided. The board of directors (including independent non-executive directors) has considered the opinions offered by the Strategy Committee, reviewed the risk management and internal control systems of the Group and is of the view that such systems are effective and adequate.

The Company has taken into consideration the resources, staff qualifications and experience in corporate accounting and internal auditing in reviewing the risk management and internal control matters. The Company has sufficient resources to support financial reporting. The relevant employees also possess the qualifications and experience required for their positions and have the opportunity to receive targeted professional training each year.

The Company has created a dedicated internal audit department to audit the Company's risk management and internal control systems. In addition, the Company's internal audit department and external independent auditor also conduct a comprehensive audit each year to recognize, assess and manage material risks, review the effectiveness of the Company's risk management and internal control systems, and resolve serious internal control errors. Save as described in paragraph 1 headed "On the management of inside information" above, the Company also deals with and publishes inside information and internal control measures through Office of the Secretary to the Board from time to time during the year.

# CORPORATE GOVERNANCE

## 3. On investor relations management and dividend policy

Investor relations represent an important window that helps build the public image of a listed company. The Company attaches great importance to investor relations, places emphasis on coordinating the relationship between the Company and investors, handles all types of investor calls with discretion and calmness, and cordially welcomes the media to visit the Company. Additionally, the Company liaises with investors in a timely, accurate and detailed manner via the network information platform, keeps positive interaction with investors and the media and maintains close contact with the analysts of various securities companies and research institutions by phone during working hours, so that investors can accurately grasp the information of the Company which can also have an understanding of the investors' concerns for enabling us to make future decisions about the capital market.

The Board of Directors of the Company is committed to encouraging and maintaining effective communication with its shareholders through a wide range of channels and means. The Company keeps its shareholders updated on its business development and financial performance through annual, interim and quarterly reports. Corporate communications are published on the website of the Stock Exchange and the Company's website in due course in accordance with the Listing Rules. The Company's website also contains information on how shareholders can contact the Board of Directors of the Company, including email, mailing address, fax number and telephone number. The Board of Directors and eligible members of senior management will respond to queries from shareholders and investors in a timely manner.

Moreover, the Company's annual general meeting aims to serve as an effective communication platform for shareholders to fully exchange views with the Board of Directors. All Directors will make every effort to attend the meeting and external auditors will also be present at the annual general meeting to answer shareholders' inquiries. In respect of shareholders' general meeting for the adoption of related party/connected transactions or any other transactions subject to independent shareholders' approval, members of the Independent Board Committee will also make every effort to attend the meetings to answer shareholders' inquiries. During the Reporting Period, the directors of the Company performed their duties diligently and all directors required to attend were present at the general meeting. The Company has reviewed the enforcement and effectiveness of the Shareholder Communication Policy and considers it to be valid and effective.

The Company has established a positive and stable dividend policy in the Articles, formulated a reasonable dividend mechanism, and actively promoted the culture of more returns to shareholders, thus creating a harmonious and win-win investment, financing and value investment atmosphere. Adoption of the cash dividend distribution policy since the Company's listing has laid a solid foundation for us to establish a healthy image of compliance and transparency.

Returns to shareholders have been treated as the primary responsibility of the Company. Taking into account the long-term interests of investors and current revenue, the Company will maintain a stable dividend policy in the coming years.

During the Reporting Period, the Company actively carried out track audit on financial revenue, budgetary plans and major projects; the Company also conscientiously conducted off-office audit and commenced economic liabilities audit. The Company actively arranged and put in place the evaluation of internal control and defect rectification in order to ensure the effective implementation of internal control policies. As to the review on standard compliance, the Company reviewed the propriety, adequacy and effectiveness of quality, environmental and occupational health and safety management systems to identify defects, reinforce management standards and safeguard the sustainable and healthy development of the Company through internal review on standard compliance together with external professional institutions' review.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## I. INFORMATION ON ENVIRONMENTAL PROTECTION

Whether to build the relevant mechanism for environmental protection	Yes
The environmental protection funds invested in the Reporting Period (Unit: Ten thousand Yuan)	1,416.40

### (I) Explanations on the environmental protection by the Company and its key subsidiaries listed as key pollutant discharging companies published by the environmental protection authority

Applicable  N/A

#### 1. Pollution information

Applicable  N/A

Huanglishu Gas Station of the Company was listed as a major pollutant discharge unit in Nanjing, Jiangsu Province in 2022, where no other pollutants such as sewage, hazardous wastes or noises were discharged, mainly involving air pollutants. During the Reporting Period, Huanglishu Gas Station strictly abode by the requirements of relevant national laws and regulations on environmental protection, where air pollutants were discharged according to relevant standards without no punishment from environmental protection departments.

The main type of air pollutants discharged from Huanglishu Gas Station was exhaust gas (namely oil and gas), and the operations involving the location and position for oil and gas emission were respectively refueling operation with oil gun and oil unloading operation at closed oil unloading port. During refueling and unloading operations, the gas station collected oil and gas in a closed manner in accordance with relevant technical and index requirements of GB20952 Emission Standard of Air Pollutant, and standardized the use of oil and gas recovery devices for oil recycling, ensuring no excessive emission.

#### 2. Construction and operation of pollution prevention and control facilities

Applicable  N/A

During the Reporting Period, Huanglishu Gas Station strictly implemented the management working standards for the treatment of air pollutant facilities, actively took effective prevention and control measures, and strictly controlled pollution emissions, ensuring the standard emissions.

Primary oil and gas recovery: Set oil and gas recovery pipeline at the closed oil unloading port. When the oil tanker is unloading oil, the oil and gas in the oil tank will return to the oil tanker through the recovery pipeline, then the oil tanker will bring the oil and gas back to the oil depot for treatment, so as to achieve the oil and gas recovery, that is, primary oil and gas recovery.

Secondary oil and gas recovery: Equip self-sealing oil and gas recovery gun, collect the oil and gas generated during refueling with vacuum assisted method, and then collect them into the oil storage tank through the oil and gas recovery pipeline, namely secondary oil and gas recovery.

Three-time oil and gas recovery: Install three-time oil and gas recovery and processing devices, collect the oil and gas emitted by the exhalation valve resulted from the increase of oil and gas pressure in the tank through absorption, adsorption, condensation and other processes, then change the oil and gas from gaseous state to liquid state and then to gasoline again, so as to achieve recycling.

#### 3. Assessment of the environmental impact of construction projects and other administrative permits for environmental protection

Applicable  N/A

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

4. Emergency plan for environmental emergencies

Applicable       N/A

During the Reporting Period, Huanglishu Gas Station formulated the emergency treatment plan for sudden and abnormal situation of oil and gas recovery equipment as well as its inspection and maintenance, and conducted regular drills and trainings to continuously improve the emergency treatment ability for abnormal oil and gas recovery system, thus effectively ensuring the intact performance of oil and gas recovery system, and effectively preventing and reducing the occurrence of environmental pollution accidents.

5. Environmental protection self-monitoring plan

Applicable       N/A

During the Reporting Period, Huanglishu Gas Station installed an on-line monitoring system for oil and gas recovery, and connected with the monitoring system of Nanjing Ecological Environment Bureau for operation. Through various sensors, the monitoring system collected and analyzed data such as the gas-liquid ratio of the oil gun, the pressure and temperature of the oil tank, and the concentration of oil and gas at the oil unloading port, and gave early warning accordingly, so as to monitor whether the operation of the oil and gas recovery equipment in the gas station was normal or not. Meanwhile, it regularly hired qualified testing agencies to inspect the oil and gas recovery on-line monitoring system and the oil and gas recovery equipment, thus ensuring that the equipment was in good condition.

6. Administrative penalties resulting from environmental issues in the Reporting Period

Applicable       N/A

7. Other environmental information to be disclosed

Applicable       N/A

### (II) Information on environmental protection of enterprises other than major pollutant discharge units

Applicable       N/A

1. Administrative penalties resulting from environmental issues

Applicable       N/A

2. Disclose other environmental information with reference to key pollutant discharge units

Applicable       N/A

#### (1) Pollution information

During the Reporting Period, all units strictly abode by relevant laws and regulations such as Environmental Protection Law, Air Pollution Prevention Law, Water Pollution Prevention Law, and Solid Waste Pollution Prevention Law in the process of operation, actively conducted the effective prevention and control measure on waste gas emission reduction, sewage treatment, solid waste disposal as well as noise prevention and control, and strictly control pollution emission, ensuring the emission standards are met.



# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## (2) *Construction and operation of pollution prevention and control facilities*

The main pollution sources and pollutants of the Group's subsidiaries are waste gas, waste water, solid waste and noise. Each unit has built a number of pollution prevention and control facilities for waste gas, waste water, solid waste and noise in accordance with the requirements of relevant laws and regulations.

**Waste gas emission reduction:** The exhaust gas treatment measures for current motor vehicles were taken in accordance with relevant national provisions to ensure the emission standards are met. The kitchen of each unit was equipped with cooking fume purification and emission devices in accordance with national requirements of Emission Standard of Cooking Fume (GB18483-2001) to ensure the emission standards of cooking fume are met. The use of all-electric kitchens was advocated to achieve accurate control of the cooking oil temperature and reduce the cooking fume pollution.

**Standard sewage treatment:** For those stations without connection to the municipal pipe network, the treatment transformation of sewage was carried out comprehensively. For the domestic sewage without connection to the municipal pipe network, regular maintenance and repair were carried out strictly in accordance with the regulations, thus improving the sewage treatment. The underground integrated sewage treatment device, oil separator and septic tank were constructed, and the sewage treatment system was regularly cleaned in every quarter, thus ensuring complete clearance of underground sewage and oil. In 2022, there were 26 sets of underground integrated sewage treatment devices and other facilities.

**Noise pollution prevention and control:** The noise cancellation measures of low noise pavement were taken to reduce the occurrence of noise from the source. In combination with actual engineering situation and natural environmental characteristics, the measures such as green belt were taken to reduce noise from the transmission route. In the sections where the sensitive point was close to the route, the distribution was relatively dense, and the parallel routes were distributed, the noise cancellation measures of sound barrier were taken. After active protection measures, for the quality of outdoor sound environment not reaching the standard, passive protection measures such as sound insulation windows were adopted.

**Reasonable solid waste treatment:** According to relevant regulations of local waste classification, the waste classification was carried out. In the service area, an agreement was signed with the local waste clearance office for general waste management, and qualified outsourcing units provided by the local waste clearance office were chosen for waste treatment. For toxic and harmful wastes such as automobile external packages, waste tires and engine oil, qualified third parties were selected for recycling according to national regulations, thus ensuring the harmlessness and recycling of solid waste treatment.

## (3) *Emergency plan for environmental emergencies*

According to actual needs, each unit of the Group had compiled special emergency plans for the transportation vehicle accidents of hazardous chemicals, special emergency plans for gas accidents, special emergency plans for fire accidents, overall emergency plans for emergencies and other environmental emergency plans, and regularly organized and carried out emergency drills for the transportation vehicle accidents of hazardous chemicals, fire accidents and so on, thus establishing and improving the emergency mechanism for environmental emergencies. At the same time, each unit identified severe weather such as heavy fog, ice and snow and strong wind, as well as extreme weather risks affecting visibility such as sandstorms and rainstorms, formulated emergency plans, further strengthened the cooperation with meteorological and traffic police departments, etc., improved the emergency equipment and management mechanism at the management office of each section, carried out emergency response training for employees, and strengthened their emergency response capability.

## (4) *Environmental protection self-monitoring plan*

The Group paid attention to self-supervision of environmental impact, arranged special personnel to supervise, educated construction personnel, focused on checking the implementation of ecological environmental protection measures, and construction noise and dust pollution prevention measures, formulated environmental monitoring plans, carried out irregular detection of sewage emissions and monitoring of sensitive areas with noise complaints, and did well in the maintenance of road drainage system and the protection of water source.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

3. Reasons for non-disclosure of other environmental information

Applicable  N/A

## (III) Information on benefits for ecological protection, pollution prevention and control as well as environmental responsibility implementation

Applicable  N/A

During the Reporting Period, the Group revised some environmental management systems such as the Management Measures for Environmental Factor Identification, Assessment and Control and the Management Rules for the Control of Environmental Impact of Relevant Parties, implemented main responsibilities of environmental protection, refined the management requirements, strengthened the environmental protection management of the Company, and optimized the environmental management performance of the Company.

**Green maintenance implementation.** The Company continuously strengthened the requirements and strength of green maintenance, widely applied synchronous chip seal technology and geothermal regeneration technology, and popularized the use of renewable materials such as joint tape and grouting glue to reduce the waste of resources. It adopted non-stick wheel emulsified asphalt to effectively reduce the wheel sticking of the tack coat, and reduced the amount of asphalt to realize the recycling and reduction of waste. In 2022, the Company's recycling rate of waste asphalt residue and other waste materials reached 100%; the usage rate of seam tape, potting adhesive, and other low-carbon maintenance materials reached 100%.

**The routing environment protection.** The Company took measures such as lawn laying, landscape greening and replanting, drainage pipeline cleaning and repair, and marking line repair, and actively promoted the environmental remediation of surrounding roads. It cooperated with local forces to publicize the laws and regulations to the residents along the line, focusing on popularizing the concept of expressway land use and control area, so as to enhance the awareness of the residents along the line to love roads and protect roads. In 2022, the length of the landscape green belt of the expressway was 1,099.886 kilometers.

**Environmental concept publicity and implementation.** The Company organized employees to participate in various forms of publicity activities of environmental protection, promoted green office work, advocated saving lifestyle, strengthened green travel publicity, and guided employees to choose walk, cars or public transportation tools for travel, actively practicing "green, environment-friendly, low-carbon and healthy" concept.

## (IV) Measures adopted to reduce carbon emission during the Reporting Period and the effects thereof

Whether to adopt carbon reduction measures	Yes
Reduction of carbon dioxide-equivalent (Unit: ton)	594,000
Types of carbon reduction measures (for example, using clean energy to generate electricity, using carbon reduction technology in the production process, and developing and producing new products to assist carbon reduction.)	Layout of new energy industry; The expansion of the "transportation + energy" sector; The promotion of energy conservation and emission reduction

Specific description

Applicable  N/A

The Group strictly abode by the Three-year Action Plan for Carbon Reduction in Transportation of Jiangsu Province (2021–2023), actively responded to national requirements of "peaking carbon dioxide emissions" and "carbon neutralization", deepened green operation, accelerated the construction of green transportation, devoted itself to reducing carbon emissions in the operation process, and jointly responded to climate challenges with the society. During the Reporting Period, the Group made 100% recycling of the waste asphalt slag, joint tape, grouting glue, and other harmful wastes generated from the maintenance project construction. In addition, the Group carried out the Research on Low Carbon Operation and Carbon Neutralization Technology of Expressways, etc. with the goal of stability, reliability, comfort, durability and high efficiency of maintenance, and actively explored new modes of green maintenance, assisting the building of ecological civilization and guarding green water and mountains.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The Group continuously optimized the industrial structure, and expanded the “transportation + energy” sector, such as investing in the acquisition of 100% equity interests of YS Energy Company. In 2022, YS Energy Company submitted a total of 5 applications for the implementation of distributed photovoltaic power station projects, and its affiliated wind power plants and photovoltaic power stations produced a total of 0.9 billion kWh of clean energy power. Compared with traditional thermal power generation, it was equivalent to saving 289,000 tons of standard coal, reducing 594,000 tons of carbon dioxide emissions, reducing 28,000 ton of smoke dust emissions, 5,400 tons of sulfur dioxide emissions, and reducing 2,160 tons of NOx emissions.

## II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

### (I) Whether to disclose social responsibility report, sustainable development report or ESG report separately

Applicable  N/A

The Company published its 2022 Corporate Governance and Social Responsibility of Jiangsu Expressway Company Limited simultaneously with its 2022 Annual Report, which provides a detailed introduction and explanation of the Company’s environmental indicators, use of resources, environmental protection measures and fulfillment of social responsibility, etc. For details, please refer to the Company’s announcement on the website of the Shanghai Stock Exchange [www.sse.com.cn](http://www.sse.com.cn) and the website of the Stock Exchange [www.hkex.com.hk](http://www.hkex.com.hk) on 27 March 2023. For details of the Company’s corporate social responsibility work in 2022, please refer to the Company’s 2022 Social Responsibility Report of Jiangsu Expressway Company Limited.

### (II) Detailed performance of social responsibilities

Applicable  N/A

External Donations, Public Service Projects	Number/Content	Explanation
Total inputs (RMB’0,000)	140.45	The Group actively fulfill social responsibilities, with investment amounts involving external donations, rural poverty alleviation, and public welfare construction.
Specifically: Funds (RMB’0,000)	134.45	<ol style="list-style-type: none"> <li>1. Implement the “Dream Transformation +” Care Campaign, and build 8 titled dream houses in Xuzhou, Jiangyin, Yixing and other regions;</li> <li>2. Carry out the “Charity One Day Donation” activity in the Group and its subsidiaries;</li> <li>3. The action of “connecting enterprises with villages to pursue the common prosperity” and the activity of “urban-rural pairing up for better civilization”;</li> <li>4. Pair up with Shuangxi Village, Dazou Town, Xinghua City, to jointly develop a construction project;</li> <li>5. Targeted assistance in the village construction project in Ganyu District, Lianyungang City;</li> <li>6. Launch a project to assist registered poverty-stricken households in 5 natural villages including Wangtun in Shizhai Town, Feng County.</li> </ol>
Material conversion (RMB’0,000)	6.00	<ol style="list-style-type: none"> <li>1. Carry out the “Help Little Migratory Birds Fly” caring activity, donate “school epidemic prevention kits” (4000 masks, 60 bottles of hand sanitizer, 200 books) and scholarships;</li> <li>2. Set up 8 “Qingliang Supply Station” at the toll stations and service areas of the expressways along the entire line.</li> </ol>
Number of people benefited (person)	4,863	

Specific description

Applicable  N/A

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The Group adhered to the concept of “guarding peace and tranquility and access to the future” as its social responsibility, provides quality services for customers, wins with partners, shared corporate development benefits with employees, and actively participated in public welfare activities to build a better community.

**Quality service to customers:** The Group conducted research on the digitisation of highway operations and management, carried out research on intelligent operation scenarios utilizing 5G technology, and developed a cloud platform for high traffic control. By accurately identifying the personalised and differentiated service needs of the public, the Group continued to innovate the design of service specifications and processes. And the integrated service model of “cloud charging” and “cloud check-in” had been introduced, significantly improving the service experience for drivers and passengers and greatly increasing their satisfaction.

**Win-win partnership:** The Group actively participated in industry associations and exchanges, enhanced industry influence, participated in thematic studies, promoted the deep integration of high technology and the transportation industry, and led the construction and development of highways nationwide. The Group has long been dedicated to the research and application of relevant technologies in the field of intelligent expressways, actively explored new ways and directions for the construction of intelligent expressways in the future, accelerated the transition from “quasi-free flow” to “free flow”, explored the transformation from a single toll service to an integrated operation service, and contributed to the development of a high standard intelligent transportation system. In 2022, the Wufengshan Future Highway Demonstration Project was awarded the title of “China Smart Highway Excellent Model Room” of 2021 at the 11th Annual China Intelligent Expressway Market Conference.

**Share the fruits of development with employees:** The Group fostered a culture of diversity and inclusion with equal pay for men and women, and implemented a non-discriminatory human resources system. The Group established and improved systems such as staff council system, open corporate business affairs system, opinion consultation system, and employee rationalization suggestions system, and conducted democratic participation and management, allowing employees to participate in corporate governance through multiple channels, regularly convened staff council and trade union member congresses to listen to and discuss reports on major decision-making programmes regarding the Group’s development, production and operation, discussed and adopted important reform programmes and regulations of vital interest to staff, elected staff representatives in accordance with the law, deliberated and approved other matters stipulated in laws, regulations and the Company’s articles of association that needed to be deliberated and approved by the staff council, effectively safeguarded the rights of employees in democratic decision-making, democratic management and democratic supervision, and shared the fruits of corporate reform and development.

**Enthusiasm for public welfare activities:** The Group shared the development achievements of the enterprise with the community, held high the banner of public welfare, and was enthusiastic about public welfare activities. All year round, it carried out activities that support public welfare, such as helping the elderly, promoting environmental protection, educating the public about safety, providing convenient services, and collecting blood donations. In 2022, the Group’s subsidiaries introduced local community resources to carry out joint construction “Learn from Lei Feng, Show Your Love”; carried out an exhibition of the Company’s bridge construction achievements, and organised summer camps for local primary schools and the newspaper’s young journalist station. The Company’s League Committee organised a blood donation activity with the theme “Drips Gather Great Love, Hot Blood Constitutes True Feelings”, and 63,800 milliliters of blood were donated by Company employees. In 2022, the total number of volunteers in the Company reached 1,942, with 6,568 hours of voluntary service and 7,792 voluntary service participants.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### III. DETAILS OF EFFORTS MADE TO CONSOLIDATE AND EXPAND THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND TO PROMOTE RURAL REVITALIZATION

Applicable  N/A

Poverty Alleviation and Rural Revitalization Projects	Number/Content	Explanation
Total inputs (RMB'0,000)	120.00	<ol style="list-style-type: none"> <li>1. The village-enterprise assistance activity, the "Urban-rural Paring, Civilization Constructing" project.</li> <li>2. Tie with Shuangxi Village, Dazou Town, Xinghua City;</li> <li>3. Provide targeted help to Ganyu District, Lianyungang City.</li> <li>4. Conduct supporting projects for impoverished households in 5 natural villages including Feng County, Shi Town and Wang Town.</li> </ol>
Specifically: Funds (RMB'0,000)	120.00	
Material conversion (RMB'0,000)	-	
Number of people benefited (person)	4,555	
Forms of alleviation (such as poverty alleviation through industry, poverty alleviation through employment, poverty alleviation through education, etc.)	Poverty alleviation through industry	Set up sales booths for poverty alleviation products, carry out livestreaming e-commerce, etc.

Specific description

Applicable  N/A

The Group actively responded to the call to promote the consolidation and expansion of national achievements in poverty eradication and accelerated the comprehensive revitalization of the countryside. First, the Group implemented the village-enterprise assistance activity and the "Urban-rural Paring, Civilization Constructing" project. Second, the Group tied with Shuangxi Village, Dazou Town, Xinghua City, assisted in the construction of a public stage, a rural main road and a revetment. Third, the Group provided targeted help to Ganyu District, Lianyungang City for village construction projects. Fourthly, the 10 MW Photovoltaic Power Station was set up for the purpose of combing agriculture and photoelectricity to alleviate poverty by Sujiaokong Fengxian Renewable Energy Co., Ltd, a subsidiary of YS Energy Company, RMB500,000 of the revenue was contributed every year to help impoverished households in five natural villages, including Feng County, Shi Town and Wang Town. This series of assistance actions helped revitalize the rural economy and created a special beautiful countryside to make "state-owned enterprises contribution".

# SIGNIFICANT MATTERS

## I. PERFORMANCE OF UNDERTAKINGS

- (I) Undertakings of the de facto controller, Shareholders, related parties/connected persons, acquirers, the Company, and other parties involved during the Reporting Period or subsisting to the Reporting Period

Applicable  N/A

- (II) Where the Company has profit forecasts on assets or projects, and the Reporting Period was within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor

Applicable  Not achieved  N/A

- (III) Fulfillment of performance commitment and impact on goodwill impairment test

Applicable  N/A

## II. APPROPRIATION OF FUND BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED/CONNECTED PARTIES FOR NON-OPERATING PURPOSE DURING THE REPORTING PERIOD

Applicable  N/A

## III. NON-COMPLIANCE GUARANTEE

Applicable  N/A

## IV. EXPLANATION FROM THE COMPANY'S BOARD OF DIRECTORS ON THE "NON-STANDARD OPINIONS AUDIT REPORT" FROM ACCOUNTING FIRM

Applicable  N/A

## V. ANALYSIS BY THE COMPANY ON THE REASONS FOR AND IMPACTS OF THE CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS

### (I) Analysis by the Company on the reasons for and impacts of the changes in accounting policies and accounting estimates

Applicable       N/A

#### (1) Details of and reasons for changes in accounting policies

In 2022, the Group has adopted the following newly revised accounting standards and implementation guidance and illustrative examples issued by the Ministry of Finance:

- CAS Bulletin No.15 (Caikuai [2021] No.35) (“**Bulletin No. 15**”), “Accounting for external sales of products or by-products produced by an enterprise before a fixed asset reaches its intended useable condition or during the research and development process” (“**Accounting for trial run sales**”);
- Judgment on loss-making contracts in Bulletin No. 15;
- Notice on issues related to the application of ‘Accounting Treatment of COVID-19 Related Rent Concessions’ (Caikuai [2022] No. 13);
- CAS Bulletin No.16 (Caikuai [2022] No. 31) (“**Bulletin No. 16**”), “Accounting treatment for the income tax impact of dividends related to financial instruments classified as equity instruments by the issuer”; and
- Bulletin No. 16, “Accounting treatment for the modification of cash-settled share-based payment by an enterprise to equity-settled share-based payment”.

#### (a) *The main impact of the Group’s adoption of the above provisions and guidelines*

##### (i) Provisions for accounting treatment of trial run sales

According to the provisions of Bulletin No. 15, operating income and costs derived from external sales of products or by-products produced before a fixed asset reaches its intended useable condition (hereinafter collectively referred to as “**sales before intended use**”) are accounted for in accordance with the provisions of CAS No.14 – Revenue and CAS No.1 – Inventory, respectively, and are recognized as profit or loss for the current period, instead of writing off the net amount arising from relevant revenue offsetting relevant costs for sales before intended use against the cost of fixed assets.

The above standards take effect on 1 January 2022. The Group has made retrospective adjustments to the sales before intended use that occurred between 1 January 2021 and the date of initial implementation in accordance with the above standards.

##### (ii) Judgment on loss-making contracts

According to the provisions of Bulletin No. 15, when the Group determines a loss-making contract, the estimated cost of performing the contract shall include the incremental cost of performing the contract and the apportioned amount of other costs directly related to the performance of the contract.

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

## SIGNIFICANT MATTERS

(iii) Caikuai [2022] No.13

The Accounting Treatment of COVID-19 Related Rent Concessions (Caikuai [2020] No.10) provides a practical expedient under certain conditions for rent concessions occurring as a direct consequence of the COVID-19 pandemic. In accordance with Caikuai [2022] No.13, for the reduction of lease payments payable after 30 June 2022, the simplified method of Caikuai [2020] No.10 can continue to be implemented.

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

(iv) Accounting for the income tax effects of dividends related to financial instruments classified as equity instruments by the issuer

In accordance with the provisions of Bulletin No. 16, for financial instruments classified as equity instruments in accordance with the provisions of Accounting Standard for Business Enterprise ("ASBE") No. 37 – Presentation of Financial Instruments, etc. (e.g. sustainable bonds classified as equity instruments, etc.), where the related dividend expense is deducted before corporate income tax in accordance with the relevant provisions of the tax policy, the Group, as the issuer, shall recognise the income tax effect relating to dividends when dividends are payable. The income tax effect of dividends is included in profit or loss for the period where the profit distributed arises from a transaction or event previously recognized in owners' equity, and in owners' equity where the profit distributed arises from a transaction or event previously recognized in owners' equity.

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

(v) Revision of accounting treatment for cash-settled share-based payments to equity-settled share-based payments by enterprises

In accordance with the provisions of Bulletin No. 16, where the Group modifies the terms and conditions in a cash-settled share-based payment agreement to make it an equity-settled share-based payment, the Group measures the equity-settled share-based payment at the fair value of the equity instruments granted at the date of modification by including the acquired services in capital reserves. Cash-settled share-based payments are also derecognised from the liability recognised at the date of modification, with the difference between the two included in profit or loss for the period. Where a modification extends or shortens the waiting period, the Group applies the above accounting treatment in accordance with the modified waiting period.

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

(b) *Impacts of the change on the comparative financial statements*

The impacts of the above change in the accounting policy on each item of the Group's consolidated balance sheet as at 31 December 2022 are summarised as follows:

	<b>Increase/(decrease) in the amount of items in the statements by adopting the changed accounting policy</b> <i>(Unit: Yuan Currency: RMB)</i>
Assets:	
Fixed assets	24,416,715.75
Shareholders' equity:	
Surplus reserve	1,515,477.32
Retained earnings	13,639,295.91
Non-controlling interests	9,261,942.52



## SIGNIFICANT MATTERS

The impacts of the above change in the accounting policy on each item of the Group's consolidated income statement for the year 2022 are summarised as follows:

	<b>Increase/(decrease) in the amount of items in the statements by adopting the changed accounting policy</b> <i>(Unit: Yuan Currency: RMB)</i>
Operating costs	1,792,832.53
Total profit	(1,792,832.53)
Net loss	(1,792,832.53)
Including: Net loss attributable to shareholders of the Company	(1,290,839.42)
Non-controlling interests	(501,993.11)

(c) *Impacts of the change on the comparative financial statements*

The impacts of the above change in the accounting policy on net profit for the year 2021 and shareholders' equity at the beginning and end of 2021 are summarised as follows:

	The Group		
	Net profit in 2021	Shareholders' equity at the end of 2021	Shareholders' equity at the beginning of 2021
Net profit and shareholders' equity before the adjustment	4,250,529,166.11	37,611,374,618.19	35,095,500,873.01
Impact of trial run sales	26,209,548.28	26,209,548.28	-
Adjusted net profit and shareholders' equity	4,276,738,714.39	37,637,584,166.47	35,095,500,873.01

The impacts of the above change in the accounting policy on each item of the consolidated balance sheet as at 31 December 2021 are summarised as follows:

	The Group		
	Before adjustment	Adjusted amount	After adjustment
Assets:			
fixed assets	7,619,724,199.63	26,209,548.28	7,645,933,747.91
Shareholders' equity:			
Surplus reserve	3,832,466,070.00	1,644,561.26	3,834,110,631.26
Retained earnings	10,095,478,620.54	14,801,051.38	10,110,279,671.92
Non-controlling interests	5,585,432,361.41	9,763,935.64	5,595,196,297.05

## SIGNIFICANT MATTERS

The impacts of the above change in the accounting policy on each item of the consolidated income statement for the year 2021 are summarised as follows:

	Before adjustment	The Group Adjusted amount	After adjustment
Operating income	14,233,640,370.22	26,892,487.96	14,260,532,858.18
Operating costs	8,997,922,817.03	682,939.68	8,998,605,756.71

(2) Reasons for the changes in accounting estimates

According to the Group's accounting policy on intangible assets – toll road operation rights, the intangible assets – toll road operation rights are amortized using traffic volume method, namely, the amortized amount of the toll road operation rights for a month is calculated at a proportion of the actual traffic volume to the sum of the actual traffic volume and the estimated remaining future traffic volume at that month.

In view of the difference between the actual traffic volume and the estimated traffic volume of the Group's major toll roads in recent years, and the estimated possible changes in the remaining traffic volume of the Group in the future, the Group has engaged an independent professional traffic research institute to repredict the traffic volume of the above expressways in the future operation period. The amortisation of the above intangible assets – toll road operation rights of the Group is calculated based on the adjusted remaining future traffic volume from 1 April 2022. Such changes are due to changes in accounting estimates, and the future application method is adopted without retrospective adjustment. The accounting estimates were considered and approved at the 9th meeting of the 10th session of the Board of the Company.

Calculated based on the intangible assets – toll road operation rights of the Group as of 31 March 2022, the changes in accounting estimates have resulted in a decrease of intangible assets amortization of the Group by RMB234 million and an increase in shareholders' equity and net profit of RMB176 million in 2022.

(II) Analysis by the Company on the reasons for and impacts of the correction of significant accounting errors

Applicable  N/A

(III) Communication with the previous accounting firm

Applicable  N/A

(IV) Other explanations

Applicable  N/A

# SIGNIFICANT MATTERS

## VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRM

Unit: Yuan Currency: RMB

	Current Engagement
Name of the domestic accounting firm	KPMG Huazhen LLP
Remuneration for the domestic accounting firm	2,300,000.00
Years of audit services of the domestic accounting firm	2
Name(s) of the certified public account(s) from the domestic accounting firm	Zhou Xuchun, Cao Yang
Consecutive years of audit services of the certified public account(s) from the domestic accounting firm	2
Name of the overseas accounting firm	–
Remuneration for the overseas accounting firm	–
Years of audit services of the overseas accounting firm	–

	Name	Remuneration
Accounting firm for internal control audit	KPMG Huazhen LLP	700,000.00
Financial counselor	–	–
Sponsor	–	–

### Information on appointment and removal of accounting firm

Applicable  N/A

According to the relevant requirements of the Trial Measures for Provincial Enterprises to Select Accounting Firms for Audit Quality Management issued by SASAC Jiangsu Branch, the term of Deloitte Touche Tohmatsu Certified Public Accountants LLP, the former auditor originally engaged by the Company, has exceeded its term, which will no longer serve as the external audit institution providing the Company with audit services (for details, see the Company's announcement dated 29 March 2021). Besides, KPMG Huazhen LLP was appointed as the Company's 2021 annual financial statement auditor and internal control auditor according to the resolution made during the shareholders' general meeting for the year 2020, and was reappointed as the Company's 2022 annual financial statement auditor and internal control auditor according to the resolution made during the shareholders' general meeting for the year 2021.

### Explanations on replacement of accounting firms during the audit period

Applicable  N/A

# SIGNIFICANT MATTERS

## VII. RISK OF DELISTING

### (I) Causes of delisting

Applicable  N/A

### (II) Countermeasures to be taken by the Company

Applicable  N/A

### (III) Situations and causes for termination of listing

Applicable  N/A

## VIII. MATTERS RELATING TO INSOLVENCY OR RESTRUCTURING

Applicable  N/A

## IX. MATERIAL LITIGATION AND ARBITRATION

The Company was involved in material litigation and arbitration during the year.  The Company was not involved in any material litigation and arbitration during the year.

## X. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS, PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

Applicable  N/A

## XI. EXPLANATION ON CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Applicable  N/A

## XII. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS

## (I) Related party/connected/continuing connected transactions relating to daily operations

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable  N/A

Summary of the Event	Document for Inspection
<p>On 23 August 2019, Zhendan Company and Media Company (an associate of the controlling shareholder of the Company) entered into the Management Cooperation Agreement on entrusting the overall advertising business within the range of Zhendan Expressway to Media Company for management, with a term commencing from 1 January 2020 and ending on 31 December 2022. The contractual amount in 2022 shall not exceed RMB200,000.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 26 August 2019 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 23 August 2019, respectively.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the Expressway Network Management Services Agreement with Network Operation Company (an associate of the controlling shareholder of the Company), respectively, with a term of three years from 1 January 2020 to 31 December 2022. The amounts in 2022 shall not exceed RMB40 million, RMB8 million and RMB1 million, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the Expressway Network Technical Services Framework Agreement with Tongxingbao Company (an associate of the controlling shareholder of the Company), respectively, with a term of three years from 1 January 2020 to 31 December 2022. The amounts in 2022 shall not exceed RMB28 million, RMB5.50 million and RMB600,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the SD-WAN Toll Standby Network Services Contract with Tongxingbao Company (an associate of the controlling shareholder of the Company), respectively, with a term from 1 April 2020 to 31 December 2022. The amounts in 2022 shall not exceed RMB3.50 million, RMB1.30 million and RMB300,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 31 March 2020, the Company entered into the contract for renewal of the property lease with Xiandai R&amp;B Company (an associate of the controlling shareholder of the Company) in respect of an office building, with a term of lease from 1 January 2020 to 31 December 2022. The annual rent in 2022 shall be RMB1.69 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020.</p>
<p>On 28 August 2020, the Company, Guangjing Xicheng Company (a non-wholly owned subsidiary of the Company) and Yangtze River Management Company (a wholly-owned subsidiary) entered into the training service agreement with Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) for a term commencing from 1 September 2020 until 31 December 2022. The contractual amount shall be no more than RMB27.75 million in total, with the total amount in 2022 not exceeding RMB10 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 August 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 August 2020.</p>
<p>On 28 August 2020, the Company entered into the Agreement Regarding the Lease and Operation of the Gas Station in Zhangzhu Service Area of Yichang Company with Yichang Company (a subsidiary of a connected subsidiary of the Company), pursuant to which, Yichang Company shall lease its Gas Station in Zhangzhu Service Area to the Company for operation and management, with an operating and lease term of 3 years commencing from the official business commencement date of the gas station in Zhangzhu Service Area. The total amount of the lease shall be no more than RMB5.32 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 August 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 August 2020.</p>
<p>On 28 August 2020, Wufengshan Toll Bridge Company, a non-wholly owned subsidiary of the Company, and Huatong Engineering Company (an associate of the controlling shareholder of the Company) entered into the Wufengshan River Crossing Passage (Railway Section) Composite Girder Block Intelligent Monitoring Project Construction Contract with a contract term from 28 August 2020 to 31 December 2022, and the contract value of the project shall not exceed RMB2.50 million (not exceeding RMB300,000 for the year of 2022).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 August 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 August 2020.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 September 2020, Ninghu Investment Company (a wholly-owned subsidiary of the Company) and its wholly-owned subsidiary Factoring Company entered into the office leasing contract with Communications Holding Commercial Operation Company (an associate of the controlling shareholder of the Company). Communications Holding Commercial Operation Company shall lease part of floors of Building A2 of its Zijin Financial Center to Ninghu Investment Company and Factoring Company as office premises from October 2020 to December 2022. The lease rental of Ninghu Investment Company for 2022 shall not exceed RMB2,298,500 and the lease rental of Factoring Company for 2022 shall not exceed RMB1,250,700.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 26 September 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 September 2020.</p>
<p>On 30 October 2020, Yangtze River Management Company (a wholly-owned subsidiary of the Company) entered into the Management Entrustment Agreement with Xitai Company (an associate of the controlling shareholder of the Company). The management entrustment shall be valid for a term of 36 months in total commencing on 1 January 2021 and expiring on 31 December 2023; the cap for the administrative expenses of entrustment shall be RMB1.26 million (not exceeding RMB420,000 in 2022).</p>	<p>For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 31 October 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 30 October 2020, respectively.</p>
<p>On 27 November 2020, the Company and Wufengshan Toll Bridge Company (a connected subsidiary of the Company) entered into the Agreement Regarding the Lease and Operation of the Gas Station in Wufengshan Toll Bridge Service Area, pursuant to which Wufengshan Toll Bridge Company shall lease its gas stations in the Wufengshan Toll Bridge Service Area to the Company for operation and management for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area. The total amount of the lease for 3 years shall be no more than RMB16 million (no more than RMB4.75 million in 2022).</p>	<p>For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 November 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 November 2020, respectively.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 24 December 2020, Guangjing Xicheng Company, a non-wholly owned subsidiary of the Company, entered into a supplemental agreement regarding SD-WAN technical charge backup network services with Tongxingbao Company (an associate of the controlling shareholder of the Company) with the term of the agreement remaining unchanged, to adjust the accumulative total amount and the amount for each year for the agreement from the original caps of no more than RMB3.90 million and RMB1.30 million, respectively, to no more than RMB4.71 million and RMB1.57 million, respectively, from 1 April 2020 to 31 December 2022.</p>	<p>For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 25 December 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 24 December 2020, respectively.</p>
<p>On 24 December 2020, Yichang Company, a non-wholly owned subsidiary of the Company, entered into the SD-WAN Technical Charge Backup Network Services Agreement with Tongxingbao Company (an associate of the controlling shareholder of the Company), for a term commencing from 1 January 2021 and ending on 31 December 2022, with an agreement amount not exceeding RMB135,000 for each year.</p>	<p>For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 25 December 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 24 December 2020, respectively.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with Xiandai R &amp; B Company (an associate of the controlling shareholder of the Company) in respect to the large and medium repair and maintenance project on road surface, bridge repair and reinforcement, marker adding and other daily repair and maintenance projects on road surface and basic construction of gantry and other projects of the Company and its wholly owned subsidiary for a term commencing from 1 April 2021 to 31 March 2022, with the agreement amount not exceeding RMB196.56 million (the amount from 1 January 2022 to 31 March 2022 not exceeding RMB15.90 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>



## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company entered into the framework agreement with Tongxingbao Company (an associate of the controlling shareholder of the Company) with respect to the SDWAN phase II service project, ETC service charge and other projects of the Company and its wholly-owned subsidiaries for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not exceeding RMB8.67 million (the amount in 2022 not exceeding RMB2.35); Wufengshan Toll Bridge Company, a non-wholly owned subsidiary of the Company, entered into the framework agreement with Tongxingbao Company, with respect to the SDWAN services and other projects for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not exceeding RMB9.80 million (the amount in 2022 not exceeding RMB4.80 million); Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Tongxingbao Company, respectively, with respect to the expressway network technical service and other projects for a term commencing from 1 January 2021 to 31 December 2022, with the agreement amount not exceeding RMB9.40 million (the amount in 2022 not exceeding RMB5.20 million: no more than RMB200,000, RMB2.50 million and RMB2.50 million for Guangjing Xicheng Company, Changyi Company, and Yichang Company respectively).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with Cuipingshan Hotel (an associate of the controlling shareholder of the Company) with respect to the welfare procurement and other projects of the Company and its wholly-owned subsidiary for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not exceeding RMB4.48 million (the amount in 2022 not exceeding RMB550,000); Guangjing Xicheng Company and its holding subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Cuipingshan Hotel with respect to the material procurement and other matters, respectively, for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not exceeding RMB4.70 million (the amount in 2022 not exceeding RMB1.60 million: no more than RMB1.10 million, RMB200,000 million and RMB300,000 million for Guangjing Xicheng Company, Changyi Company and Yichang Company respectively).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company entered into the framework agreement with Communications Holding Commercial Operation Company (being an associate of the controlling shareholder of the Company) with respect to the property service, lease and management and other matters of the Company and its wholly-owned subsidiary for a term from 1 April 2021 to 31 December 2023, with the agreement amount not more than RMB2,147,025.83, and the amount shall not exceed RMB686,461 in 2022.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the framework agreement with Information Company (being an associate of the controlling shareholder of the Company) with respect to the construction and maintenance project of electromechanical system, smart service zone development and application management project of the Company and its wholly-owned subsidiary for a term commencing from 1 April 2021 to 31 March 2022, with the agreement amount of not more than RMB46.50 million, and the amount shall not exceed RMB10 million from 1 January 2022 to 31 March 2022; Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Information Company, respectively, with respect to the supervision, maintenance of communication system and purchase of parts and components and other matters for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount of not more than RMB33 million, and the agreement amount in 2022 shall not exceed RMB11 million (the agreement amount payable by Guangjing Xicheng Company not more than RMB8 million, the agreement amount payable by Changyi Company not more than RMB1.5 million, the agreement amount payable by Yichang Company not more than RMB1.5 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company entered into a framework agreement with Micro Video Company (being an associate of the controlling shareholder of the Company), in respect to the file digitization of maintenance management, services of the Company and its wholly-owned subsidiary for Cloud check-in system and website establishment and other projects for a term commencing from 1 April 2021 to 31 March 2022, with the agreement amount of not more than RMB15.87 million, and the amount shall not exceed RMB2 million from 1 January 2022 to 31 March 2022.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with Jiangsu Communications Holding with respect to the cloud platform technological service project of the Company and its wholly-owned subsidiary for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB4.93 million, and the amount shall not exceed RMB1 million in 2022.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into entrustment management agreement with its non-wholly owned subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (being an associate of the controlling shareholder of the Company), respectively, in respect to the entrustment of their respective ordinary operation and management matters (excluding the service areas and petrol stations) to the Company, for a term commencing from 1 January 2021 to 31 December 2023. The total agreement amount shall not exceed RMB336 million. In particular, the amount of Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall not exceed RMB69 million and RMB69 million in 2022, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, Guangjing Xicheng Company (a subsidiary of the Company) and its subsidiaries, Changyi Company and Yichang Company intended to enter into relevant purchase agreements with Hetai Expressway Operation Company (an associate of the controlling shareholder of the Company) with respect to purchase of engineering materials for a term commencing on 1 April 2021 and ending on 31 March 2024, with the agreement amount not more than RMB5.85 million. The amounts of Guangjing Xicheng Company, Changyi Company and Yichang Company shall not exceed RMB1.1 million, RMB250,000 and RMB350,000 in 2022, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company, a subsidiary of the Company, entered into the relevant agreements with Expressway Petroleum Company (an associate of the controlling shareholder of the Company) and its wholly-owned subsidiary, Taixing Oil Products Company (an associate of the controlling shareholder of the Company), with respect to the petrol stations leasing in service areas, and the rental price is determined based on the petroleum sales volume, with the guaranteed rental fees of RMB500,000 million. The term of agreements commences on 1 January 2021 and ending on 31 December 2023 with an agreement amount of not more than RMB78 million based on the estimated petroleum sales volume for 2021 to 2023 (not more than RMB26 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, Wufengshan Toll Bridge Company, a subsidiary of the Company, entered into the agreement with Network Operation Company (an associate of the controlling shareholder of the Company) with respect to the expressway network management services for a term commencing on 1 April 2021 and ending on 31 December 2022, with the agreement amount not more than RMB7.50 million, and the estimated amount would not exceed RMB5 million in 2022; Changyi Company and Yichang Company, the subsidiaries of Guangjing Xicheng Company, entered into the framework agreement with Network Operation Company, respectively, with respect to the expressway network management services for a term commencing on 1 January 2021 and ending on 31 December 2023, with the agreement amount not more than RMB9 million. In particular, the amounts of Changyi Company and Yichang Company shall not exceed RMB1.5 million and RMB1.5 million in 2022, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Zhendan Company and Wufengshan Toll Bridge Company, the subsidiaries of the Company, entered into the framework agreement with Micro Video Company (an associate of the controlling shareholder of the Company), respectively, in respect to the information system development and maintenance projects of Cloud check-in, in particular, the agreement with Zhendan Company commences on 1 April 2021 and ending on 31 December 2021 with the amount of not more than RMB600,000; the agreement with Wufengshan Toll Bridge Company commences on 1 April 2021 and ending on 31 December 2023 with the agreement amount of not more than RMB3.80 million, and the amount shall not exceed RMB600,000 million in 2022.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Zhendan Company and Wufengshan Toll Bridge Company, the subsidiaries of the Company, entered into the framework agreement with Xiandai R&amp;B Company (an associate of the controlling shareholder of the Company), respectively, in respect to the daily maintenance on road surface, maintenance on traffic safety facilities, basic construction of gantry and other projects for a term commencing on 1 April 2021 and ending on 31 March 2022, the amount payable by Zhendan Company shall not exceed RMB1.625 million from 1 January 2022 to 31 March 2022; the amount payable by Wufengshan Toll Bridge Company shall not exceed RMB1.15 million from 1 January 2022 to 31 March 2022.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the relevant lease agreement with Guangjing Xicheng Company (a connected subsidiary of the Company) and Yangtze Bridge Company (an associate of the controlling shareholder of the Company), respectively, in respect to the vehicle lease and other matters for a term of agreement from 1 January 2021 to 31 December 2023, with an agreement amount of not more than RMB810,000. In particular, it is estimated that (1) the lease fee payable by Yangtze River Management Company to Guangjing Xicheng Company shall not exceed RMB360,000 (not more than RMB120,000 in 2022); (2) the lease fee payable by Yangtze River Management Company to Yangtze Bridge Company shall not exceed RMB450,000 (not more than RMB150,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the entrusted operation management agreement with Yangtze Bridge Company (an associate of the controlling shareholder of the Company), Hutong Bridge Company (an associate of the controlling shareholder of the Company), Guangjing Xicheng Company (a connected subsidiary of the Company), Changyi Company (a connected subsidiary of the Company) and Yichang Company (a connected subsidiary of the Company), respectively, in respect to entrusted operation and management for a term commencing on 1 April 2021 and ending on 31 December 2023, with the entrusted management fee payable not exceeding RMB188.39 million. In particular: (1) The entrusted fee payable by Yangtze Bridge Company to Yangtze River Management Company shall not exceed RMB64.38 million (not more than RMB21.75 million in 2022); (2) the entrusted fee payable by Hutong Bridge Company to Yangtze River Management Company shall not exceed RMB34.55 million (not more than RMB11.68 million in 2022); (3) the entrusted fee payable by Guangjing Xicheng Company to Yangtze River Management Company shall not exceed RMB69.34 million (not more than RMB23.44 million in 2022); (4) the entrusted fee payable by Changyi Company to Yangtze River Management Company shall not exceed RMB8.97 million (not more than RMB3.13 million in 2022); (5) the entrusted fee payable by Yichang Company to Yangtze River Management Company shall not exceed RMB11.15 million (not more than RMB3.88 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

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Summary of the Event	Document for Inspection
<p>On 26 March 2021, Yangtze River Management Company entered into the agreement with Ninghang Cultural Tourism Company (an associate of the controlling shareholder of the Company) with respect to the employee development training for a term from 1 January 2021 to 31 December 2023, with the agreement amount not exceeding RMB750,000 (the amount in 2022 not exceeding RMB250,000); Guangjing Xicheng Company and its holding subsidiaries, Changyi Company and Yichang Company, entered into the agreement with Ninghang Cultural Tourism Company with respect to the employee business skills training for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not exceeding RMB2.85 million (the amount in 2022 not exceeding RMB950,000: no more than RMB600,000, RMB150,000 and RMB200,000 for Guangjing Xicheng Company, Changyi Company and Yichang Company, respectively).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, entered into the relevant framework agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company), respectively, in respect to the entrustment management of service areas for a lease term of 3 years commencing from the official business commencement date of the service areas in Wufengshan Toll Bridge Service Area and Xueyan Service Area. The agreement amount is not more than RMB46.80 million. In particular, the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB28.80 million (not more than RMB8.50 million in the first year of its opening date, not more than RMB9.80 million in the second year of its opening date, and not more than RMB10.50 million in the third year of its opening date); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB18 million (not more than RMB5.50 million in the first year of its opening date, not more than RMB6 million in the second year of its opening date, and not more than RMB6.50 million in the third year of its opening date).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, entered into the relevant framework agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company), respectively, in respect to the petrol stations leasing, pursuant to which, Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall lease the petrol stations in service areas to Yangtze Commerce and Energy for operation for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area and Xueyan Service Area, with the agreement amount of not more than RMB20 million. In particular, the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB16 million (not more than RMB5 million in 2022); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB4 million (not more than RMB1.35 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the property leasing agreement with Railway Group Company (an associate of the controlling shareholder of the Company) with an annual rent of RMB3,973,640, for a term from 1 January 2021 to 31 December 2023, the total rent is approximately RMB11,920,920.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company and Tongxingbao Company (an associate of the controlling shareholder of the Company) entered into the ETC customer service outlets management agreement with respect to the lease of the property of the Company as the ETC customer service outlets and the entrustment operation and management. The agreement amount shall not exceed RMB1 million temporarily with reference to the prevailing rent of similar properties and the total amount of rent, all utilities and charges for sewage discharge for a term from 1 April 2021 to 31 March 2022 (in particular, the amount shall not exceed RMB250,000 from 1 January 2022 to 31 March 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>



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Summary of the Event	Document for Inspection
<p>On 26 March 2021, Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company entered into relevant agreement with Media Company (an associate of the controlling shareholder of the Company), respectively, in respect to the lease of advertising media for a term from 1 January 2021 to 31 December 2023 with the estimated total rental for three years payable by Media Company shall not exceed RMB20.40 million. In particular, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB17 million (estimated to be not more than RMB8 million in 2022), the agreement amount payable by Changyi Company shall not exceed RMB1.50 million (not more than RMB500,000 in 2022), and the agreement amount payable by Yichang Company shall not exceed RMB1.90 million (not more than RMB600,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Changyi Company and Yichang Company, the subsidiaries of Guangjing Xicheng Company, entered into the relevant training agreements with Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) with respect to the employee business skills training and other businesses for a term commencing from 1 January 2021 to 31 December 2022, with the agreement amount not more than RMB2.20 million. In particular, the estimated amount payable by Changyi Company shall not exceed RMB1 million (not more than RMB600,000 in 2022), the agreement amount payable by Yichang Company shall not exceed RMB1.20 million (not more than RMB700,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 6 August 2021, the Company and Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) entered into the Framework Cooperation Agreement on Consulting Services, for a term from 1 September 2021 to 31 December 2022, with the contract amount no more than RMB1.44 million. The amount shall not exceed RMB740,000 for 2022.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 9 August 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 8 August 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 29 October 2021, Guangjing Xicheng Company, a subsidiary of the Company, as well as Changyi Company and Yichang Company, both being subsidiaries of Guangjing Xicheng Company entered into maintenance project construction contract with Xiandai R&amp;B Company (an associate of the controlling shareholder of the Company), respectively, for a term commencing on 1 January 2022 and ending on 30 April 2022, with a contract amount of not exceeding RMB10 million, in particular, the amount shall not exceed RMB8.2 million for Guangjing Xicheng Company, RMB800,000 for Changyi Company and RMB1 million for Yichang Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 31 October 2021.</p>
<p>On 29 October 2021, the Company entered into the tripartite construction entrustment agreement for the project of simultaneous construction of the intersection section of G4221 Shanghai-Wuhan Expressway with Jiangsu South Riverside Intercity Railway Co., Ltd. and Nanjing Railway Terminal Project Construction Command Office of China Railway Shanghai Group Co., Ltd., for a term commencing on the date of signing of the contract and expiring on 31 December 2021, with an agreement amount of not exceeding RMB9 million, in particular, the amount in respect of the relevant design fee with Jiangsu South Riverside Intercity Railway Co., Ltd. shall not exceed RMB850,000. On the same date, Guangjing Xicheng Company, a subsidiary of the Company, entered into the tripartite construction entrustment agreement for the project of simultaneous construction of the intersection section of G2 Beijing-Shanghai Expressway with Jiangsu South Riverside Intercity Railway Co., Ltd. and Nanjing Railway Terminal Project Construction Command Office of China Railway Shanghai Group Co., Ltd., for a term commencing on the date of signing of the contract and expiring on 30 May 2022, with an agreement amount of not exceeding RMB21 million, in particular, the amount in respect of the relevant design fee with Jiangsu South Riverside Intercity Railway Co., Ltd. shall not exceed RMB1.2 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 31 October 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 29 October 2021, Guangjing Xicheng Company (a subsidiary of the Company) and Yichang Company (a subsidiary of Guangjing Xicheng Company) signed a maintenance technical services agreement with Maintenance Technology Company (an associate of controlling shareholder of the Company), for a term from 1 January 2022 to 30 April 2022, with an amount of not exceeding RMB3.7 million, in particular, not exceeding RMB2.5 million and RMB1.2 million for Guangjing Xicheng Company and Yichang Company, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 31 October 2021.</p>
<p>On 29 October 2021, Guangjing Xicheng Company, a subsidiary of the Company, as well as Changyi Company and Yichang Company, both being subsidiaries of Guangjing Xicheng Company, entered into expressway network technical service agreement with Tongxingbao Company (an associate of the controlling shareholder of the Company), respectively, with respect to the provision of expressway network technical service by Tongxingbao Company, all for a term commencing on 1 January 2022 and ending on 30 April 2022, with a contract amount of not exceeding RMB3.2 million, in particular, the amount shall not exceed RMB2 million for Guangjing Xicheng Company, RMB700,000 for Changyi Company and RMB500,000 for Yichang Company.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 31 October 2021.</p>
<p>On 29 October 2021, the Company renewed the entrusted management of the operation and management of the northern section of the Changyi Phase I Project, and entered an entrusted management agreement with Changyi Company (a subsidiary of the connected subsidiary of the Company), the estimated amount not exceeding RMB2.5 million. The term of agreement shall commence on 1 January 2022 and end on 30 April 2022, with an amount of not exceeding RMB2.5 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 31 October 2021.</p>

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Summary of the Event	Document for Inspection
<p>On 22 December 2021, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) cooperated with Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) to conduct the toll service outsourcing project, and signed a toll service outsourcing agreement, for a term from 22 December 2021 to 30 November 2024. The total outsourcing service fee is estimated not to exceed RMB11 million. The outsourcing service fee in 2022 shall not exceed RMB3.6 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 23 December 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 22 December 2021.</p>
<p>On 22 December 2021, Ninghu Investment Company, a wholly-owned subsidiary of the Company, entered into an advertising operation and publication cooperation agreement with Media Company (an associate of the controlling shareholder of the Company) for a term from 1 January to 30 April 2022. In particular, Media Company shall pay the corresponding advertisement publication fee to Ninghu Investment Company of not exceeding RMB12.06 million and shall be responsible for the advertising facilities maintenance and repair and the entrusted management fees payable by Ninghu Investment Company to Media Company shall not exceed RMB1.91 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 23 December 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 22 December 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 22 December 2021, the Company, Yangtze Commerce and Energy Company (a wholly-owned subsidiary of the Company), Wufengshan Company and Zhendan Company (both being subsidiaries of the Company), carried out cooperation with Kuailu Company (an associate of the controlling shareholder of the Company), for Kuailu Company's provision of outsourcing commuter bus services and signed commuter bus services outsourcing agreements for a term from 1 January to 30 April 2022, among which the amount of the agreement between the Company and Kuailu Company shall not exceed RMB5,160,000, the amount of the agreement between Yangtze Commerce and Energy Company and Kuailu Company shall not exceed RMB568,000, the amount of the agreement between Wufengshan Company and Kuailu Company shall not exceed RMB1,205,000 and the amount of the agreement between Zhendan Company and Kuailu Company shall not exceed RMB546,000.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 23 December 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 22 December 2021.</p>
<p>On 25 March 2022, the Company and Wufengshan Toll Bridge Company (a subsidiary of the Company), Guangjing Xicheng Company and Changyi Company, Yichang Company (both being controlled subsidiaries of Guangjing Xicheng Company), signed an annual framework agreement for Digital Transformation Cloud Services with Micro Video Company (an associate of the controlling shareholder of the Company). The term of the agreement shall commence on 1 May 2022 and end on 30 April 2023, with a contract amount of not exceeding RMB4,233,900. In particular, the contract amount of the Company and Micro Video Company shall not exceed RMB3.10 million (not more than RMB2 million in 2022); the contract amount of Wufengshan Toll Bridge Company and Micro Video Company shall not exceed RMB650,000 (not more than RMB470,000 in 2022); the contract amount of Guangjing Xicheng Company and Micro Video Company shall not exceed RMB311,200 (not more than RMB210,000 in 2022); the contract amount of Changyi Company and Micro Video Company shall not exceed RMB26,000 (not more than RMB17,000 in 2022); the contract amount of Yichang Company and Micro Video Company shall not exceed RMB146,700 (not more than 97,700 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and Wufengshan Toll Bridge Company (a subsidiary of the Company) signed an annual framework agreement with Information Company (an associate of the controlling shareholder of the Company) for the construction and maintenance of electromechanical systems, commissioning of spare parts management services, development for intelligent service areas and application management services. In particular, the term of the electromechanical system construction and maintenance services agreement between the Company and Information Company commenced from 1 May 2022 to 30 April 2023, with the amount not exceeding RMB33 million (not exceeding RMB22 million in 2022); the term of the spare parts management services agreement between the Company and Information Company commenced from 1 May 2022 to 30 April 2023, with the amount not exceeding RMB7 million (not exceeding RMB5 million in 2022); the term of the intelligent service area development and application management services agreement between the Company and Information Company commenced from 1 May 2022 to 30 April 2023, with the amount not exceeding RMB3 million (not exceeding RMB2 million in 2022); the term of the intelligent service area development and application management services agreement between Wufengshan Toll Bridge Company and Information Company commenced from 1 April 2022 to 31 December 2022, with the amount not exceeding RMB2.90 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company signed an annual framework agreement with Jiangsu Communications Holding (a controlling shareholder of the Company) for cloud resource utilization and construction services for fire and rescue stations. The term of the agreement shall commence on 1 May 2022 and expire on 31 December 2022, with a contract amount of not exceeding RMB4,332,300.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and Zhendan Company, Wufengshan Toll Bridge Company (both being controlled subsidiaries of the Company), Guangjing Xicheng Company and Yichang Company, Changyi Company (both being controlled subsidiaries of Guangjing Xicheng Company), signed an annual framework agreement for network system services such as cloud scheduling technology services and SD-WAN services, road network technology services, ETC non-stop payment system services, and ETC customer service outlets rental with Micro Video Company (an associate of the controlling shareholder of the Company). In particular, the term of road network technology service agreement between the Company and Tongxingbao Company, commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB9 million; the term of road network technology service agreement between Guangjing Xicheng Company and Tongxingbao Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB6.70 million (not exceeding RMB4.50 million in 2022); the term of road network technology service agreement between Changyi Company and Tongxingbao Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB850,000 (not exceeding RMB500,000 in 2022); the term of road network technology service agreement between Yichang Company and Tongxingbao Company commenced from 1 January to 30 April 2023, with an amount not exceeding RMB900,000 (not exceeding RMB500,000 in 2022); the term of road network technology service agreement between Zhendan Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB250,000; the term of road network technology service agreement between Wufengshan Toll Bridge Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB1.30 million; the term of the cloud scheduling technology service agreement between the Company and Tongxingbao Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB60,000 (not exceeding RMB40,000 in 2022); the term of the cloud scheduling technology service agreement between Guangjing Xicheng Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB200,000; the term of the cloud scheduling technology service agreement between Changyi Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB10,000; the term of the cloud scheduling technology service agreement between Yichang Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB100,000; the term of the SD-WAN services agreement between the Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB1.20 million; the term of the SD-WAN services agreement between Guangjing Xicheng Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB400,000; the term of the SD-WAN services agreement between Changyi Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB60,000; the term of the SD-WAN services agreement between Yichang Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB30,000; the term of the SD-WAN services agreement between Zhendan Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB100,000; the term of gas station retail management system between the Company and Tongxingbao Company commenced from 1 April 2022 to 31 December 2022, with an amount not exceeding RMB2.50 million; the rental term for ETC customer service centers between the Company and Tongxingbao Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB800,000 (not exceeding RMB530,000 in 2022); the rental term of ETC customer service centers between Guangjing Xicheng Company and Tongxingbao Company commenced from 1 January 2023 to 30 April 2023, with an amount not exceeding RMB30,000; the term of ETC non-stop payment system between the Company and Tongxingbao Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB2.10 million (not exceeding RMB1.40 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and Zhendan Company, Wufengshan Toll Bridge Company (both being controlled subsidiaries of the Company), Guangjing Xicheng Company and Changyi Company, Yichang Company (both being controlled subsidiaries of Guangjing Xicheng Company), signed an annual framework agreement for highway maintenance construction services, bridge expansion joint replacement services, greening and environmental improvement project services, and traffic safety facilities improvement project services. with Xiandai R&amp;B Company (an associate of the controlling shareholder of the Company). In particular, the term of service agreement for highway maintenance and construction between the Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB171.87 million (not exceeding RMB132.25 million in 2022); the term of service agreement for highway maintenance and construction between Guangjing Xicheng Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB149.83 million (not exceeding RMB141.63 million in 2022); the term of service agreement for highway maintenance and construction between Changyi Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB1.40 million (not exceeding RMB800,000 in 2022); the term of service agreement for highway maintenance and construction between Yichang Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB2.30 million (not exceeding RMB1.50 million in 2022); the term of service agreement for highway maintenance and construction between Zhendan Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB4.36 million (not exceeding RMB2.91 million in 2022); the term of service agreement for highway maintenance and construction between Wufengshan Toll Bridge Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB4.17 million (not exceeding RMB2.78 million in 2022); the term of service agreement for greening and environmental improvement project between the Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB4.84 million; the term of service agreement for traffic safety facilities improvement project between the Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB80.78 million; the term of service agreement for expansion joint replacement between the Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB12.81 million (not exceeding RMB10 million in 2022); the term of service agreement for snow and ice removal during severe weather between the Company and Xiandai R&amp;B Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB7.48 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>



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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and Zhendan Company Wufengshan Toll Bridge Company (both being controlled subsidiaries of the Company), signed an annual framework agreement with East Road &amp; Bridge Company (being an associate of the controlling shareholder of the Company) for winter emergency maintenance services. The term of the service agreement commenced from 1 May 2022 to 31 December 2022, with an contract amount not exceeding RMB11.35 million. In particular, the Company's contract amount shall not exceed RMB5.26 million, Zhendan Company's shall not exceed RMB2.14 million, and Wufengshan Toll Bridge Company's shall not exceed RMB3.95 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company and Guangjing Xicheng Company, Wufengshan Toll Bridge Company (both being controlled subsidiaries of the Company), signed an annual framework agreement with Sundian Testing Company (an associate of the controlling shareholder of the Company) for bridge inspection and testing services. In particular, the term of the service agreement for bridge inspection, testing, and construction between Guangjing Xicheng Company and Sundian Testing Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB2.22 million; the term of the service agreement for underwater pile foundation testing between Wufengshan Toll Bridge Company and Sundian Testing Company commenced from 1 May 2022 to 30 June 2022, with an amount not exceeding RMB500,000; the term of the service agreement for full-line electromechanical gantry structure safety testing between the Company and Sundian Testing Company commenced from 1 May 2022 to 30 June 2022, with an amount not exceeding RMB2.06 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and Zhendan Company, Wufengshan Toll Bridge Company (both being controlled subsidiaries of the Company), Guangjing Xicheng Company, and Changyi Company, Yichang Company (both being controlled subsidiaries of Guangjing Xicheng Company), signed an annual framework agreement with Maintenance Technology Company (an associate of the controlling shareholder of the Company) for comprehensive maintenance technology services, foundation membership fees, and safety risk investigation for bridge navigation and comprehensive evaluation consulting services. In particular, the term of the service agreement for comprehensive maintenance technology service between the Company and Maintenance Technology Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB15.26 million (not exceeding RMB14.26 million in 2022); the term of the service agreement for comprehensive maintenance technology service between Guangjing Xicheng Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB7.06 million; the term of the service agreement for comprehensive maintenance technology service between Changyi Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB870,000; the term of the service agreement for comprehensive maintenance technology service between Yichang Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB1.93 million; the term of the service agreement for comprehensive maintenance technology service between Zhendan Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB410,000; the term of the service agreement for comprehensive maintenance technology service between Wufengshan Toll Bridge Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB400,000; the term of the service agreement for foundation membership fees between the Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB4.50 million; the term of the service agreement for foundation membership fees between Guangjing Xicheng Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB1.25 million; the term of the service agreement for foundation membership fees between Changyi Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB250,000; the term of the service agreement for foundation membership fees between Yichang Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB400,000; the term of the service agreement for foundation membership fees between Zhendan Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB150,000; the term of the service agreement for foundation membership fees between Wufengshan Toll Bridge Company and Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB150,000; the term of the service agreement for safety risk investigation for bridge navigation and comprehensive evaluation consulting between the Company and the Maintenance Technology Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB3.72 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company signed an annual framework agreement with Huatong Engineering Company (an associate of the controlling shareholder of the Company) for dynamic weighing system operation and maintenance services, as well as bridge repair and reinforcement projects. In particular, the term of the service agreement for dynamic weighing system operation and maintenance services between the Company and Huatong Engineering Company commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB500,000; the term of the service agreement for bridge repair and reinforcement projects between the Company and Huatong Engineering Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB19.50 million (not exceeding RMB18 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company, together with its wholly-owned subsidiary Ninghu Investment Company, and Factoring Company, Yangtze River Management Company (both being the wholly-owned subsidiary of Ninghu Investment Company), and the Company's holding subsidiary Guangjing Xicheng Company, signed an annual framework agreement with Communications Holding Commercial Operation Company (an associate of controlling shareholder of the Company) on office leasing and material procurement. In particular, the term of office leasing between Ninghu Investment Company and Communications Holding Commercial Operation Company commenced from 1 January 2023 to 30 April 2023, with an amount of no more than RMB850,000; the term of office leasing between Factoring Company and Communications Holding Commercial Operation Company commenced from 1 January 2023 to 30 April 2023, with an amount of no more than RMB450,000; the term of material procurement between Yangtze River Management Company and Communications Holding Commercial Operation Company commenced from 1 May 2022 to 30 April 2023, with an amount no more than RMB120,000 (not exceeding RMB80,000 in 2022); the term of material procurement between Guangjing Xicheng Company and Communications Holding Commercial Operation Company commenced from 1 May 2022 to 30 April 2023, with an amount of no more than RMB0.45 million (not exceeding RMB400,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and its wholly-owned subsidiary Yangtze River Management Company, Ninghu Investment Company and its wholly-owned subsidiary Factoring Company, Ninghu Real Estate Company and its controlled subsidiary Guangjing Xicheng Company and its controlled subsidiary Changyi Company, Yichang Company, signed an annual framework agreement for human resource services with Traffic Control Human Resource Company (an associate of the controlling shareholder of the Company). The term of the service agreement commenced from 1 January 2022 to 30 April 2023, with a contract amount not exceeding RMB20 million. In particular, the contract amount of the Company shall not exceed RMB15.70 million (not more than RMB9.42 million in 2022); the contract amount of Yangtze River Management Company shall not exceed RMB900,000 (not more than RMB540,000 in 2022); the contract amount of Guangjing Xicheng Company shall not exceed RMB2 million (not more than RMB1.20 million in 2022); the contract amount of Changyi Company shall not exceed RMB500,000 (not more than RMB300,000 in 2022); the contract amount of Yichang Company shall not exceed RMB600,000 (not more than RMB360,000 in 2022); the contract amount of Ninghu Investment Company shall not exceed RMB100,000 (not more than RMB60,000 in 2022); the contract amount of Factoring Company shall not exceed RMB0.1 million (not more than RMB60,000 in 2022); and the contract amount of Ninghu Real Estate Company shall not exceed RMB100,000 (not more than RMB60,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company signed an annual framework agreement with Expressway Petroleum Company (an associate of the controlling shareholder of the Company) on the leasing of 7 gas stations in 4 service areas of Liduan, Ningchang Town. The term of the agreement commenced from 1 January 2022 to 30 April 2023, with a contract amount not exceeding RMB25.60 million (not more than RMB19 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company signed an annual framework with Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company) on the leasing of gas stations in service areas of Guangling, Yangzhou and Taihu Bay, Wujin. In particular, the term of the lease agreement for gas stations in service areas with Wufengshan Toll Bridge Company commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB3.10 million (not more than RMB2.40 million in 2022); and the term of the lease agreement for gas stations in service areas with Suxichang South Expressway Company commenced from its opening date to 30 April 2023, with an amount not exceeding RMB950,000 (not more than RMB600,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company and its wholly-owned subsidiary Ninghu Investment Company, entered into an annual framework agreement for publicity and commissioned production services and advertising operation and publication cooperation with Communications Media Company (an associate of the controlling shareholder of the Company). In particular, the entrustment term of publicity and production between the Company and Communications Media Company commenced from 1 May 2022 to 30 April 2023, with an amount of no more than RMB5,062,300 (not more than RMB4,862,300 in 2022); the cooperation term of LED display between the Company and Communications Media Company commenced from 1 May 2022 to 31 December 2022 with an amount of no more than RMB200,000; the cooperation term of advertisement operation and publication between Ninghu Investment Company and Communications Media Company commenced from 1 May 2022 to 30 April 2025, with an amount of no more than RMB121 million (not more than RMB27 million in 2022); and the term of entrustment management fees between Ninghu Investment Company and Communications Media Company commenced from 1 May 2022 to 30 April 2025, with an amount of no more than RMB17.50 million (not more than RMB3.90 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

# SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company, its wholly-owned subsidiary Ninghu Investment Company and its wholly-owned subsidiary Factoring Company, entered into an annual framework agreement for the procurement of goods and services with Cuiplingshan Hotel (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB3,003,900 (not more than RMB2,233,900 in 2022). In particular, the amount of the Company shall not exceed RMB2,923,900 (not more than RMB2,183,900 in 2022); the amount of Ninghu Investment Company shall not exceed RMB30,000 (not more than RMB20,000 in 2022); and the amount of Factoring Company shall not exceed RMB50,000 (not more than RMB30,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company, its wholly-owned subsidiary Factoring Company and its controlled subsidiary Guangjing Xicheng Company, Zhendan Company, and Wufengshan Toll Bridge Company entered into an annual agreement for car leasing business with Kuailu Company (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB27,291,200 (not more than RMB18,646,100 in 2022). In particular, the amount of the Company shall not exceed RMB19,531,200 (not more than RMB13,276,100 in 2022); the amount of Factoring Company shall not exceed RMB40,000 (not more than RMB20,000 in 2022); the amount of Guangjing Xicheng Company shall not exceed RMB1.45 million (not more than RMB1 million in 2022); the amount of Wufengshan Toll Bridge Company shall not exceed RMB4.66 million (not more than RMB3.1 million in 2022); and the amount of Zhendan Company shall not exceed RMB1.61 million (not more than RMB1.07 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the controlled subsidiary Guangjing Xicheng Company entered into an annual framework agreement for the maintenance service of the roads around Taihu Lake with Engineering Maintenance Company (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 1 May 2022 to 31 December 2022, with an amount not exceeding RMB1 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company entered into an annual framework agreement for accepting the entrustment of operation and management of the northern section of Changyi Phase I Project with Changyi Company (the connected subsidiary of the Company). The term of the agreement commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB9.52 million (not more than RMB6.30 million in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 29 April 2022, due to the postponement of the simultaneous implementation project between the Company and the South Riverside Intercity Railway across Jintan East of Shanghai-Wuhan Expressway (G4221), the Company and South Riverside Intercity Railway Company entered into an agreement for Agent Construction with the Construction Command Office of Nanjing Railway Hub Project of China Railway Shanghai Bureau Group. The amount of relevant design fees will be increased from no more than RMB850,000 to no more than RMB1.05 million, and the agreement will expire on 30 November 2022.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>On 15 December 2021, Rudong Company entered into a power purchase and sale contract (Note) with Nantong Tiandian (an associate of controlling shareholder of the Company), for Nantong Tiandian to act as its electricity supply unit from 1 January 2022 to 31 December 2022. The amount of the agreement shall not exceed RMB5.365 million.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>On 16 December 2021, YS Energy Company entered into a lease agreement (Note) with Communications Holding Commercial Operation Company (an associate of controlling shareholder of the Company), under which Communications Holding Commercial Operation Company leases to YS Energy Company a total of 2,304.66 sq.m. of office premises on the 18th and 20th floors of office building A2 of Zijin Finance Center from 1 January 2022 to 30 September 2025. The amount of the agreement shall not exceed RMB15.064 million and the rent in 2022 shall not exceed RMB3.8948 million.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>After the completion of the Company's acquisition of YS Energy Company, Communications Holding Commercial Operation Company (an associate of controlling shareholder of the Company) provided canteen services to YS Energy Company, with the transaction amount for 2022 amounting to RMB399,500.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>After the completion of the Company's acquisition of YS Energy Company, YS Energy Company entered into a three-party power supply agreement (Note) with State Grid Corporation, Jiangsu Eastern Expressway Management Co., Ltd., Jiangsu Lianxu Expressway Co., Ltd., Jiangsu Suhuiyan Highway Management Co., Ltd., Xinyi Branch of Jiangsu Hetai Expressway Operation &amp; Management Co., Ltd., Jiangsu Yanjiang Expressway Co., Ltd. and Jiangsu Ningsuxu Expressway Co., Ltd. respectively (all of the above are the associate of controlling shareholder of the Company) for a period of five years from the date of grid-connected power generation of the photovoltaic power plants, under which YS Energy sold clean energy electricity generated from the photovoltaic power plants to the above-mentioned expressway companies. The electricity tariff was determined according to the price announced by the government and is settled monthly after use. The transaction amount for 2022 was RMB5.3485 million.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>After the completion of the Company's acquisition of YS Energy Company, Kuailu Company provided long-distance car rental services to YS Energy Company. The transaction amount for 2022 was RMB63,495.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>On 26 May 2022, YS Energy Company entered into the Agreement on Consulting Service Contract for Optimization of Position and Compensation Management (Note) with Human Resources Company (an associate of controlling shareholder of the Company), under which Human Resources Company provided consulting services to YS Energy Company for the period from 26 May 2022 to 24 August 2022. The amount of the agreement was RMB250,000.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>



## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>Certain associates agreement (Note) of Jiangsu Communications Holding agreed to provide certain leases of land and roofs to YS Energy Company (as lessee) for the construction and operation of photovoltaic power generation business. The transaction amount of these leases in 2022 was RMB203,700. According to the industry practice, the term of the agreements signed by YS Energy Company exceeds 3 years, which is usually 20 years from the effective date (the maximum term allowed by the PRC law). In some of the agreements, YS Energy Company has the option to renew for 5 years to cover the entire 25-year design operation period of the photovoltaic power generation business (for details, please refer to the announcements published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022).</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>On 17 June 2022, the Company, its wholly-owned subsidiary Ninghu Investment Company and its wholly-owned subsidiary Factoring Company, Ninghu Properties Company, Hanwei Company entered into an agreement for the procurement of goods (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 1 July 2022 to 30 April 2023, with an amount not exceeding RMB23,096,000 (not more than RMB14,416,000 in 2022).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 June 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 June 2022, respectively.</p>
<p>On 26 October 2022, the Company entered into an agreement for simulation system development project of occupational skill level certification with Moving Technology Company (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 26 December 2022 to 25 July 2023, with an amount not exceeding RMB1,898,800 (not more than RMB950,000 in 2022).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 October 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 October 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 October 2022, the Company entered into an agreement for Electronic toll collection (ETC) with Kuailu Company (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 1 January 2022 to 31 December 2024, with an amount not exceeding RMB3.30 million (not more than RMB1 million in 2022). The settlement fee is subject to the actual toll, amounted to RMB139,100 for 2022.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 October 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 October 2022.</p>
<p>On 25 December 2022, Ninghu Investment Company (a wholly-owned subsidiary of the Company) partially reduced the 2022 rent of billboards along the expressways under its jurisdiction and reduced the advertising publication fee of Media Company (an associate of the controlling shareholder of the Company) by no more than RMB16,541,200.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company and its subsidiaries, Guangjing Xicheng Company, Zhendan Company and Wufengshan Toll Bridge Company, entered into the Expressway Network Management Services Agreement with Network Operation Company (an associate of controlling shareholder of the Company), respectively, with the term of three years from 1 January 2023 to 30 April 2023. The total amount shall not exceed RMB17.95 million. In particular, the agreement amount of the Company and Network Operation Company shall not exceed RMB13 million, the agreement amount of Guangjing Xicheng Company and Network Operation Company shall not exceed RMB2.70 million, the agreement amount of Zhendan Company and Network Operation Company shall not exceed RMB400,000, and the agreement amount of Wufengshan Toll Bridge Company and Network Operation Company shall not exceed RMB1.85 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company entered into the property leasing supplementary agreement with Kuailu Company (an associate of the controlling shareholder of the Company), extending the lease until 31 March 2023 at a rent of RMB547,100.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 15 December 2022, the Company and Sundian Testing Company (an associate of controlling shareholder of the Company) entered into a lease agreement for the Maqun Engineering Management Centre for a term from 1 January 2023 to 30 April 2025 at an annual rent of RMB2,183,400 and a total rent of approximately RMB5,094,600 (which was 0 in 2022).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, Jiangsu Communications Holding Renewable Energy Jiangsu Company (a wholly-owned subsidiary of the Company) and Jiangsu Eastern Expressway Company (an associate of controlling shareholder of the Company) entered into the Land Use Right Lease Contract for the Jiangsu Eastern Expressway Interchange Distributed PV Power Generation Project in relation to the lease of the land in the interchange area, at a contract amount of RMB1.62 million and with a contract term from 1 January 2023 to 31 December 2042.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, Jiangsu Communications Holding Renewable Energy Jiangsu Company (a wholly-owned subsidiary of the Company) and Jiangsu NJY Expressway Company (an associate of controlling shareholder of the Company) entered into the Land Use Right Lease Contract for the Jiangsu NJY Expressway Interchange Distributed PV Power Generation Project in relation to the lease of the land in the interchange area, at a contract amount of RMB9,423,000 and with a contract term from 1 January 2023 to 31 December 2042.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 15 December 2022, the Company and its subsidiaries, Zhendan Company, Guangjing Xicheng Company, Changyi Company and Yichang Company, entered into the Expressway Network Management Services Agreement with Digital Transportation Research Institute (an associate of controlling shareholder of the Company) for the “Traffic Control Cloud” and Cloud Resource Technology Service Project respectively for a term from 1 January 2023 to 30 April 2023, with the cumulative amount of the agreements not exceeding RMB5.06 million. In particular, the agreement amount of the Ninghu Company and Digital Transportation Research Institute shall not exceed RMB4.11 million, the agreement amount of Zhendan Company and Digital Transportation Research Institute shall not exceed RMB110,000, the agreement amount of Guangjing Xicheng Company and Digital Transportation Research Institute shall not exceed RMB720,000, the agreement amount of Changyi Company and Digital Transportation Research Institute shall not exceed RMB40,000, and the agreement amount of Yichang Company and Digital Transportation Research Institute shall not exceed RMB80,000.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, Hanwei Company (a wholly-owned subsidiary of the Company) entered into a property management agreement with Communications Holding Commercial Operation Company (an associate of controlling shareholder of the Company). The term of the agreement shall commence on 1 January 2023 and end on 30 April 2024, with a contract amount of not exceeding RMB7.87 million (the estimated amount shall not exceed RMB5.90 million in 2023, and shall not exceed RMB1.97 million from 1 January 2024 and end on 30 April 2024).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company entered into the power purchase agreement with Nantong Tiandian Xinxing Energy Company Limited (an associate of controlling shareholder of the Company) for a term commencing from 1 January 2023 to 31 December 2025. The contractual amount shall be no more than RMB38.50 million in total, with the total amount in not exceeding RMB115.50 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>

*Note:* During the Reporting Period, the transfer of equity interest in YS Energy Company has been completed and the business change was registered in July 2022, therefore the above transactions constitute continuing connected transactions of the Company.

## SIGNIFICANT MATTERS

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable  N/A

3. Events not disclosed in temporary announcements

Applicable  N/A

Unit: Ten thousand yuan Currency: RMB

Party to Related Transaction	Related Relationship	Type of Related Transaction	Contents of Related Transaction	Pricing Principle of Related Transaction	Price for Related Transaction	Amount of Related Transaction	Percentage of Amount of Similar Transactions (%)	Settlement Method for Related Transaction	Market Price	Reasons for Significant Differences Between the Transaction Price and the Market Reference Price
Kuailu Company	Holding subsidiary	Leasing	Leasing fee of premises	Appraisal pricing	24.175	24.175	0.28	Cash	24.175	Appraisal pricing is adopted and there is no difference with the market price
Total				/	/	24.175	/	/	/	/
Details of large sales return										
Explanation of related party transactions		N/A								
		On 15 December 2022, the Company and Kuailu Company entered into a supplemental agreement on the lease of premises to extend the lease term to 31 March 2023 at a rental of RMB547,100. For details, see the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022. It is confirmed that the final version of the appraisal report has adjusted the appraised value of this transaction by increasing the rent by RMB241,750, and the total related party transaction amounted to RMB788,850.								

# SIGNIFICANT MATTERS

## (II) Related party transactions from acquisition and disposal of assets or equity interests

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable  N/A

Summary of the Event	Document for Inspection
<p>On 17 June 2022, as approved at the 2021 annual Shareholders' Meeting, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. During the Reporting Period, the transfer of equity interest in YS Energy Company has been completed and the business change was registered in July 2022.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022 and the general meeting Announcements published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 June 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 June 2022.</p>
<p>On 26 October 2022, Hanwei Company, a wholly-owned subsidiary of the Company, (as the seller) entered into the Commercial Housing Subscription Agreement with Communications Holding Commercial Operation Company (an associate of the controlling shareholder of the Company) (as the buyer) in relation to the sales of 5,862.56 sq.m. of the commercial properties of the Hanrui Centre Project, with the transaction amount of RMB187,706,300.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2022 and the shareholders' general meeting Announcements published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 13 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 12 December 2022.</p>

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable  N/A

3. Events not disclosed in temporary announcements

Applicable  N/A

4. If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed

Applicable  N/A

## SIGNIFICANT MATTERS

### (III) Significant related party/connected transactions on the joint external investment

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable  N/A

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable  N/A

On 23 December 2019, as approved at the fourteenth meeting of the ninth session of the board of directors of the Company, Ninghu International Company (a wholly-owned subsidiary of the Company) as the main body, formed a six-party consortium with five other companies to acquire 51% of the equity interest of ICA Company in Turkey, 51% shareholder loan from the original shareholders of ICA Company, and 51% equity interest of Eurasia Motorway Maintenance and Operations Limited in Hong Kong.

After the signing of the Share Purchase Agreement, all parties to the transaction actively advanced the acquisition. However, given the fact that the parties to the transaction had not reached a consensus on the relevant terms of the refinancing arrangement (which was supposed to take effect immediately upon closing), and the preconditions for the transaction under the Share Purchase Agreement could not be fully completed, the parties decided to terminate the acquisition after friendly negotiation. On 27 January 2022, the seventh meeting of the tenth session of the Board of Directors of the Company considered and approved the Resolution on Termination of the Acquisition of Offshore Assets by the Company and the Parties to the Consortium. On 9 March 2022, the parties to the transaction jointly entered into the Termination Agreement to terminate the acquisition of overseas assets mentioned above. For details, please refer to the announcements of the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 28 January and 11 March 2022 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 27 January and 10 March 2022.

3. Events not disclosed in temporary announcements

Applicable  N/A

### (IV) Claims and liabilities between related/connected parties

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable  N/A

Summary of the Event	Document for Inspection
<p>On 22 March 2019, the Company entered into the Financial Services Agreement with Finance Company (being an associate of the controlling shareholder of the Company) for a term of three years commencing on 1 April 2019. The maximum daily deposit balance (including interest accrued) should not exceed RMB500 million and should be lower than 5% of the audited operating revenue, total assets or market value of the Company; meanwhile, Finance Company should grant the Company a comprehensive unsecured credit facility of no less than RMB2 billion.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 25 March 2019 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 24 March 2019, respectively.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 February 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (being a connected subsidiary of the Company). The amount of loan that the Company provided to Wufengshan Toll Bridge Company (a direct subsidiary of the Company) was no more than RMB1.5 billion. The loans shall be valid for three years from the date of the approval at the general meeting, and the loans shall be applied towards road &amp; bridge projects and shall be drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest was calculated on the basis of the prevailing interest rates of the corporate bonds to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 6 March 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 5 March 2020.</p>
<p>On 31 March 2020, the Company signed a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company). The Company proposed to use proceeds raised from the medium-term notes and ultra-short-term notes to be issued to provide loans to Guangjing Xicheng Company, with an amount of no more than RMB600 million and RMB500 million, respectively, which shall be applied towards the repayment of due loans of Guangjing Xicheng Company. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes and ultra-short-term notes to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Guangjing Xicheng Company. The loan of RMB600 million provided to Guangjing Xicheng Company with the proceeds raised from the medium-term notes as agreed in the original loan agreement dated 31 March 2020 has not been withdrawn. In order to broaden the sources of funds, the Company and Guangjing Xicheng Company entered into a termination agreement on 26 March 2021.</p>	<p>For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 7 May 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 6 May 2020. For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 31 March 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (an associate of the controlling shareholder of the Company). The Company proposed to use proceeds raised from the issued medium-term notes to provide Wufengshan Toll Bridge Company, a subsidiary of the Company, with loans of no more than RMB1.8 billion, which shall be applied towards road &amp; bridge projects construction or the replacement of the late stage project loans. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes to be issued of the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 7 May 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 6 May 2020.</p>



## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 24 June 2020, the Company signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (the controlling shareholder of the Company). Jiangsu Communications Holding shall provide the proceeds it applied from the local government raised through a special bond, with a funding balance of no more than RMB500 million. The funding cost shall be calculated based on the amount, interest rate, term of the bond and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be paid by the Company. No pledge or guarantee is required to be provided by the Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The expenses in relation to the repayment of the principal and interest shall be paid by the Company. Wufengshan Toll Bridge Company, Changyi Company, Yichang Company, all being subsidiaries of the Company, signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (a controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of short-term notes, ultra-short-term notes, medium-term notes, enterprise bonds and insurance funds and other types of direct financing instrument for the aforesaid subsidiaries of the Company. The funds shall be used for the construction of Wufengshan Toll Bridge Project, Changyi and Yichang Expressway Projects, complementing current funds capital and repaying interest-bearing debts. Each of the funding balance shall not exceed RMB1 billion. The funding cost shall be calculated based on the amount, interest rate, term of the financing product and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be born and paid by each of the subsidiaries. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The repayment of the principal and related interest and expenses shall be borne and paid by Wufengshan Toll Bridge Company, Changyi Company and Yichang Company.</p>	<p>For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 June 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 24 June 2020.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 30 October 2020, the Company entered into a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company shall use proceeds raised from the issuance of ultra-short-term notes to provide a loan to Guangjing Xicheng Company, a direct subsidiary of the Company, with an amount of not more than RMB500 million. The loan shall be used by Guangjing Xicheng Company to repay the bank loans due. The term of the loan is three years. The interest of the loan is calculated on the basis of the prevailing interest rates of the ultra-short-term notes to be issued. The expenses in relation to the Company's issuance of ultra-short-term notes and the repayment of the principal and interest shall be borne and paid by Guangjing Xicheng Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 31 October 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 November 2020.</p>
<p>On 26 March 2021, the Company and Longtan Bridge Company, Guangjing Xicheng Company (both being controlled subsidiaries of the Company), signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (the controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of ultra-short-term notes, medium-term notes, corporate bonds and insurance debt scheme, local government special bonds and other types of direct financing instruments. The proceeds raised shall be used for repayment of due debts, project construction, equity capital contribution, replenishment of working capital and other purposes permitted by laws and regulations. The funding balance for each of the Company, its subsidiaries Longtan Bridge Company and Guangjing Xicheng Company will not exceed RMB1 billion. The funding cost shall be calculated based on the amount, interest rate, term of the financing products and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China of the same term. The repayment of the principal and related interest and expenses shall be borne and paid by each of the subsidiaries. No pledge or guarantee is required to be provided by the Company, Longtan Bridge Company, Guangjing Xicheng Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement.</p>	<p>For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company signed a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Guangjing Xicheng Company, with an amount of not more than RMB800 million and, with a term of three years. Interest of loans is calculated at the prevailing interest rate of the financing products to issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Guangjing Xicheng Company. Such loans shall be valid for a term of two years with effect from the date of approval at the general meeting.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021 as well as the relevant circular published on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2021.</p>
<p>On 26 March 2021, the Company signed a loan agreement with Wufengshan Toll Bridge Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Wufengshan Toll Bridge Company, with an amount of not more than RMB1 billion and, with a term of three years. The interest of the loans is calculated at the prevailing interest rate of the financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Wufengshan Toll Bridge Company. Such borrowing shall be valid for a term of two years with effect from the date of approval at the general meeting.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021 as well as the relevant circular published on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2021.</p>
<p>On 25 March 2022, the Company entered into the Financial Services Agreement with Finance Company (being an associate of the controlling shareholder of the Company) for a term of three years commencing on 1 April 2022. The maximum daily deposit balance (including interest accrued) should not exceed RMB600 million and should be lower than 5% of the audited operating revenue, total assets or market value of the Company; meanwhile, Finance Company should grant the Company a comprehensive credit facility of no less than RMB5 billion, and guarantee that the loan interest rate granted to the Company should not be higher than the benchmark lending rates set by the People's Bank of China for the same period, and no higher than the interest rates granted to the Company by large state-owned commercial banks and national joint-stock commercial banks under the same conditions, and no collateral or guarantee should be provided by the Company.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 17 January 2020, Jiangsu Communications Holding (the controlling shareholder of the Company) entered into a loan agreement with Rudong Company, a 72%-owned subsidiary of YS Energy Company, to provide a loan of RMB300 million to Rudong Company and a guarantee agreement dated 19 March 2020 to guarantee the loan of Rudong Company in the Jiangsu Branch of China Development Bank (total credit limit of RMB4 billion). The maturity date of the RMB300 million loan is 20 January 2025, and Rudong Company is responsible for the payment of interest and repayment of principal in accordance with the terms of the 3.74% per annum green bonds issued by Jiangsu Communications Holding for the purpose of providing the loan. The interest rate shall not be higher than the quoted market interest rate of the loan. The annual guarantee fee was determined according to the shareholding ratio of state-owned assets. Since the relevant project company was 72% owned by YS Energy Company, the annual guarantee fee for 72% of the total guarantee amount was 0.1%, and the annual guarantee fee for the remaining portion of the total guarantee amount was 1%.</p> <p>During the Reporting Period, the transfer of equity interest in YS Energy Company has been completed and the business change was registered in July 2022, therefore the above transactions constitute continuing connected transactions of the Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>

## SIGNIFICANT MATTERS

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable  N/A

3. Events not disclosed in temporary announcements

Applicable  N/A

Unit: Yuan Currency: RMB

Related/connected parties	Connected relationship	Funding provided to related/connected parties			Funding provided by related/connected parties to the listed company		
		Opening balance	Amount Incurred	Closing balance	Opening balance	Amount Incurred	Closing balance
Finance Company	Associate				1,012,445,698.64	415,836,717.47	1,428,282,416.11
Jiangsu Communications Holding	Parent company				3,038,001,015.56	249,708,983.59	3,287,709,999.15
Tongchang Real Estate Investment Company	Subsidiary of the parent company				52,063,555.55	-52,063,555.55	-
Media Company	Subsidiary of the parent company				93,134,979.17	-93,134,979.17	-
East Road & Bridge Company	Wholly-owned subsidiary of the parent company				20,026,888.89	-20,026,888.89	-
Husuzhe Company	Subsidiary of the parent company				23,028,111.11	-23,028,111.11	-
YS Capital	Subsidiary of the parent company				19,027,576.39	-19,027,576.39	-
Nanlin Hotel Company	Associate				9,517,482.64	-9,517,482.64	-
Total					4,267,245,307.95	448,747,107.31	4,715,992,415.26
Reasons for related/connected creditor's rights and debts		The related/connected creditor's rights and debts were formed due to the borrowing and lending of funds among the related/connected parties. The above funds shall be provided at a rate not exceeding the prevailing bank loan interest rate in the corresponding period. The Company and its subsidiaries were not required to provide any guarantee and pledge.					
Effects of related/connected creditor's rights and debts on the Company		The related/connected creditor's rights and debts did not have a material impact on the Company's operation result and financial condition.					

## SIGNIFICANT MATTERS

(V) Financial transactions between the Company and the related/connected finance companies and between finance companies controlled by the Company and related/connected parties

Applicable  N/A

1. Deposit

Applicable  N/A

Unit: Yuan Currency: RMB

Related/ connected parties	Related/connected relationship	Daily maximum deposit limit	Deposit interest rate range	Amount incurred in the period			
				Opening balance	Total deposits for the period	Total amount withdrawn for the period	Closing balance
Finance Company	Associate and the same ultimate shareholder	The maximum daily deposit balance (including interest accrued) should not exceed RMB600 million and should be lower than 5% of the audited operating revenue, total assets or market value of the Company.	The deposit interest rate is calculated at 0.385% up to RMB100,000 and 1.265% over RMB100,000; margin deposits bear interest at the interest rate quoted by the corresponding finance company for lump-sum deposit and withdrawal deposit.	507,851,958.95	13,685,438,750.89	13,596,246,253.81	597,044,456.03
Total	/	/	/	507,851,958.95	13,685,438,750.89	13,596,246,253.81	597,044,456.03

## SIGNIFICANT MATTERS

### 2. Loan business

Applicable  N/A

Unit: Yuan Currency: RMB

Related/connected parties	Related/connected relationship	Loan limit	Loan interest rate range	Opening balance	Amount incurred in the period		
					Total loans for the period	Total repayment amount for the period	Closing balance
Finance Company	Associate and the same ultimate shareholder	A comprehensive unsecured credit facility of no less than RMB5 billion	2.6%-4.5%	1,011,336,060	1,427,000,000	1,011,336,060	1,427,000,000
Total	/	/	/	1,011,336,060	1,427,000,000	1,011,336,060	1,427,000,000

### 3. Credit extension or other financial business

Applicable  N/A

Unit: Yuan Currency: RMB

Related/connected parties	Related/connected relationship	Business type	Total	Total Amount incurred
Finance Company	Associate and the same ultimate shareholder	Electronic commercial bill acceptance	146,000,000	45,700,000

### 4. Other explanations

Applicable  N/A

## (VI) Others

Applicable  N/A

#### 1. Confirmation given by independent non-executive directors of the Company in respect of related party/connected transactions

The independent non-executive directors of the Company have reviewed all related party/connected transactions and confirm that:

- (1) such transactions were entered into in the ordinary and usual course of business of the Group;
- (2) such transactions were conducted on normal commercial terms; and
- (3) such transactions were conducted in accordance with the terms of the agreements governing the relevant transactions. Such terms were fair and reasonable and in the interests of the Company's shareholders as a whole.

## SIGNIFICANT MATTERS

### 2. Confirmation given by the accounting firm in respect of continuing connected transactions

The Company has notified the Auditors of the information relating to the continuing connected transactions to be disclosed in the 2022 annual report of the Company. The Auditors has reviewed the information relating to such continuing connected transactions and has issued a letter to the Board of Directors to confirm that such continuing connected transactions:

- (1) have been approved by the Board of Directors of the Company;
- (2) were, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (3) were entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) have not exceeded the annual caps set by the Company.

### 3. The related party/connected transactions set out in the Notes to the Financial Report of the Company for 2022

The related party/connected transactions set out in Note X to the Financial Statements of the Company for 2022 are in compliance with the disclosure requirements of the connected transactions under Chapter 14A of the Hong Kong Listing Rules:

- 1) Note X:
  - (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties  
Purchase of goods, receipt of services and interest expense of loans

Unit: Yuan Currency: RMB

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Xiandai R&B Company	Road maintenance fee	250,166,013.76	493,772,854.01	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022, 28 April 2021, 29 March 2021, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Traffic safety facilities enhancement projects, bridge repair and reinforcement projects, guardrail upgrading projects and other special projects	122,159,514.03	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Wufengshan Bridge service area design and construction fees	-	6,240,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Xiandai R&B Company	Emergency on-site project construction fees	-	1,851,424.91	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))



## SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Xiandai R&B Company	Bridge expansion joint replacement project and other related special projects	13,164,435.28	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Greening renovation and environmental improvement project	4,636,084.48	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Xiandai R&B Company	Winter emergency cooperation project	7,474,052.00	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Network Operation Company	Maintenance and operating administration fees for toll collection system	24,221,244.00	25,391,753.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Network Operation Company	Communication system maintenance fee	2,414,764.00	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Tongxingbao Company	Maintenance and operating administration fees for toll collection system	34,006,506.59	33,662,693.64	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022, 29 March 2021, 24 December 2020, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Maintenance Technology Company	Road maintenance fee	26,845,151.16	25,753,467.97	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company	System maintenance fee	731,558.55	3,636,750.81	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022, 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)

# SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Information Company	Spare parts commission management fee	3,038,839.76	2,797,056.18	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company	Mechanical and electrical system construction and maintenance services	2,637,138.49	7,146,647.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company	Renovation project	-	1,390,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Huatong Engineering Company	Engineering reinforcement and maintenance fee	1,834,337.40	28,542,874.98	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022, 29 March 2021 and 27 August 2021 on the Stock Exchange in accordance with the Listing Rules)
Kuailu Company	Lease fee of transportation service	11,780,398.09	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 April 2022 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Kuailu Company	Lease fee of transportation service	10,746,361.94	18,163,635.68 (Note 1)	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Nanlin Hotel Company	Food and beverage	1,088.00	7,153.00	No (an associate of the Company)	Not applicable
Micro Video Company	Three major systems construction and maintenance fee	5,250,048.50	10,156,648.41	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 October 2022, 28 March 2022, 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Engineering Maintenance Company	Road maintenance fee	868,992.86	1,832,698.87	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Sundian Testing Company	Road maintenance fee	2,599,120.62	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

## SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Sundian Testing Company	Road maintenance fee	–	11,388,427.14	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
East Road & Bridge Company	Winter emergency cooperation project	11,116,679.00	8,457,059.30	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
East Road & Bridge Company	Road maintenance fee	2,122,379.00	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Media Company	Commission management fee	7,957,992.62	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Media Company	Advertising and promotion fee	–	9,190,089.80	Yes, continuing connected transactions (associate of The Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Cuipingshan Hotel	Procurement and service fee	424,800.38	726,313.73	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Communications Holding Commercial Operation Company	Procurement and service fee	3,240,253.54	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 17 June 2022 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Communications Holding Commercial Operation Company	Procurement and service fee	487,493.98	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Jiangsu Communications Holding	Cloud Platform Service Fee	4,326,460.08	2,548,769.33	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Nantong Tiandian Company	Electricity procurement fee	3,984,501.55	2,282,194.98	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

# SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Communications Holding Human Resources Company	Training fee	10,392,254.54	8,841,215.66	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 28 August 2020, 29 March 2021, 8 August 2021, 22 December 2021, 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Luode Fund Company	Commission management fee	7,666,802.99	–	No (an associate of the Company)	Not applicable
Jiangsu South Riverside Railway	Design fee	1,110,000.00	–	Yes, connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 4A.76(1)(a))
Jiangsu Communications Holding	Interest expenses of loans from a related party	129,109,846.09	124,353,814.85	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Bank of Jiangsu (Note 2)	Underwriting fee	63,013.70	310,963.89	No (investee company of the Company)	Not applicable
Bank of Nanjing (Note 3)	Underwriting fee	5,222.22	–	No (investee company of the Company's substantial shareholder)	Not applicable
Bank of Jiangsu	Handling fee	292.00	1,927.00	No (investee company of the Company)	Not applicable
Bank of Nanjing	Handling fee	2,447.31	2,223.80	No (investee company of the Company's substantial shareholder)	Not applicable
Bank of Nanjing	Investment income of wealth management products	1,907,756.82	–	No (investee company of the Company's substantial shareholder)	Not applicable
Sutong Bridge Company	Interest expenses of entrusted loan	–	9,378,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Husuzhe Expressway	Interest expenses of entrusted loan	534,111.11	4,170,277.78	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

## SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	Interest expenses of working capital loan	35,565,058.56	28,477,038.99	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 24 March 2019, 1 April 2022 on the Stock Exchange in accordance with the Listing Rules)
East Road & Bridge Company	Interest expenses of working capital loan	510,888.89	892,222.22	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Media Company	Interest expenses of working capital loan	2,253,916.72	4,478,854.14	Yes, connected transaction, (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Tongchang Real Estate Investment Company	Interest expenses of working capital loan	1,554,666.67	1,601,177.06	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
YS Capital	Interest expenses of working capital loan	258,083.33	917,541.67	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Nanlin Hotel Company Tongsha Port	Interest expenses of working capital loan	93,284.72	788,170.12	No, (an associate of the Company)	Not applicable
	Interest expenses of working capital loan	-	35,625.00	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

Note 1: On 28 September 2021, the Company entered into the Equity Transfer Agreement with Jiangsu Communications Holding, under which the Company shall transfer its 18 million shares in Kuailu Company (representing 11.98% of the issued shares of Kuailu Company) to Jiangsu Communications Holding. Upon the completion of the Equity Transfer Agreement, Jiangsu Communications Holding directly holds more than 10% of Kuailu Company and together with the Company's holding, hold an aggregate of more than 30% of Kuailu Company, Kuailu Company is a connected person of the Company pursuant to Rules 14A.07(4), 14A.13(3) and 14A.14 of the Hong Kong Listing Rules. The applicable percentage ratios of the transactions for the period from the completion of the Equity Transfer Agreement to 31 December 2021 were less than 0.1% and was fully exempted from the announcement and shareholders' approval requirements according to Rule 14A.76(1)(a) of the Listing Rules.

Note 2: For the Company's shareholding in Bank of Jiangsu, please refer to the section headed "Section III Report of the Board – (V) Analysis of investment – 1. Material equity investments". The Company's substantial shareholder (i.e. Jiangsu Communication Holding), directly or indirectly held less than 30% of shareholding in Bank of Jiangsu.

Note 3: During the Reporting Period, the Company does not have any shareholding in Bank of Nanjing. The Company's substantial shareholder (i.e. Jiangsu Communication Holding), directly or indirectly held less than 30% of shareholding in Bank of Nanjing.

Pricing and decision-making procedures of connected transactions: For significant connected transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the connected director should abstain from voting. The independent directors should then express an independent opinion. For all connected transactions, the price is settled by signed contracts.

# SIGNIFICANT MATTERS

Sale of goods/rendering of services/interest income of borrowings/loans

Unit: Yuan Currency: RMB

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	Interest income from deposits	4,847,390.00	4,768,021.81	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Bank of Jiangsu	Interest income from deposits	11,040.16	56,676.10	No (investee company of the Company)	Not applicable
Bank of Nanjing	Interest income from deposits	282,666.12	198,515.03	No (investee company of the Company's substantial shareholder)	Not applicable
Kuailu Company	Toll road income	162,669.92	180,000.00	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Tongxingbao Company	ETC customer-service network management income	-	388,250.41	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Kuailu Company	Income from sales of petroleum products	368,875.97	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Suxichang South Company	Income from sales of petroleum products	134,039.49	-	Yes, connected transaction, (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)

## SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Xiandai R&B Company	Income from sales of petroleum products	1,140,560.69	1,485,967.75	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Luode Fund Company	Income from sales of petroleum products	9,156.07	876.20	No (an associate of the Company)	Not applicable
Suxichang South Company	Entrusted management income	34,438,119.58	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Yangtze Bridge Company	Entrusted management income	14,262,200.00	14,142,600.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Hutong Bridge Company	Entrusted management income	8,210,800.00	8,005,900.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Xitai Company	Entrusted management income	420,000.00	410,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Lianxu Expressway Company	Income from electricity sales	1,340,735.65	1,051,182.81	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

## SIGNIFICANT MATTERS

Related parties	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Eastern Expressway Company	Income from electricity sales	852,472.23	686,331.54	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Suhaiyan Highway Company	Income from electricity sales	929,544.02	811,311.96	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Ningsuxu Expressway Company	Income from electricity sales	1,233,384.20	1,097,279.65	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Yanjiang Company	Income from electricity sales	165,957.38	144,513.26	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Runyang Bridge Company	Income from electricity sales	382,602.62	313,491.96	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Hetai Expressway Company	Income from electricity sales	314,645.68	402,898.50	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Communications Holding Commercial Operation Company	Income from real estate sales	176,004,575.09	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (announcement was published on 27 October 2022 on the Stock Exchange in accordance with the Listing Rules)



## SIGNIFICANT MATTERS

(2) Leases with related parties

The Group as the lessor:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
The Company	Expressway Energy Development Company	Fixed assets	17,152,850.66	12,975,314.12	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022, 29 March 2021 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Expressway Energy Development Company	Fixed assets	5,351,890.18	8,636,975.98	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Taixing Hechang Oil Products	Fixed assets	2,813,489.06	3,574,164.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Railway Group Company	Fixed assets	3,973,640.00	3,973,640.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Xiandai R&B Company*	Fixed assets	1,690,000.00	1,690,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
The Company	Kuailu Company	Fixed assets	950,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

## SIGNIFICANT MATTERS

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Guangjing Xicheng Company	Media Company	Fixed assets	3,243,599.98	6,314,600.04	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 and 26 October 2018 on the Stock Exchange in accordance with the Listing Rules)
Ninghu Investment Company	Media Company	Fixed assets	20,115,746.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 15 December 2022, 28 March 2022 and 22 December 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Yangtze Bridge Company	Fixed assets	-	130,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
The Company	Tongxingbao Company	Fixed assets	157,513.38	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Tongxingbao Company	Fixed assets	472,540.14	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Guangjing Xicheng Company	Tongxingbao Company	Fixed assets	48,534.80	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
YS Energy Company	Three Gorges New Energy Nantong Co., Ltd.	Fixed assets	431,748.43	143,555.36	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

# SIGNIFICANT MATTERS

The Group as lessee:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Communications Holding Commercial Operation Company	Ninghu Investment Company	Fixed assets	2,298,500.00	2,298,518.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Communications Holding Commercial Operation Company	Factoring Company	Fixed assets	1,250,663.80	1,250,664.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Communications Holding Commercial Operation Company	YS Energy Company	Fixed assets	3,924,211.00	124,985.89	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Yangtze Bridge Company	Yangtze River Management Company	Fixed assets	1,123,000.00	1,000,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Suhuaiyan Highway Company	YS Energy Company	Fixed assets	51,378.00	48,469.81	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Yanjiang Company	YS Energy Company	Fixed assets	8,505.00	8,023.58	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Lianxu Expressway Company	YS Energy Company	Fixed assets	31,500.00	37,641.50	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

## SIGNIFICANT MATTERS

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Ningsuxu Expressway Company	YS Energy Company	Fixed assets	92,730.00	87,481.13	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Eastern Expressway Company	YS Energy Company	Fixed assets	-	55,542.85	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Hetai Expressway Company	YS Energy Company	Fixed assets	-	36,792.45	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

(3) Guarantees with related parties

The Group as the guaranteed party:

Unit: Yuan Currency: RMB

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether performance of Guarantee has been completed	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Jiangsu Communications Holding	USD1,486,566.22	15 October 1998	18 July 2027	No	Yes, connected transaction (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

# SIGNIFICANT MATTERS

(4) Borrowings/loans from related parties

Unit: Yuan Currency: RMB

Related parties	Amount of funding (Note 1)	Inception date	Maturity date	Balance at the end of the year	Note	Whether or not constituting a connected transaction/ continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	-30,000,000.00	17 September 2021	16 September 2022	-	Related party loans at 3.30% per annum	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 24 March 2019 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	-100,000,000.00	17 March 2021	16 March 2022	-	Related party loans at 3.15% per annum		
Finance Company	-100,000,000.00	21 April 2021	20 April 2022	-	Related party loans at 3.15% per annum		
Finance Company	-100,000,000.00	15 June 2021	14 June 2022	-	Related party loans at 3.15% per annum		
Finance Company	-100,000,000.00	5 August 2021	4 August 2022	-	Related party loans at 3.15% per annum		
Finance Company	-50,000,000.00	30 August 2021	29 August 2022	-	Related party loans at 3.15% per annum		
Finance Company	-150,000,000.00	18 September 2021	17 September 2022	-	Related party loans at 3.55% per annum		
Finance Company	-10,000,000.00	13 April 2021	12 April 2022	-	Related party loans at 3.15% per annum		
Finance Company	100,000,000.00	16 March 2022	16 March 2023	100,000,000.00	Related party loans at 2.95% per annum		
Finance Company	100,000,000.00	24 April 2022	23 April 2023	100,000,000.00	Related party loans at 2.95% per annum		
Finance Company	100,000,000.00	15 June 2022	14 June 2023	100,000,000.00	Related party loans at 2.80% per annum		
Finance Company	150,000,000.00	15 July 2022	14 July 2023	150,000,000.00	Related party loans at 2.65% per annum		
Finance Company	150,000,000.00	19 July 2022	18 July 2023	150,000,000.00	Related party loans at 2.65% per annum		
Finance Company	150,000,000.00	11 August 2022	10 August 2023	150,000,000.00	Related party loans at 2.65% per annum		
Finance Company	100,000,000.00	26 August 2022	25 August 2023	100,000,000.00	Related party loans at 2.60% per annum		
Finance Company	250,000,000.00	1 December 2022	30 November 2023	250,000,000.00	Related party loans at 2.90% per annum		
Finance Company	-3,000,000.00	25 December 2017	29 July 2022	-	Related party loans at 3.95% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Finance Company	-2,685,000.00	25 December 2017	29 July 2022	-	Related party loans at 3.95% per annum		
Finance Company	-45,250,000.00	26 September 2019	29 July 2022	-	Related party loans at 4.15% per annum		
Finance Company	-71,671,060.00	28 November 2016	29 July 2022	-	Related party loans at 3.95% per annum		
Finance Company	-26,180,000.00	22 May 2018	29 July 2022	-	Related party loans at 3.95% per annum		
Finance Company	-200,000,000.00	12 March 2021	29 July 2022	-	Related party loans at 4.10% per annum		
Finance Company	-22,550,000.00	4 June 2020	29 July 2022	-	Related party loans at 4.50% per annum		
Finance Company	55,000,000.00	24 August 2022	20 June 2027	55,000,000.00	Related party loans at 3.50% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

# SIGNIFICANT MATTERS

Related parties	Amount of funding (Note 1)	Inception date	Maturity date	Balance at the end of the year	Note	Whether or not constituting a connected transaction/ continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	24,000,000.00	24 August 2022	20 June 2028	24,000,000.00	Related party loans at 3.50% per annum		
Finance Company	200,000,000.00	24 August 2022	10 August 2037	200,000,000.00	Related party loans at 3.50% per annum		
Finance Company	48,000,000.00	24 August 2022	20 June 2028	48,000,000.00	Related party loans at 3.50% per annum		
Jiangsu Communications Holding	-250,000,000.00	5 December 2012	5 December 2022	-	Related party loans at 5.50% per annum	Yes, connected transaction (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Jiangsu Communications Holding	-	17 May 2013	17 May 2023	250,000,000.00	Related party loans at 5.30% per annum		
Jiangsu Communications Holding	-	21 June 2020	29 May 2023	500,000,000.00	Related party loans at 3.45% per annum		
Jiangsu Communications Holding	-	22 July 2020	22 July 2025	548,795,875.80	Related party loans at 3.85% per annum		
Jiangsu Communications Holding	-	20 November 2018	24 October 2023	500,000,000.00	Related party loans at 4.43% per annum		
Jiangsu Communications Holding	-	8 November 2019	29 August 2024	100,000,000.00	Related party loans at 3.76% per annum		
Jiangsu Communications Holding	-	22 July 2020	22 July 2025	50,000,000.00	Related party loans at 3.85% per annum		
Jiangsu Communications Holding	-	20 November 2018	24 October 2023	300,000,000.00	Related party loans at 4.43% per annum		
Jiangsu Communications Holding	-	22 July 2020	22 July 2025	200,000,000.00	Related party loans at 3.85% per annum		
Jiangsu Communications Holding	496,170,000.00	14 September 2022	13 September 2039	496,170,000.00	Related party loans at 3.10% per annum		
Jiangsu Communications Holding	-	21 January 2020	20 January 2025	298,482,290.44	Related party loans at 3.74% per annum		
Tongchang Real Estate Investment Company	-14,000,000.00	19 July 2021	31 May 2022	-	Related party loans at 4.00% per annum	No	Note 2
Tongchang Real Estate Investment Company	-32,000,000.00	27 April 2021	31 May 2022	-	Related party loans at 4.00% per annum		

## SIGNIFICANT MATTERS

Related parties	Amount of funding (Note 1)	Inception date	Maturity date	Balance at the end of the year	Note	Whether or not constituting a connected transaction/ continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Tongchang Real Estate Investment Company	-6,000,000.00	19 July 2021	31 May 2022	-	Related party loans at 4.00% per annum		
Media Company	-30,000,000.00	16 April 2020	29 July 2022	-	Related party loans at 4.00% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Media Company	-13,000,000.00	17 April 2020	29 July 2022	-	Related party loans at 4.75% per annum		
Media Company	-50,000,000.00	26 November 2019	29 July 2022	-	Related party loans at 4.40% per annum		
East Road & Bridge Company	-20,000,000.00	28 June 2020	29 July 2022	-	Related party loans at 4.40% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Husuzhe Company	-23,000,000.00	11 December 2020	29 July 2022	-	Related party loans at 4.00% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
YS Capital	-13,000,000.00	22 September 2017	29 July 2022	-	Related party loans at 4.75% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
YS Capital	-6,000,000.00	30 November 2017	29 July 2022	-	Related party loans at 4.75% per annum		
Nanlin Hotel Company	-4,500,000.00	11 February 2019	29 July 2022	-	Related party loans at 4.75% per annum	No (an associate of the Company)	Not applicable
Nanlin Hotel Company	-5,000,000.00	23 April 2019	29 July 2022	-	Related party loans at 4.75% per annum		

**Note 1:** The Group is the borrower in respect of the borrowings as shown in the table above. Positive amount shall mean borrowings made and negative amount shall mean repayments made.

**Note 2:** Not applicable (these loans were taken out by YS Energy Company from Tongchang Real Estate Investment Company prior to the completion of the acquisition of YS Energy Company by the Company and such loans were repaid prior to the completion. For further details, please refer to the Company's announcement published on 29 April 2022.

## SIGNIFICANT MATTERS

(5) Other related party transactions

Unit: Yuan Currency: RMB

Related party	Type of related transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Jiangsu Leasing Company	Investment in convertible bonds	–	391,716,000.00	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.89)

(6) Remuneration of key management personnel

Unit: Yuan Currency: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Remuneration of key management personnel	7,109,827.39	6,570,539.93	Yes, continuing connected transactions (the Company's Director)	Yes (exempt from the announcement requirement according to Rule 14A.95)

### XIII. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF

(I) Trusteeship, contracting and leasing matters

1. Information on trusteeship
 

Applicable       N/A
2. Information on contracting
 

Applicable       N/A



# SIGNIFICANT MATTERS

## 3. Information on leasing

Applicable  N/A

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Status of leased assets	Amount of lease of asset	Date of commencement of lease		Lease income	Basis of determination of lease income	Effect of lease income on the Company	Related-party/ Connected	
				Date of expiry of lease	leas				Transaction or Not	Connected relationship
Company	Jiaxing Kaitong Investment Co., Ltd.	Meicun Service Area	12,955,904	2017/1/10	2021/12/31	204,301,622	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB200 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the Board of Directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB53,079,000 year on year.	No	Others
Company	Jiaxing Tonghui Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	2017/6/16	2021/12/31	89,419,468.5	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB100.3 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the Board of Directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB20,070,000 year on year.	No	Others
Company	Jiaxing Litian Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	2022/11/15	2025/11/14	23,400,540	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB6.66 million. The bidder with the highest overall score won the bid. The matter has been considered and approved in the General Manager's office meeting of the Company.	During the Reporting Period, the profit derived from the service area increased by RMB370,000 year on year.	No	Others
Company	Tongxiang Yintong Expressway Service Zone Operation and Management Co., Ltd.	Huanglishu Service Area	47,256,513	2017/7/1	2021/12/31	78,016,619	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB108.02 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the Board of Directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB16,629,000 year on year.	No	Others
Company	Jiaxing Kaitong Investment Co., Ltd.	Yangcheng Lake Service Area	60,930,582	2018/5/15	2027/5/14	185,000,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB176.08 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the Board of Directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB3,305,000 year on year.	No	Others

## SIGNIFICANT MATTERS

Name of lessor	Name of lessee	Status of leased assets	Amount of lease of asset	Date of		Lease income	Basis of determination of lease income	Effect of lease income on the Company	Related-party/ Connected	
				commencement of lease	Date of expiry of lease				Transaction or Not	Connected relationship
Company	Dragon City Tourism Holding Group Co., Ltd.	Fangmaoshan Service Area	20,919,070	2018/5/11	2026/5/10	185,260,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB160 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the Board of Directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB3,903,000 year-on-year.	No	Others
Company	Nanjing Baisheng Business Management Co., Ltd.	Douzhuang Service Area	17,806,972	2018/9/21	2026/9/20	157,040,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB160 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the Board of Directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB6,208,000 year-on-year.	No	Others

### Explanation of leasing

Huanglishu, Xianrenshan and Meicun Service Area of Shanghai-Nanjing Expressway terminated the original lease contract, and the two parties signed the termination agreement, clarifying that the lease termination date for the above service areas is December 31, 2021. The period between January 1, 2022 and the entry date of the new lessee is a transitional period, during which the operation of those service areas would continue to be maintained by the original lessee, and the rent would be renegotiated by the two parties. At present, the investment in the Huanglishu and Meicun Service Area is progressing smoothly, and the new lessee of the catering project in the Xianrenshan Service Area has entered the site on November 15, 2022.

# SIGNIFICANT MATTERS

## (II) Guarantees

Applicable  N/A

Unit: Yuan Currency: RMB

External guarantees of the Company (excluding guarantees to subsidiaries)	
Total amount of the guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)	0
Total balance of the guarantees at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)	0
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during of the Reporting Period	16,500,000.00
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period (B)	0
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee (A+B)	0
Total guarantee as a percentage of the Company's net assets (%)	0
including:	
The amount of guarantees offered to the shareholders, de facto controller and related/connected parties (C)	0
The amount of debt guarantees directly or indirectly offered to the guaranteed with a gearing ratio of over 70% (D)	0
The amount of guarantees in excess of 50% of net assets (E)	0
The sum of the three items above (C+D+E)	0
Explanations on the joint settlement responsibilities in relation to premature guarantees	Nil
Explanations of guarantee	The Company previously approved the Company to provide a guarantee to Factoring Company with a maximum balance of RMB670 million and an authorised guarantee period of three years. For the one-year loan contract of RMB670 million signed by the Factoring Company during the guarantee period, the Company signed a guarantee contract with the bank. As at November 22, 2022, the Factoring company has paid off the guaranteed loan; the balance of guaranteed loan is RMB0, and the guarantee contract is terminated. At this point, the Company no longer provides guarantee to Factoring Company or entrusts Factoring Company to do wealth management.

# SIGNIFICANT MATTERS

## (III) Entrusted others to manage cash assets

1. Conditions of entrusted wealth management

(1) General conditions of entrusted wealth management

Applicable  N/A

Unit: Yuan Currency: RMB

Type	Sources of Funds	Amount Incurred	Unexpired Balance	Overdue Outstanding Amount
Bank wealth management	Self-owned funds	833,806,640.00	3,444,000,000.00	–

Others

Applicable  N/A

# SIGNIFICANT MATTERS

(2) Breakdown of individual entrusted wealth management

Applicable       N/A

Unit: Yuan    Currency: RMB

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
Industrial & Commercial Bank of China Nanjing Chengnan Sub-branch	Structured deposits	100,000,000	2022/2/23	2022/6/2	Self-owned funds	Interest rates of USD/JPY	Capital preservation	3.69%		980,630.05	100,000,000	Yes	Yes	-
Industrial & Commercial Bank of China Nanjing Chengnan Sub-branch	Structured deposits	100,000,000	2022/6/20	2022/7/26	Self-owned funds	Interest rates of USD/JPY	Capital preservation	3.69%		343,726.03	100,000,000	Yes	Yes	-
China Merchants Bank Nanjing Chengnan Sub-branch	Structured deposits	50,000,000	2022/8/29	2022/10/12	Self-owned funds	Fixed income assets	Capital preservation	2.90%		170,821.92	50,000,000	Yes	Yes	-
China Merchants Bank Nanjing Chengnan Sub-branch	Structured deposits	150,000,000	2022/9/28	2022/11/16	Self-owned funds	Fixed income assets	Capital preservation	2.80%		540,821.92	150,000,000	Yes	Yes	-
China Merchants Bank Nanjing Chengnan Sub-branch	Structured deposits	300,000,000	2022/11/28	2022/12/7	Self-owned funds	Fixed income assets	Capital preservation	1.82%		104,712.33	300,000,000	Yes	Yes	-
China Merchants Bank Nanjing Chengnan Sub-branch	Capital preservation type of wealth management	400,000,000	2022/12/28	2023/1/10	Self-owned funds	Replenishment of liquidity to securities companies	Capital preservation		1.75%			Yes	Yes	-
China Merchants Bank Nanjing Chengnan Sub-branch	Capital preservation type of wealth management	350,000,000	2022/12/28	2023/1/17	Self-owned funds	Replenishment of liquidity to securities companies	Capital preservation		1.75%			Yes	Yes	-
Agricultural Bank of China Nanjing Yangguang Sub-branch	Structured deposits	500,000,000	2022/5/25	2022/7/1	Self-owned funds	EUR/USD exchange rate	Capital preservation	3.55%		1,654,109.59	500,000,000	Yes	Yes	-
Bank of China Jiangsu Province Branch	Structured deposits	100,000,000	2022/1/26	2022/4/1	Self-owned funds	Deposits	Capital preservation	1.50%		258,904.11	100,000,000	Yes	Yes	-
Bank of China Jiangsu Province Branch	Structured deposits	150,000,000	2022/1/26	2022/3/1	Self-owned funds	Deposits	Capital preservation	3.51%		461,589.04	150,000,000	Yes	Yes	-

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
Bank of China Jiangsu Province Branch	Structured deposits	100,000,000	2022/3/28	2022/4/13	Self-owned funds	Deposits	Capital preservation	3.20%		122,739.73	100,000,000	Yes	Yes	-
Bank of China Jiangsu Province Branch	Structured deposits	125,000,000	2022/4/29	2022/6/1	Self-owned funds	Deposits	Capital preservation	3.34%		377,465.75	125,000,000	Yes	Yes	-
Shanghai Pudong Development Bank Nanjing Branch	Structured deposits	318,550,000	2022/5/31	2022/8/1	Self-owned funds	CSI300 Index, Foreign Exchange, etc	Capital preservation	1.94%		1,030,951.68	318,550,000	Yes	Yes	-
Shanghai Pudong Development Bank Nanjing Branch	Structured deposits	381,450,000	2022/6/1	2022/8/1	Self-owned funds	CSI300 Index, Foreign Exchange, etc	Capital preservation	4.09%		2,565,490.56	381,450,000	Yes	Yes	-
Shanghai Pudong Development Bank Nanjing Branch	Structured deposits	340,000,000	2022/9/28	2022/12/1	Self-owned funds	CSI300 Index, Foreign Exchange, etc	Capital preservation	3.55%		2,049,444.44	340,000,000	Yes	Yes	-
Shanghai Pudong Development Bank Nanjing Branch	Structured deposits	550,000,000	2022/12/29	2023/3/1	Self-owned funds	CSI300 Index, Foreign Exchange, etc	Capital preservation	3.35%		-	-	Yes	Yes	-
Bank of Communications Nanjing Chengzhong Sub-branch	Structured deposits	100,000,000	2022/1/24	2022/2/10	Self-owned funds	Deposits	Capital preservation	1.35%		51,780.82	100,000,000	Yes	Yes	-
Bank of Communications Nanjing Chengzhong Sub-branch	Structured deposits	100,000,000	2022/2/24	2022/6/7	Self-owned funds	Deposits	Capital preservation	2.65%		718,767.13	100,000,000	Yes	Yes	-
Bank of Communications Nanjing Chengzhong Sub-branch	Structured deposits	75,000,000	2022/2/25	2022/6/7	Self-owned funds	Deposits	Capital preservation	2.65%		539,075.34	75,000,000	Yes	Yes	-
Bank of Communications Nanjing Chengzhong Sub-branch	Structured deposits	50,000,000	2022/3/25	2022/4/11	Self-owned funds	Deposits	Capital preservation	3%		47,945.21	50,000,000	Yes	Yes	-
Bank of Communications Nanjing Chengzhong Sub-branch	Structured deposits	250,000,000	2022/10/25	2022/11/25	Self-owned funds	Deposits	Capital preservation	2.40%		476,712.33	250,000,000	Yes	Yes	-
Bank of Communications Nanjing Chengzhong Sub-branch	Structured deposits	50,000,000	2022/12/27	2023/3/2	Self-owned funds	Deposits	Capital preservation	2.60%		-	-	Yes	Yes	-

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
Banking Department, Nanjing Branch, Industrial Bank Co., Ltd.	Structured deposits	150,000,000	2022/3/25	2022/4/11	Self-owned funds	Options of Shanghai Jin	Capital preservation	3.28%		188,712.33	150,000,000	Yes	Yes	-
Banking Department, Nanjing Branch, Industrial Bank Co., Ltd.	Structured deposits	300,000,000	2022/6/28	2022/7/11	Self-owned funds	Options of Shanghai Jin	Capital preservation	2.89%		308,383.56	300,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	100,000,000	2022/1/27	2022/4/1	Self-owned funds	HSTECH	Capital preservation	1.30%		224,383.56	100,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	100,000,000	2022/2/25	2022/6/2	Self-owned funds	CSI300 Index	Capital preservation	2.45%		631,561.50	100,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	100,000,000	2022/4/7	2022/5/17	Self-owned funds	Gold	Capital preservation	3.15%		302,054.79	100,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	125,000,000	2022/4/29	2022/6/1	Self-owned funds	The EUR to the USD	Capital preservation	3.20%		361,643.84	125,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	300,000,000	2022/5/30	2022/7/20	Self-owned funds	Rubber 2209 Contract	Capital preservation	1.50%		616,438.36	300,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	170,000,000	2022/9/28	2022/12/2	Self-owned funds	Shanghai Jin 2302 Contract	Capital preservation	3.20%		938,958.90	170,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	300,000,000	2022/11/29	2022/12/14	Self-owned funds	The EUR to the USD	Capital preservation	2.70%		310,684.93	300,000,000	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	250,000,000	2022/12/27	2023/1/13	Self-owned funds	The USD to the JPY	Capital preservation		2.70%	-	-	Yes	Yes	-
China Guangfa Bank Nanjing Gulou Sub-branch	Structured deposits	250,000,000	2022/12/28	2023/2/3	Self-owned funds	Shanghai Jin 2304 Contract	Capital preservation		3%	-	-	Yes	Yes	-
China CITIC Bank Nanjing Wangfu Avenue Sub-branch	Structured deposits	100,000,000	2022/2/25	2022/6/1	Self-owned funds	Cash and deposits	Capital preservation	3%		780,821.92	100,000,000	Yes	Yes	-

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
China CITIC Bank Nanjing Wangfu Avenue Sub-branch	Structured deposits	150,000,000	2022/4/28	2022/6/1	Self-owned funds	Cash and deposits	Capital preservation	3%	406,849.32	150,000,000	Yes	Yes	-	
China CITIC Bank Nanjing Wangfu Avenue Sub-branch	Structured deposits	500,000,000	2022/5/25	2022/6/9	Self-owned funds	Cash and deposits	Capital preservation	2.70%	517,808.22	500,000,000	Yes	Yes	-	
China CITIC Bank Nanjing Wangfu Avenue Sub-branch	Structured deposits	200,000,000	2022/5/30	2022/6/14	Self-owned funds	Cash and deposits	Capital preservation	3.10%	237,808.22	200,000,000	Yes	Yes	-	
China CITIC Bank Nanjing Wangfu Avenue Sub-branch	Structured deposits	500,000,000	2022/6/9	2022/6/24	Self-owned funds	Cash and deposits	Capital preservation	2.70%	517,808.22	500,000,000	Yes	Yes	-	
China CITIC Bank Nanjing Wangfu Avenue Sub-branch	Structured deposits	850,000,000	2022/6/27	2022/7/11	Self-owned funds	Cash and deposits	Capital preservation	2.64%	799,232.88	850,000,000	Yes	Yes	-	
Banking Department, Nanjing Branch, Ping An Bank	Structured deposits	100,000,000	2022/2/25	2022/6/1	Self-owned funds	GSI 500 remains bullish	Capital preservation	1.50%	382,191.78	100,000,000	Yes	Yes	-	
Banking Department, Nanjing Branch, Ping An Bank	Structured deposits	100,000,000	2022/4/27	2022/5/5	Self-owned funds	FR007	Capital preservation	2.57%	49,315.06	100,000,000	Yes	Yes	-	
Banking Department, Nanjing Branch, Ping An Bank	Structured deposits	200,000,000	2022/6/28	2022/7/5	Self-owned funds	EUR/USD remains bearish	Capital preservation	2.30%	88,602.73	200,000,000	Yes	Yes	-	
Banking Department, Nanjing Branch, Ping An Bank	Structured deposits	380,000,000	2022/6/29	2022/7/6	Self-owned funds	EUR/USD remains bearish	Capital preservation	2.30%	168,345.20	380,000,000	Yes	Yes	-	
Banking Department, Nanjing Branch, Ping An Bank	Structured deposits	270,000,000	2022/8/29	2022/9/5	Self-owned funds	LPR	Capital preservation	2.30%	119,613.69	270,000,000	Yes	Yes	-	
Banking Department, Nanjing Branch, Ping An Bank	Structured deposits	550,000,000	2022/8/29	2022/10/10	Self-owned funds	EUR/USD remains bearish	Capital preservation	3%	1,826,673.56	550,000,000	Yes	Yes	-	



## SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
Bank of Nanjing Hubei Road Sub-branch	Structured deposits	200,000,000	2022/7/25	2022/10/26	Self-owned funds	Interest rate, exchange rate, commodity, index and other derivative markets	Capital preservation	4.06%		2,022,222.23	200,000,000	Yes	Yes	-
Bank of Nanjing Hubei Road Sub-branch	Structured deposits	300,000,000	2022/10/28	2023/2/3	Self-owned funds	Interest rate, exchange rate, commodity, index and other derivative markets	Capital preservation		3.10%	-	-	Yes	Yes	-
Banking Department, Nanjing Branch, Ningbo Bank	Structured deposits	70,000,000	2022/5/27	2022/7/27	Self-owned funds	The spot rate of the USD to the EUR	Capital preservation	2.70%		294,890.41	70,000,000	Yes	Yes	-
Banking Department, Nanjing Branch, Ningbo Bank	Structured deposits	100,000,000	2022/6/27	2022/7/29	Self-owned funds	The spot rate of the USD to the EUR	Capital preservation	2.72%		223,704.58	100,000,000	Yes	Yes	-
Banking Department, Nanjing Branch, Ningbo Bank	Structured deposits	160,000,000	2022/9/28	2022/12/1	Self-owned funds	The spot rate of the USD to the EUR	Capital preservation	3.20%		869,698.63	160,000,000	Yes	Yes	-
Banking Department, Nanjing Branch, Ningbo Bank	Structured deposits	100,000,000	2022/10/27	2023/2/3	Self-owned funds	The spot rate of the USD to the EUR	Capital preservation		3.20%	-	-	Yes	Yes	-
Banking Department, Nanjing Branch, Ningbo Bank	Tian Tian Liu Jin No. 4	100,000,000	2022/11/28		Self-owned funds	Interbank Deposit, Short-term Bond and Monetary Market Instruments	Non-capital preservation		2.32%	-	-	Yes	Yes	-
Banking Department, Nanjing Branch, Ningbo Bank	Tian Tian Liu Jin No. 6	100,000,000	2022/11/28		Self-owned funds	Interbank Deposit, Short-term Bond and Monetary Market Instruments	Non-capital preservation		2.29%	-	-	Yes	Yes	-
Hua Xia Bank Nanjing Chengnan Sub-branch	Structured deposits	200,000,000	2022/5/27	2022/7/1	Self-owned funds	Deposits	Capital preservation	2.01%		341,424.64	200,000,000	Yes	Yes	-
Hua Xia Bank Nanjing Chengnan Sub-branch	Structured deposits	300,000,000	2022/8/29	2022/11/2	Self-owned funds	Deposits	Capital preservation	2.63%		362,465.75	300,000,000	Yes	Yes	-

## SIGNIFICANT MATTERS

Others

Applicable  N/A

(3) *Entrusted wealth management impairment provision*

Applicable  N/A

2. Entrusted loans

(1) *General conditions of entrusted loans*

Applicable  N/A

Unit: Yuan Currency: RMB

Type	Sources of Funds	Amount Incurred	Unexpired Balance	Overdue Outstanding Amount
Entrusted loans	Self-owned funds	1,057,000,000.00	1,757,000,000.00	-

Others

Applicable  N/A

## SIGNIFICANT MATTERS

(2) Breakdown of individual entrusted loans

Applicable       N/A

Unit: Ten thousand yuan    Currency: RMB

Trustee	Type of Entrusted Loans	Entrusted Loans Amount	Commencement Date of Entrusted Loans	Termination Date of Entrusted Loans	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future Entrusted Loans Plan Available	Amount of Impairment Provision (If Any)
Shanghai Pudong Development Bank		3,900.00	2021/1/28	2022/1/27	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		2,100.00	2021/3/20	2022/3/19	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		3,000.00	2021/12/20	2022/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		3,100.00	2022/1/24	2023/1/24	Self-owned funds	Daily operations	Interest to be paid quarterly	4.23%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		2,100.00	2022/3/16	2023/3/16	Self-owned funds	Daily operations	Interest to be paid quarterly	4.14%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		1,000.00	2022/4/11	2023/4/11	Self-owned funds	Daily operations	Interest to be paid quarterly	4.09%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		3,500.00	2022/12/20	2023/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	3.65%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		45,000.00	2021/10/19	2024/10/18	Self-owned funds	Daily operations	Interest to be paid quarterly	4.64%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		25,000.00	2021/8/25	2024/8/24	Self-owned funds	Daily operations	Interest to be paid quarterly	4.64%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		4,000.00	2022/1/18	2025/1/17	Self-owned funds	Daily operations	Interest to be paid quarterly	4.58%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		5,000.00	2022/1/4	2025/1/3	Self-owned funds	Daily operations	Interest to be paid quarterly	4.63%	-	-	-	Yes	Yes	-
Shanghai Pudong Development Bank		1,500.00	2022/6/17	2025/6/16	Self-owned funds	Daily operations	Interest to be paid quarterly	4.13%	-	-	-	Yes	Yes	-

# SIGNIFICANT MATTERS

Trustee	Type of Entrusted Loans	Entrusted Loans Amount	Commencement Date of Entrusted Loans	Termination		Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future Entrusted Loans Plan Available	Amount of Impairment Provision (If Any)
				Date of Entrusted Loans	Sources of Funds									
Shanghai Pudong Development Bank		4,000.00	2022/7/4	2025/7/3	Self-owned funds	Daily operations	Interest to be paid quarterly	4.08%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		10,000.00	2021/2/8	2022/2/8	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		30,000.00	2021/3/19	2022/3/19	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		1,500.00	2021/4/12	2022/4/12	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		5,000.00	2021/5/25	2022/5/24	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		3,000.00	2021/6/10	2022/6/9	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		8,000.00	2021/8/20	2022/8/20	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		2,000.00	2021/9/8	2022/9/8	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		6,500.00	2021/9/17	2022/9/17	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		5,000.00	2021/11/10	2022/11/10	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		1,500.00	2021/12/20	2022/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	4.27%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		500.00	2021/12/28	2022/12/28	Self-owned funds	Daily operations	Interest to be paid quarterly	4.26%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		2,000.00	2022/1/10	2023/1/10	Self-owned funds	Daily operations	Interest to be paid quarterly	4.23%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		5,500.00	2022/1/18	2023/1/18	Self-owned funds	Daily operations	Interest to be paid quarterly	4.22%	-	-	Yes	Yes	-	

## SIGNIFICANT MATTERS

Trustee	Type of Entrusted Loans	Entrusted Loans Amount	Commencement Date of Entrusted Loans	Termination		Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future Entrusted Loans Plan Available	Amount of Impairment Provision (If Any)
				Date of Entrusted Loans	Sources of Funds									
Shanghai Pudong Development Bank		10,000.00	2022/1/21	2023/1/21	Self-owned funds	Daily operations	Interest to be paid quarterly	4.21%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		3,200.00	2022/1/26	2023/1/26	Self-owned funds	Daily operations	Interest to be paid quarterly	4.20%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		29,300.00	2022/3/18	2023/3/18	Self-owned funds	Daily operations	Interest to be paid quarterly	4.10%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		1,200.00	2022/4/11	2023/4/11	Self-owned funds	Daily operations	Interest to be paid quarterly	4.06%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		5,000.00	2022/5/25	2023/5/25	Self-owned funds	Daily operations	Interest to be paid quarterly	3.97%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		3,000.00	2022/6/9	2023/6/9	Self-owned funds	Daily operations	Interest to be paid quarterly	3.95%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		600.00	2022/6/20	2023/6/19	Self-owned funds	Daily operations	Interest to be paid quarterly	3.91%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		6,000.00	2022/8/19	2023/8/18	Self-owned funds	Daily operations	Interest to be paid quarterly	3.80%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		2,000.00	2022/9/8	2023/9/8	Self-owned funds	Daily operations	Interest to be paid quarterly	3.77%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		7,200.00	2022/9/16	2023/9/16	Self-owned funds	Daily operations	Interest to be paid quarterly	3.76%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		4,000.00	2022/11/10	2023/11/10	Self-owned funds	Daily operations	Interest to be paid quarterly	3.65%	-	-	Yes	Yes	-	
Shanghai Pudong Development Bank		2,500.00	2022/12/20	2023/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	3.65%	-	-	Yes	Yes	-	

## SIGNIFICANT MATTERS

Others

Applicable  N/A

(3) *Entrusted loans impairment provision*

Applicable  N/A

3. Others

Applicable  N/A

(IV) **Other major contracts**

Applicable  N/A

### XIV. EXPLANATION OF OTHER SIGNIFICANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS IN MAKING VALUE JUDGMENTS AND INVESTMENT DECISIONS

Applicable  N/A

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## I. CHANGES IN SHARE CAPITAL

### (I) Table of changes in shares

#### 1. Table of changes in shares

During the Reporting Period, there were no changes in the total amount of ordinary share and the capital structure of the Company.

#### 2. Explanation of changes in shares

Applicable  N/A

#### 3. Effect on financial indicators as earnings per share and net asset per share in the recent one year and one tranche from changes in shares (if any)

Applicable  N/A

#### 4. Other matters considered necessary by the Company or required to be disclosed by security regulatory institution

Applicable  N/A

### (II) Changes in shares subject to selling restrictions

Applicable  N/A

## II. SECURITY ISSUANCE AND LISTING

### (I) Issued security during the Reporting Period

Applicable  N/A

Unit: 00 million shares Currency: RMB

Categories of stock and its derivative security	Date of issuance	Price (or interest rate) of issuance	Number of issuance	Listing date	Approved offering and trading volume	Termination date of trading
<b>Categories of ordinary shares</b>						
H Shares	1997-06-27	HKD3.11	12.22	1997-06-27	12.22	-
A Shares <sup>(Note 1)</sup>	2000-12-20	RMB4.20	1.50	2001-01-16	1.50	-
<b>Convertible corporate bonds, separately tradable and convertible bonds</b>						
-	-	-	-	-	-	-
<b>Bonds (including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)</b>						
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	2022/4/19	2.90%	0.1000	2022/4/26	0.1000	2025/4/20
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (second tranche)	2022/8/22	2.55%	0.0500	2022/8/29	0.0500	2025/8/23
Corporate green bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	2022/10/21	2.58%	0.0700	2022/10/28	0.0700	2025/10/24
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (third tranche)	2022/11/28	2.95%	0.0500	2022/12/5	0.0500	2025/11/29
2021 ultra-short-term notes (thirty-seventh tranche)	2021/12/31	2.35%	0.1000	2022/1/5	0.1000	2022/4/28
2022 ultra-short-term notes (first tranche)	2022/1/7	2.35%	0.0500	2022/1/11	0.0500	2022/5/11
2022 ultra-short-term notes (second tranche)	2022/1/10	2.35%	0.0500	2022/1/12	0.0500	2022/5/12

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Categories of stock and its derivative security	Date of issuance	Price (or interest rate) of issuance	Number of issuance	Listing date	Approved offering and trading volume	Termination date of trading
2022 ultra-short-term notes (third tranche)	2022/1/30	2.30%	0.0500	2022/2/9	0.0500	2022/6/9
2022 ultra-short-term notes (fourth tranche)	2022/2/14	2.18%	0.0900	2022/2/16	0.0900	2022/6/16
2022 ultra-short-term notes (fifth tranche)	2022/2/16	2.18%	0.0500	2022/2/18	0.0500	2022/6/16
2022 ultra-short-term notes (sixth tranche)	2022/3/2	2.05%	0.0500	2022/3/4	0.0500	2022/6/30
2022 ultra-short-term notes (seventh tranche)	2022/3/2	2.05%	0.0500	2022/3/4	0.0500	2022/6/30
2022 ultra-short-term notes (eighth tranche)	2022/3/7	2.05%	0.0530	2022/3/9	0.0530	2022/7/7
2022 ultra-short-term notes (ninth tranche)	2022/3/7	2.04%	0.0200	2022/3/9	0.0200	2022/6/9
2022 ultra-short-term notes (tenth tranche)	2022/3/15	2.04%	0.0500	2022/3/17	0.0500	2022/7/14
2022 ultra-short-term notes (eleventh tranche)	2022/3/24	2.03%	0.0300	2022/3/28	0.0300	2022/7/21
2022 ultra-short-term notes (twelfth tranche)	2022/3/31	2.03%	0.0400	2022/4/2	0.0400	2022/8/4
2022 ultra-short-term notes (thirteenth tranche)	2022/4/7	2.00%	0.0400	2022/4/11	0.0400	2022/8/4
2022 ultra-short-term notes (fourteenth tranche)	2022/4/21	2.00%	0.0250	2022/4/24	0.0250	2022/8/18
2022 ultra-short-term notes (fifteenth tranche)	2022/4/21	2.00%	0.0200	2022/4/24	0.0200	2022/8/18
2022 ultra-short-term notes (sixteenth tranche)	2022/4/26	2.00%	0.0400	2022/4/28	0.0400	2022/8/25
2022 ultra-short-term notes (seventeenth tranche)	2022/5/6	2.00%	0.0400	2022/5/9	0.0400	2022/8/25
2022 ultra-short-term notes (eighteenth tranche)	2022/5/9	2.00%	0.0400	2022/5/11	0.0400	2022/9/8
2022 ultra-short-term notes (nineteenth tranche)	2022/5/10	2.00%	0.0400	2022/5/12	0.0400	2022/9/8
2022 ultra-short-term notes (twentieth tranche)	2022/6/1	1.95%	0.0400	2022/6/6	0.0400	2022/8/30
2022 ultra-short-term notes (twenty-first tranche)	2022/6/2	1.97%	0.0400	2022/6/7	0.0400	2022/9/8
2022 ultra-short-term notes (twenty-second tranche)	2022/6/6	1.95%	0.0400	2022/6/8	0.0400	2022/9/8
2022 ultra-short-term notes (twenty-third tranche)	2022/6/14	2.00%	0.0900	2022/6/16	0.0900	2022/9/15
2022 ultra-short-term notes (twenty-fourth tranche)	2022/6/14	1.98%	0.0400	2022/6/16	0.0400	2022/9/15
2022 ultra-short-term notes (twenty-fifth tranche)	2022/6/24	1.95%	0.0500	2022/6/28	0.0500	2022/9/22
2022 ultra-short-term notes (twenty-sixth tranche)	2022/6/24	1.95%	0.0500	2022/6/28	0.0500	2022/9/22
2022 ultra-short-term notes (twenty-seventh tranche)	2022/7/4	1.95%	0.0530	2022/7/7	0.0530	2022/9/29
2022 ultra-short-term notes (twenty-eighth tranche)	2022/7/11	1.93%	0.0500	2022/7/13	0.0500	2022/10/11
2022 ultra-short-term notes (twenty-ninth tranche)	2022/7/27	1.65%	0.0530	2022/7/29	0.0530	2022/8/25
2022 ultra-short-term notes (thirtieth tranche)	2022/7/29	1.65%	0.0800	2022/8/2	0.0800	2022/10/27
2022 ultra-short-term notes (thirty-first tranche)	2022/8/4	1.65%	0.0500	2022/8/8	0.0500	2022/11/3
2022 ultra-short-term notes (thirty-second tranche)	2022/8/22	1.50%	0.0510	2022/8/24	0.0510	2022/11/17
2022 ultra-short-term notes (thirty-third tranche)	2022/8/26	1.50%	0.0330	2022/8/30	0.0330	2022/11/24
2022 ultra-short-term notes (thirty-fourth tranche)	2022/9/5	1.50%	0.0800	2022/9/7	0.0800	2022/12/1
2022 ultra-short-term notes (thirty-fifth tranche)	2022/9/5	1.50%	0.0600	2022/9/7	0.0600	2022/12/1
2022 ultra-short-term notes (thirty-sixth tranche)	2022/9/5	1.50%	0.0670	2022/9/7	0.0670	2022/12/1
2022 ultra-short-term notes (thirty-seventh tranche)	2022/9/13	1.50%	0.0600	2022/9/15	0.0600	2022/12/12
2022 ultra-short-term notes (thirty-eighth tranche)	2022/9/13	1.50%	0.0700	2022/9/15	0.0700	2022/12/15
2022 ultra-short-term notes (thirty-ninth tranche)	2022/9/20	1.59%	0.1000	2022/9/22	0.1000	2023/1/5
2022 ultra-short-term notes (fortieth tranche)	2022/9/30	1.61%	0.0500	2022/10/9	0.0500	2023/1/5
2022 ultra-short-term notes (forty-first tranche)	2022/9/30	1.61%	0.0400	2022/10/9	0.0400	2023/1/5
2022 ultra-short-term notes (forty-second tranche)	2022/9/30	1.61%	0.0400	2022/10/9	0.0400	2023/1/5
2022 ultra-short-term notes (forty-third tranche)	2022/11/9	1.78%	0.0800	2022/11/11	0.0800	2023/2/9
2022 ultra-short-term notes (forty-fourth tranche)	2022/11/30	2.17%	0.0770	2022/12/2	0.0770	2023/3/2
2022 ultra-short-term notes (forty-fifth tranche)	2022/12/9	2.40%	0.0750	2022/12/13	0.0750	2023/4/13
2022 ultra-short-term notes (forty-sixth tranche)	2022/12/13	2.60%	0.0700	2022/12/15	0.0700	2023/4/13
2022 green medium-term notes (first tranche) (Tech note)	2022/9/13	2.49%	0.0700	2022/9/16	0.0700	2025/9/12
2022 medium-term notes (second tranche)	2022/10/10	2.49%	0.0300	2022/10/12	0.0300	2025/10/10
2022 medium-term notes (third tranche)	2022/10/31	2.55%	0.0500	2022/11/3	0.0500	2025/10/31
<b>Other derivative securities</b>						
American Depositary Receipt (ADR) Program	2002-12-23	-	-	-	-	-

Note 1: The Company completed the share split reform in 2006, and the non-tradable legal person shares have obtained the right to trade in A shares since 16 May 2006.



## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Explanation of issued securities during the Reporting Period (for bonds with different interest rate in the duration, please explain respectively):

Applicable       N/A

Registered by the document, Zheng Jian Xu Ke [2020] No. 1635, of China Securities Regulatory Commission, the Company publicly issued the corporate bonds with a total value of less than RMB8 billion (RMB8 billion included) to professional investors. During the Reporting Period, the Company issued the corporate bonds of RMB2 billion to professional investors by three tranches.

Registered by the document, Zheng Jian Xu Ke [2022] No. 2341, of China Securities Regulatory Commission, the Company publicly issued the green corporate bonds with a total value of less than RMB1.7 billion (RMB1.7 billion included) to professional investors. During the Reporting Period, the Company issued the green corporate bonds of RMB700 million to professional investors by one tranche. All the proceeds from the bonds were used for the acquisition of equity interest in YS Energy Company, and the proceeds have been used up according to the agreed purpose. The acquired company, YS Energy Company, is a green entity with its main business scope in the field of renewable energy power generation. The above funds have been invested in the green industry fields required by the Guiding List of Green Industries (2019) and Directories of Projects Supported by Green Bonds (2021), which belong to the field of clean energy, etc.

According to the document, Zhong Shi Xie Zhu [2020] SCP No. 576, of National Association of Financial Market Institutional Investors, the Company was able to issue ultra-short-term notes in tranches for two year since 16 October 2020, with the Company's registered amount of ultra-short-term notes as RMB8 billion. During the Reporting Period, the Company issued the ultra-short-term financing bonds of RMB9.92 billion to professional investors by 20 tranches.

According to the document, Zhong Shi Xie Zhu [2021] SCP No. 455, of National Association of Financial Market Institutional Investors, the Company was able to issue ultra-short-term notes in tranches for two years since 10 November 2021, with the Company's registered amount of ultra-short-term notes as RMB8 billion. On 27 September 2022, it applied to the National Association of Financial Market Institutional Investors for reduction of registration amount, after which the remaining valid registration amount was RMB6 billion. During the Reporting Period, the Company issued the ultra-short-term financing bonds of RMB13.03 billion to professional investors by 24 tranches.

According to the document, Zhong Shi Xie Zhu [2022] SCP No. 476, of National Association of Financial Market Institutional Investors, the Company was able to issue ultra-short-term notes in tranches for two years after 24 November 2022, with the Company's registered amount of ultra-short-term notes as RMB8 billion. During the Reporting Period, the Company issued the ultra-short-term financing bonds of RMB2.22 billion to professional investors by three tranches.

According to the document, Zhong Shi Xie Zhu [2022] MTN No. 673, the Company was able to issue medium-term notes in tranches for two years since 29 July 2022, with the Company's registered amount of medium-term notes as RMB2 billion. During the Reporting Period, the Company issued the medium-term notes of RMB1 billion to professional investors by two tranches.

According to the document, Zhong Shi Xie Zhu [2022] MTN No. 712, the Company was able to issue medium-term notes in tranches for two years since 12 August 2022, with the Company's registered amount of medium-term notes as RMB2 billion. During the Reporting Period, the Company issued the medium-term notes of RMB500 million to professional investors by one tranche.

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (II) Changes in total amount of ordinary share and shareholders structure as well as changes in corporate assets and liability structure

Applicable  N/A

- (III) Current shares of employee

Applicable  N/A

### III. SHAREHOLDERS AND DE FACTO CONTROLLER

- (I) Total amount of shareholders

Total amount of ordinary shareholders as at the end of the Reporting Period	28,826
Total amount of ordinary shareholders as at the end of the month before the annual report date	29,178
Total amount of preference shareholders with voting right restored as at the end of the Reporting Period	N/A
Total amount of preference shareholders with voting rights restored as at the end of the month before the annual report date	N/A

*Note:* As at the end of the Reporting Period, the amount of A shareholders was 28,424 and of H shareholders was 402, with the total of 28,826; as at the end of the month before the date of the annual report, the amount of A shareholders was 28,778 and of H shareholders was 400, with the total of 29,178.

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (II) Shares of the top ten shareholders and the top ten outstanding shareholders (or holders of shares not subject to any sales restrictions) as at the end of the Reporting Period

Unit: share

### Shares of the top ten shareholders

Name of shareholder (Full Name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Equity interest (%)	Number of the shares subject to lock-up	Collateralized, tagged, or frozen		Nature of shareholders
					Status of shares	Number	
Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	-	2,742,578,825	54.44	-	Nil	-	State-owned legal person
China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	-	589,059,077	11.69	-	Nil	-	State-owned legal person
Mitsubishi UFJ Financial Group, Inc.	-	146,754,597	2.91	-	Unknown	-	Overseas legal person
BlackRock, Inc.	1,784,356	134,467,514	2.67	-	Unknown	-	Overseas legal person
JP Morgan Chase & Co.	-18,407,306	78,891,826	1.57	-	Unknown	-	Overseas legal person
Citigroup Inc.	549,095	73,709,235	1.46	-	Unknown	-	Overseas legal person
China Life Insurance Company Limited – Traditional – Normal insurance product – 005L – CT001 Hu	37,701,941	38,519,522	0.76	-	Unknown	-	Others
China Merchants Securities Co., Ltd. – SSE Bonus Exchange-traded Stock Investment Funds	786,111	31,913,356	0.63	-	Unknown	-	Others
China Galaxy Asset Management Co., Ltd.	-	21,410,000	0.42	-	Unknown	-	State-owned legal person
China Life Insurance Company Limited – Dividends – Individual insurance dividends	11,000,000	11,000,000	0.22	-	Unknown	-	Others

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## The top ten holders of shares not subject to any sales restrictions

Name of shareholder	Number of the shares not subject to lock-up	Categories and amount of shares	
		Category	Number
Jiangsu Communications Holding Company Limited ( 江蘇交通控股有限公司 )	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holding Co., Ltd. ( 招商局公路網絡科技控股股份有限公司 )	589,059,077	RMB-denominated ordinary shares	589,059,077
Mitsubishi UFJ Financial Group, Inc.	146,754,597	Overseas-listed foreign shares	146,754,597
BlackRock, Inc.	134,467,514	Overseas-listed foreign shares	134,467,514
JP Morgan Chase & Co.	78,891,826	Overseas-listed foreign shares	78,891,826
Citigroup Inc.	73,709,235	Overseas-listed foreign shares	73,709,235
China Life Insurance Company Limited – Traditional – Normal insurance product – 005L – CT001 Hu	38,519,522	RMB-denominated ordinary shares	38,519,522
China Merchants Securities Co., Ltd. – SSE Bonus Exchange-traded Stock Investment Funds	31,913,356	RMB-denominated ordinary shares	31,913,356
China Galaxy Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
China Life Insurance Company Limited – Dividends – Individual insurance dividends	11,000,000	RMB-denominated ordinary shares	11,000,000

Explanation of buyback in the top ten shareholders	Nil
Explanation of entrusting, entrusted, and giving up voting rights of the above shareholders	(1) The Company has no knowledge of whether the above shareholders belong to related party or have associated relationship; (2) During the Reporting Period, there were no related party, strategic investors, and general legal persons becoming the top ten shareholders due to the placing of new shares; and (3) The Number of shares of H Shareholders is based on the record of the register kept according to the Securities and Futures Ordinance of Hong Kong.
Explanation of the above shareholders belonging to related party or having associated relationship	Nil
Explanation of preference shareholders with voting rights restored and number of shares held	Nil

Number of shares held by the top ten shareholders subject to sales restrictions and conditions of sales restrictions

Applicable  N/A

### (III) Strategic investors or general legal persons becoming the top ten shareholders due to the placing of new shares

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

### (IV) Interest or short position

As at 31 December 2022, the interest or short position of the Company's shares or related shares held by the following shareholders (excluding directors and chief executives) that shall be disclosed and recorded in the book based on term No. 335 of the Securities and Futures Ordinance according to the terms of Section 2 and Section 3 of Book XV of the Securities and Futures Ordinance:

Name of shareholder	Identity	Direct interest	Number of A shares	
			Number of A Shares	Percentage in A Shares (total shares)
Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Others	Yes	2,742,578,825(L)	71.88% (54.44%) (L)
China Merchants Expressway Network & Technology Holding Co., Ltd. <sup>(1)</sup>	Others	Yes	589,059,077(L)	15.44% (11.69%) (L)

Name of shareholder	Identity	Direct interest	Number of H Shares	
			Number of H Shares	Percentage in H Shares (total shares)
BlackRock, Inc.	Controlled body corporate interests <sup>(3)</sup>	No	134,467,514(L)	11.00%(2.67%) (L)
Mitsubishi UFJ Financial Group, Inc	Controlled body corporate interests <sup>(2)</sup>	No	8,156,000(S) 146,754,597(L)	0.67%(0.16%) (S) 12.01% (2.91%) (L)
JPMorgan Chase & Co.	Controlled body corporate interests/ Investment Manager/ Custodian – Body corporate/ Authorised Lending Agent 人 <sup>(4)</sup>	No	78,891,826(L) 3,489,710(S) 47,280,522(P)	6.45% (1.57%) (L) 0.28%(0.07%) (S) 3.86%(0.94%) (P)
Citigroup Inc.	Controlled body corporate interests/ Authorised Lending Agent/ Custodian – Body corporate <sup>(5)</sup>	No	73,709,235 (L) 10,000(S) 73,444,405(P)	6.03% (1.46%) (L) 0.00%(0.00%) (S) 6.01%(1.46%) (P)

Note: (L) stands for long position; (S) stands for short position; (P) stands for lending pool

- (1) China Merchants Group Corporation Limited is considered to hold the Company's share interest due to the interest of its controlled subordinate body corporate, China Merchants Expressway Network.
- (2) Mitsubishi UFJ Financial Group, Inc is considered to hold the Company's share interest due to the interest of multiple corporates indirectly wholly-owned by it.

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (3) BlackRock, Inc. is considered to hold the 134,467,514 H Shares (L) and 8,156,000 H Shares (S) of the Company (among which there are 354,000 H Shares of derivative instruments traded with cash settlement (over-the-counter)) due to its control of multiple corporates. Other corporates are all indirectly wholly-owned by BlackRock, Inc. except for:
- (a) BlackRock Holdco 6, LLC has its 90% interest indirectly held by BlackRock, Inc. BlackRock Holdco 6, LLC has the Company's interest through the following corporates indirectly wholly-owned by it:
    - (i) BlackRock Institutional Trust Company, National Association holds 14,619,875 H Shares (L) and 6,792,000 H Shares (S) of the Company.
    - (ii) BlackRock Fund Advisors holds 60,638,000 H Shares (L) of the Company.
  - (b) BR Jersey International Holdings L.P. has its 86% interest indirectly held by BlackRock, Inc. BR Jersey International Holdings L.P. has the Company's interest through the following corporates indirectly wholly-owned by it:
    - (i) BlackRock Japan Co., Ltd. holds 1,490,830 H Share (L) of the Company.
    - (ii) BlackRock Investment Management (Australia) Limited holds 638,000 H Shares (L) of the Company.
    - (iii) BlackRock Asset Management North Asia Limited holds 1,649,785 H Shares (L) of the Company.
    - (iv) BlackRock (Singapore) Limited hold 528,000 H Shares (L) of the Company.
  - (c) BlackRock Group Limited has its 90% interest indirectly held by BR Jersey International Holdings L.P (see note 3(b) in the above). BlackRock Group Limited has the Company's interest through the following corporates directly or indirectly wholly-owned by it:
    - (i) BlackRock (Netherlands) B.V. holds 2,952,041 H Shares (L) of the Company.
    - (ii) BlackRock International Limited hold 32,000 H Shares (L) of the Company.
    - (iii) BlackRock Asset Management Ireland Limited holds 13,775,865 H Shares (L) of the Company.
    - (iv) BLACKROCK (Luxembourg) S.A. holds 14,230,000 H Shares (L) and 116,000 H Shares (S) of the Company.
    - (v) BlackRock Investment Management (UK) Limited holds 1,777,309 H Shares (L) of the Company.
    - (vi) BlackRock Fund Managers Limited holds 1,790,970 H Shares (L) of the Company.
    - (vii) BlackRock Asset Management Schweiz AG hold 2,000 H Shares (L) of the Company.
    - (viii) BlackRock Life Limited hold 54,000 H Shares (L) of the Company.
  - (d) BlackRock Canada Holdings LP has its 99.90% interest indirectly held by BR Jersey International Holdings L.P (see note 3(b) in the above). BlackRock Canada Holdings LP has the Company's interest through the 2,116,000 H Shares (L) held by BlackRock Asset Management Canada Limited, a corporate wholly-owned by it.
- (4) JPMorgan Chase & Co. is considered to hold the 78,891,826 H Shares (L) (among which 3,010,194 H Shares are related to derivative instruments traded with cash settlement (over-the-counter)) and 3,489,710 H Shares (S) (among which a 2,589,190 and a 168,000 H Shares are related to derivative instruments traded with cash settlement (over-the-counter) and physical delivery (over-the-counter)) of the Company. Interests held by JP Morgan Chase & Co. is held with the identity of:

Identity	Number of Shares (L)	Number of Shares (S)	Number of Shares (P)
Controlled body corporate interest	9,339,164	3,489,710	
Investment Manager	22,253,000		
Guarantee person holding shares	19,140		
Authorised Lending Agent			47,280,522

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (5) Citigroup Inc. is considered to hold the 73,709,235 H Shares (L) (among which 130,000 H Shares are related to derivative instruments traded with cash settlement) and 10,000 H Shares (S) (among which all 10,000 H Shares are derivative instruments traded with cash settlement) of the Company. Interest held by Citigroup Inc. is held with the identity of:

Identity	Number of Shares (L)	Number of Shares (S)	Number of Shares (P)
Controlled body corporate interest Authorised Lending Agent	264,830	10,000	73,444,405

Citigroup Global Markets Holdings Bahamas Limited has its 90% interest indirectly held by Citigroup Inc. Citigroup Global Markets Holdings Bahamas Limited holds 262,830 H Shares (L) and 10,000 H Shares (S) of the Company through the corporate directly wholly-owned by it, Citigroup Global Markets Limited. Other corporates are all indirectly wholly-owned by Citigroup Inc. except for the above corporates.

Apart from the above, according to the Company's knowledge, as at 31 December 2022, there are no other individuals need to be disclosed based on the Security and Future Ordinance of Hong Kong.

### IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

#### (I) Controlling shareholder

1. Legal representative

Applicable  N/A

Name	Jiangsu Communications Holding Company Limited ( 江蘇交通控股有限公司 )
Head of office or legal representative	Cai Renjie
Date of establishment	1993-03-05
Principal business	It is engaged in the operation and management (under the mandate of provincial government) of state-owned asset, investment, construction, operation, and management of traffic infrastructure, transportation and related industries, toll road, entity investment, and domestic trading.
Shares of other domestic/overseas listed corporates controlling or holding shares during the Reporting Period	In addition to the Company's shareholding, Jiangsu Communications Holding directly held 1.73% equity interest of Bank of Jiangsu (600919), 9.99% equity interest of Bank of Nanjing (601009), 3.36% equity interest of Chunlan (600854), 5.39% equity interest of Huatai Securities (601688), 2.5% equity interest of Jinling Hotel (601007), 49.35% equity interest of Tongxingbao (301339) and 21.43% equity interest of Jiangsu Financial Lease (600901).
Other explanations	-

2. Natural person

Applicable  N/A

3. Special explanation of the condition where the Company has no controlling shareholder

Applicable  N/A

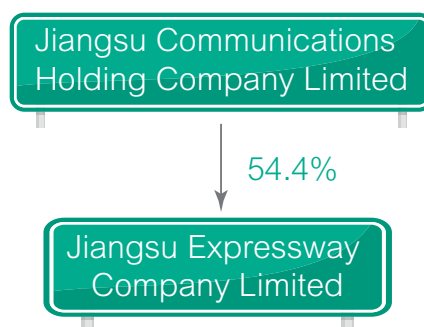
4. Explanation of changes in controlling shareholders during the Reporting Period

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

5. Block diagrams of the relationship of ownership and control between the Company and its controlling shareholders

Applicable  N/A



### (II) De facto controller

1. Legal representative

Applicable  N/A

Name	Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission
Head of office or legal representative	—
Date of establishment	—
Principal business	—
Shares of other domestic/overseas listed corporates controlling or holding shares during the Reporting Period	—
Other explanations	—

2. Natural person

Applicable  N/A

3. Special explanation of the condition where the Company has no de facto controller

Applicable  N/A

4. Explanation of changes in control of the Company during the Reporting Period

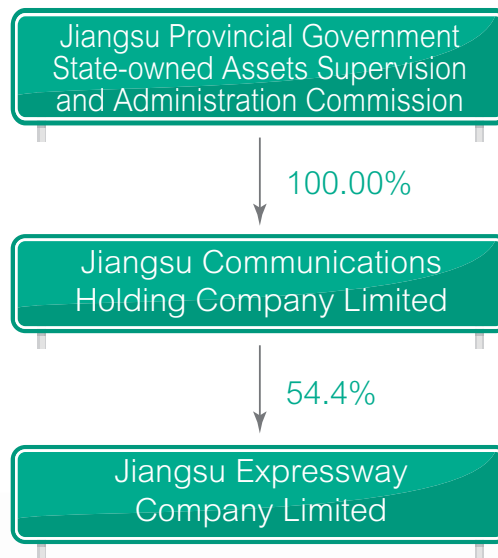
Applicable  N/A



## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

5. Block diagrams of the relationship of ownership and control between the Company and its de facto controller

Applicable  N/A



6. De facto controller controlling the Company with credit or other asset management method

Applicable  N/A

(III) Other introductions about controlling shareholders and de facto controller

Applicable  N/A

V. ACCUMULATED NUMBER OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND PERSONS ACTING IN CONCERT ACCOUNTING FOR MORE THAN 80% OF THE NUMBER OF SHARES IN THE COMPANY

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

### VI. OTHER LEGAL PERSON SHAREHOLDERS HOLDING SHARES OF OVER 10%

Applicable  N/A

Unit: Yuan Currency: RMB

Name of legal representative shareholder	Head of office or legal representative	Date of establishment	Institution code	Registered capital	Principal business or Management
China Merchants Expressway Network& Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	Bai Jingtao (白景濤)	1993-12-18	91110000101717000C	6,178,217,338	The investment, development, construction and operation management of infrastructure as roads, bridges, wharf, ports, and fairways; the investment management; the development and research of new techniques, product, and materials of transportation infrastructure and the sales of product; the sale of construction material, mechanical and electronic device, cars and auto parts, hardwares, and daily uses; the consult of financial information; and the personnel training.
Explanation	Nil				

### VII. EXPLANATION OF RESTRICTION ON SHARES REDUCTION

Applicable  N/A

### VIII. DETAILED PERFORMANCE OF SHARES BUYBACK DURING THE REPORTING PERIOD

Applicable  N/A

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## IX. OTHERS

### 1. Purchase, sale, and redeeming of shares of the Company

During the Reporting Period, the Company and its subsidiaries did not purchase, sale, or redeem the Company's shares; no individual exercised any rights of conversion or subscription based on the convertible notes, options, warrants or any rights of the Company and its subsidiaries.

### 2. Right of pre-emption

According to the Law of People's Republic of China and the Articles of Association, the Company has no right of pre-emption to recommend about applying to shareholders for issuing new shares based on the shareholding percentage.

### 3. Public shareholding

According to the public information and the knowledge of directors, the Board consider that the number of public shareholding on 24 March 2023 (the last practical date of publishing this report) of the Company meets the requirement of listing rules in Hong Kong.

### 4. Arrangement of shareholders' waiving or agreeing dividends

During the Reporting Period, there was no arrangement under which any shareholder waived any dividends.

### 5. Management contracts

During the Reporting Period, no contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed.

# PARTICULARS OF PREFERENCE SHARES

Applicable

N/A



# PARTICULARS OF CORPORATE BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCING ENTERPRISES

Applicable  N/A

### (I) Enterprise bonds

Applicable  N/A

### (II) Corporate bonds

Applicable  N/A

#### 1. Basic information of corporate bonds

Unit: Hundred million Yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (first tranche)	21 NingHuG1	175706.SH	2021/2/1	2021/2/2	2026/2/2	10.00	3.70	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (second tranche)	21 NingHuG2	185046.SH	2021/11/23	2021/11/24	2026/11/24	8.00	3.08	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	22 NingHu G1	185680.SH	2022/4/19	2022/4/20	2025/4/20	10.00	2.90	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (second tranche)	22 NingHu G2	137686.SH	2022/8/22	2022/8/23	2025/8/23	5.00	2.55	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Green corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	G22 NingHu 1	137982.SH	2022/10/21	2022/10/24	2025/10/24	7.00	2.58	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (third tranche)	22 NingHu G3	138630.SH	2022/11/28	2022/11/29	2025/11/29	5.00	2.95	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No

Countermeasures adopted by the Company in response to delisting risk of the bonds

Applicable  N/A

## PARTICULARS OF CORPORATE BONDS

*Outstanding bonds which are also past due*

Applicable  N/A

*Payment of interests and repayment of principal during the Reporting Period*

Applicable  N/A

Name of bond	Explanation of the payment of interests and repayment of principal
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (first tranche)	The interest of the 2021 corporate bonds (first tranche) for the first year amounting to RMB37 million was paid on 2 February 2022.
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (second tranche)	The interest of the 2021 corporate bonds (second tranche) for the first year amounting to RMB24.64 million was paid on 24 November 2022.

2. Triggering and execution of issuer or investor option terms and investor protection terms

Applicable  N/A

Options for the issuer to adjust the coupon rate: An issuer is entitled to determine to adjust the coupon rate for the remaining coupon period of the bonds at the end of the third year of the term of the bonds. If the issuer decides to exercise the options to adjust the coupon rate, the coupon rate of the bonds shall be determined in the following manner from the effective date of the adjustment: The adjusted coupon rate shall be subject to the announcement of the implementation of the adjustment of the coupon rate published by the issuer, and there shall be no restriction on the direction and range of the adjustment of the coupon rate. If the issuer decides not to exercise the options to adjust the coupon rate, the coupon rate of the bonds shall remain unchanged until the issuer exercises the option to adjust the coupon rate next time.

Investor's put option: An investor is entitled to sell back all or part of the bonds held by him/her/it to the issuer at the end of the third year of the term of the bonds.

## PARTICULARS OF CORPORATE BONDS

### 3. Intermediaries providing services for bond issuance and business in the duration period

Name of intermediaries	Business address	Name of signing accountants	Contact person	Contact tel
Huatai United Securities Company Limited (the leading underwriter and trustee of 21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1)	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Block, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen		Wang Chao (王超), Wang Xiaolei (王曉磊), Lin Kai (林楷), Que Mengting (夢婷)	021-38966558
Xiangcai Securities Co., LTD (the co-lead underwriter of 21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3)	11th Floor, Building A, Xinnancheng Business Center, 198 Xiangfu Middle Road, Tianxin District, Changsha		Li Yandong (李艷東), Shao Binbin (邵彬彬), Meng Linghao (孟令浩), Zhang Hao (張浩)	021-50293515
CITIC Securities Co., Ltd. (the co-lead underwriter of G22 NingHu 1)	Bonds financing business line, 22/F, CITIC Security Building, 48 Liangmaqiao Road, Chaoyang District, Beijing		Zhao Wei (趙維), Sun Xiaobo (孫嘯博), Wu Dengwei (吳登委)	010-60837742
Grandall Law Firm (NanJing) (the lawyer of the Issuers of 21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3)	7-8/F, Block B, 309 Hanzhongmen Road, Nanjing city, Jiangsu Province		Li Wenjun (李文君)	025-89660987
Beijing Dentons Law Office LLP (the lawyer of the Issuers of G22 NingHu 1)	9th Floor, Block A, Lianchuang Technology Building, 18 JiHui Road, Gulou District, Nanjing		Zhu Bin (祝彬)	13813952887
China Chengxin International Credit Rating Co., Ltd. (the credit rating agency of 21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1)	Room 60101, Building 1, 2 Nanzhugan Hutong, Dongcheng District, Beijing		Cao Run (曹閏), Qi Chen (齊晨)	010-66428877
China Chengxin Green Finance Technology (Beijing) Co., Ltd. (the assessment institution of G22 NingHu 1)	Room 50532, 4/F, Building 1, 2 Nanzhugan Hutong, Dongcheng District, Beijing		Ma Jun (馬郡)	18010038172
Deloitte Touche Tohmatsu Certified Public Accountants LLP (the accounting firm of 21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1)	30/F, 222 East Yan'an Road, Huangpu District, Shanghai	Yang Bei (楊蓓), Chen Shi (陳石)	Chen Shi (陳石)	025-57908880
KPMG Huazhen LLP (the accounting firm for 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1)	12/F, Deji Plaza, 18 Zhongshan Road, Nanjing City, Jiangsu Province	Huang Wenhui (黃文輝), Zhou Xuchun (周徐春)	Zhou Xuchun (周徐春)	025-86912888

The change of the above intermediaries

Applicable

N/A

## PARTICULARS OF CORPORATE BONDS

4. The use of the funds raised at the end of the Reporting Period

Applicable  N/A

Unit: Hundred million Yuan Currency: RMB

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (first tranche)	10.00	10.00	–	Normal	Nil	Yes
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (second tranche)	8.00	8.00	–	Normal	Nil	Yes
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	10.00	10.00	–	Normal	Nil	Yes
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (second tranche)	5.00	4.98	0.02	Normal	Nil	Yes
Green corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	7.00	7.00	–	Normal	Nil	Yes
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (third tranche)	5.00	5.00	–	Normal	Nil	Yes

*The progress and operating benefit of utilization of the raised funds for construction projects*

Applicable  N/A

*Explanation of change of the above-mentioned use of funds raised by bonds during the Reporting Period*

Applicable  N/A

*Other explanations*

Applicable  N/A



## PARTICULARS OF CORPORATE BONDS

5. Adjustment of credit rating results

Applicable  N/A

*Other explanations*

Applicable  N/A

6. Performance of and change to the guarantee, debt repayment plan and other measures to ensure debt repayment during the Reporting Period and their effects

Applicable  N/A

7. Other explanation on the corporate bonds

Applicable  N/A

### (III) Non-financial enterprise debts financing instruments of the inter-bank bond market

Applicable  N/A

1. Basic information of debt financing instruments of non-financial enterprises

Unit: Hundred million Yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2020 medium-term notes (first tranche)	20 NingHu Gao MTN001	102001586.IB	2020/8/19	2020/8/21	2025/8/21	20.00	3.98	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (first tranche)	21 NingHuGao MTN001	102101110.IB	2021/1/5	2021/6/17	2024/6/17	10.00	3.45	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (second tranche)	21 NingHuGao MTN002	102102145.IB	2021/1/25	2021/10/27	2024/10/27	5.00	3.3	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (third tranche)	21 NingHuGao MTN003	102103072.IB	2021/2/4	2021/11/24	2024/11/24	5.00	3.13	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term notes (thirty-seventh tranche)	21 NingHuGao SCP037	012105552.IB	2021/12/31	2022/1/4	2022/4/29	-	2.35	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

# PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2022 ultra-short-term notes (first tranche)	22 NingHuGao SCP001	012280095.IB	2022/1/7	2022/1/10	2022/5/12	-	2.35	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (second tranche)	22 NingHuGao SCP002	012280123.IB	2022/1/10	2022/1/11	2022/5/13	-	2.35	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (third tranche)	22 NingHuGao SCP003	012280483.IB	2022/1/30	2022/2/8	2022/6/10	-	2.3	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (fourth tranche)	22 NingHuGao SCP004	012280520.IB	2022/2/14	2022/2/15	2022/6/17	-	2.18	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (fifth tranche)	22 NingHuGao SCP005	012280558.IB	2022/2/16	2022/2/17	2022/6/17	-	2.18	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (sixth tranche)	22 NingHuGao SCP006	012280784.IB	2022/3/2	2022/3/3	2022/7/1	-	2.05	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (seventh tranche)	22 NingHuGao SCP007	012280785.IB	2022/3/2	2022/3/3	2022/7/1	-	2.05	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (eighth tranche)	22 NingHuGao SCP008	012280867.IB	2022/3/7	2022/3/8	2022/7/8	-	2.05	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (ninth tranche)	22 NingHuGao SCP009	012280861.IB	2022/3/7	2022/3/8	2022/6/10	-	2.04	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (tenth tranche)	22 NingHuGao SCP010	012281015.IB	2022/3/15	2022/3/16	2022/7/15	-	2.04	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

# PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2022 ultra-short-term notes (eleventh tranche)	22 NingHuGao SCP011	012281189.IB	2022/3/24	2022/3/25	2022/7/22	-	2.03	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twelfth tranche)	22 NingHuGao SCP012	012281279.IB	2022/3/31	2022/4/1	2022/8/5	-	2.03	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirteenth tranche)	22 NingHuGao SCP013	012281368.IB	2022/4/7	2022/4/8	2022/8/5	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (fourteenth tranche)	22 NingHuGao SCP014	012281579.IB	2022/4/21	2022/4/22	2022/8/19	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (fifteenth tranche)	22 NingHuGao SCP015	012281573.IB	2022/4/21	2022/4/22	2022/8/19	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (sixteenth tranche)	22 NingHuGao SCP016	012281678.IB	2022/4/26	2022/4/27	2022/8/26	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (seventeenth tranche)	22 NingHuGao SCP017	012281780.IB	2022/5/6	7 May 2022	2022/8/26	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (eighteenth tranche)	22 NingHuGao SCP018	012281790.IB	2022/5/9	2022/5/10	2022/9/9	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (nineteenth tranche)	22 NingHuGao SCP019	012281796.IB	2022/5/10	2022/5/11	2022/9/9	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twentieth tranche)	22 NingHuGao SCP020	012281994.IB	2022/6/1	2022/6/2	2022/8/31	-	1.95	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-first tranche)	22 NingHuGao SCP021	012282005.IB	2022/6/2	2022/6/6	2022/9/9	-	1.97	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

# PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2022 ultra-short-term notes (twenty-second tranche)	22 NingHuGao SCP022	012282016.IB	2022/6/6	2022/6/7	2022/9/9	-	1.95	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-third tranche)	22 NingHuGao SCP023	012282118.IB	2022/6/14	2022/6/15	2022/9/16	-	2	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-fourth tranche)	22 NingHuGao SCP024	012282115.IB	2022/6/14	2022/6/15	2022/9/16	-	1.98	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-fifth tranche)	22 NingHuGao SCP025	012282262.IB	2022/6/24	2022/6/27	2022/9/23	-	1.95	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-sixth tranche)	22 NingHuGao SCP026	012282263.IB	2022/6/24	2022/6/27	2022/9/23	-	1.95	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-seventh tranche)	22 NingHuGao SCP027	012282365.IB	2022/7/4	2022/7/6	2022/9/30	-	1.95	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-eighth tranche)	22 NingHuGao SCP028	012282438.IB	2022/7/11	2022/7/12	2022/10/12	-	1.93	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (twenty-ninth tranche)	22 NingHuGao SCP029	012282658.IB	2022/7/27	2022/7/28	2022/8/26	-	1.65	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirtieth tranche)	22 NingHuGao SCP030	012282688.IB	2022/7/29	2022/8/1	2022/10/28	-	1.65	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-first tranche)	22 NingHuGao SCP031	012282736.IB	2022/8/4	2022/8/5	2022/11/4	-	1.65	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

## PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2022 ultra-short-term notes (thirty-second tranche)	22 NingHuGao SCP032	012282965.IB	2022/8/22	2022/8/23	2022/11/18	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-third tranche)	22 NingHuGao SCP033	012283049.IB	2022/8/26	2022/8/29	2022/11/25	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-fourth tranche)	22 NingHuGao SCP034	012283168.IB	2022/9/5	2022/9/6	2022/12/2	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-fifth tranche)	22 NingHuGao SCP035	012283163.IB	2022/9/5	2022/9/6	2022/12/2	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-sixth tranche)	22 NingHuGao SCP036	012283165.IB	2022/9/5	2022/9/6	2022/12/2	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-seventh tranche)	22 NingHuGao SCP037	012283215.IB	2022/9/13	2022/9/14	2022/12/13	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-eighth tranche)	22 NingHuGao SCP038	012283216.IB	2022/9/13	2022/9/14	2022/12/16	-	1.5	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (thirty-ninth tranche)	22 NingHuGao SCP039	012283290.IB	2022/9/20	2022/9/21	2023/1/6	10.00	1.59	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (fortieth tranche)	22 NingHuGao SCP040	012283447.IB	2022/9/30	2022/10/8	2023/1/6	5.00	1.61	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

# PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2022 ultra-short-term notes (forty-first tranche)	22 NingHuGao SCP041	012283448.IB	2022/9/30	2022/10/8	2023/1/6	4.00	1.61	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (forty-second tranche)	22 NingHuGao SCP042	012283444.IB	2022/9/30	2022/10/8	2023/1/6	4.00	1.61	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (forty-third tranche)	22 NingHuGao SCP043	012283891.IB	2022/11/9	2022/11/10	2023/2/10	8.00	1.78	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (forty-fourth tranche)	22 NingHuGao SCP044	012284144.IB	2022/11/30	2022/12/1	2023/3/3	7.70	2.17	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (forty-fifth tranche)	22 NingHuGao SCP045	012284264.IB	2022/12/9	2022/12/12	2023/4/14	7.50	2.4	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 ultra-short-term notes (forty-sixth tranche)	22 NingHuGao SCP046	012284288.IB	2022/12/13	2022/12/14	2023/4/14	7.00	2.6	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 green medium-term notes (first tranche) (Tech note)	22 Ninghu Gao MTN001 (Tech note)	102281915.IB	2022/9/13	2022/9/15	2025/9/15	7.00	2.49	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 medium-term notes (second tranche)	22 NingHuGao MTN002	102282216.IB	2022/10/10	2022/10/11	2025/10/11	3.00	2.49	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 medium-term notes (third tranche)	22 NingHuGao MTN003	102282433.IB	2022/10/31	2022/11/2	2025/11/2	5.00	2.55	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

## PARTICULARS OF CORPORATE BONDS

*Countermeasures adopted by the Company in response to delisting risk of the bonds*

Applicable  N/A

*Outstanding bonds which are also past due*

Applicable  N/A

*Payment of interests and repayment of principal during the Reporting Period*

Applicable  N/A

Name of bond	Explanation of the payment of interests and repayment of principal
2021 ultra-short-term note (eleventh tranche)	The 2021 ultra-short-term notes (eleventh tranche) have matured and were redeemed on 7 January 2022 and the interest payment was completed.
2021 ultra-short-term note (nineteenth tranche)	The 2021 ultra-short-term notes (nineteenth tranche) have matured and were redeemed on 14 January 2022 and the interest payment was completed.
2021 ultra-short-term note (twentieth tranche)	The 2021 ultra-short-term notes (twentieth tranche) have matured and were redeemed on 14 January 2022 and the interest payment was completed.
2021 ultra-short-term note (twenty-first tranche)	The 2021 ultra-short-term notes (twenty-first tranche) have matured and were redeemed on 14 January 2022 and the interest payment was completed.
2021 ultra-short-term note (twenty-second tranche)	The 2021 ultra-short-term notes (twenty-second tranche) have matured and were redeemed on 11 February 2022 and the interest payment was completed.
2021 ultra-short-term note (twenty-third tranche)	The 2021 ultra-short-term notes (twenty-third tranche) have matured and were redeemed on 19 February 2022 and the interest payment was completed.
2021 ultra-short-term note (twenty-fourth tranche)	The 2021 ultra-short-term notes (twenty-fourth tranche) have matured and were redeemed on 18 February 2022 and the interest payment was completed.
2021 ultra-short-term note (twenty-ninth tranche)	The 2021 ultra-short-term notes (twenty-ninth tranche) have matured and were redeemed on 5 March 2022 and the interest payment was completed.
2021 ultra-short-term note (thirtieth tranche)	The 2021 ultra-short-term notes (thirtieth tranche) have matured and were redeemed on 11 March 2022 and the interest payment was completed.
2021 ultra-short-term note (thirty-first tranche)	The 2021 ultra-short-term notes (thirty-first tranche) have matured and were redeemed on 25 February 2022 and the interest payment has been completed.
2021 ultra-short-term note (thirty-second tranche)	The 2021 ultra-short-term notes (thirty-second tranche) have matured and were redeemed on 25 February 2022 and the interest payment was completed.
2021 ultra-short-term note (thirty-third tranche)	The 2021 ultra-short-term notes (thirty-third tranche) have matured and were redeemed on 19 March 2022 and the interest payment was completed.
2021 ultra-short-term note (thirty-fourth tranche)	The 2021 ultra-short-term notes (thirty-fourth tranche) have matured and were redeemed on 31 March 2022 and the interest payment was completed.
2021 ultra-short-term note (thirty-sixth tranche)	The 2021 ultra-short-term notes (thirty-sixth tranche) have matured and were redeemed on 15 April 2022 and the interest payment was completed.
2021 ultra-short-term notes (thirty-seventh tranche)	The 2021 ultra-short-term notes (thirty-seventh tranche) have matured and were redeemed on 29 April 2022 and the interest payment was completed.
2022 ultra-short-term notes (first tranche)	The 2022 ultra-short-term notes (first tranche) have matured and were redeemed on 12 May 2022 and the interest payment was completed.
2022 ultra-short-term notes (second tranche)	The 2022 ultra-short-term notes (second tranche) have matured and were redeemed on 13 May 2022 and the interest payment was completed.

## PARTICULARS OF CORPORATE BONDS

Name of bond	Explanation of the payment of interests and repayment of principal
2022 ultra-short-term notes (third tranche)	The 2022 ultra-short-term notes (third tranche) have matured and were redeemed on 10 June 2022 and the interest payment was completed.
2022 ultra-short-term notes (fourth tranche)	The 2022 ultra-short-term notes (fourth tranche) have matured and were redeemed on 17 June 2022 and the interest payment was completed.
2022 ultra-short-term notes (fifth tranche)	The 2022 ultra-short-term notes (fifth tranche) have matured and were redeemed on 17 June 2022 and the interest payment was completed.
2022 ultra-short-term notes (sixth tranche)	The 2022 ultra-short-term notes (sixth tranche) have matured and were redeemed on 1 July 2022 and the interest payment was completed.
2022 ultra-short-term notes (seventh tranche)	The 2022 ultra-short-term notes (seventh tranche) have matured and were redeemed on 1 July 2022 and the interest payment was completed.
2022 ultra-short-term notes (eighth tranche)	The 2022 ultra-short-term notes (eighth tranche) have matured and were redeemed on 8 July 2022 and the interest payment was completed.
2022 ultra-short-term notes (ninth tranche)	The 2022 ultra-short-term notes (ninth tranche) have matured and were redeemed on 10 June 2022 and the interest payment was completed.
2022 ultra-short-term notes (tenth tranche)	The 2022 ultra-short-term notes (tenth tranche) have matured and were redeemed on 15 July 2022 and the interest payment was completed.
2022 ultra-short-term notes (eleventh tranche)	The 2022 ultra-short-term notes (eleventh tranche) have matured and were redeemed on 22 July 2022 and the interest payment was completed.
2022 ultra-short-term notes (twelfth tranche)	The 2022 ultra-short-term notes (twelfth tranche) have matured and were redeemed on 5 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirteenth tranche)	The 2022 ultra-short-term notes (thirteenth tranche) have matured and were redeemed on 5 August 2022 and the interest payment has been completed.
2022 ultra-short-term notes (fourteenth tranche)	The 2022 ultra-short-term notes (fourteenth tranche) have matured and were redeemed on 19 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (fifteenth tranche)	The 2022 ultra-short-term notes (fifteenth tranche) have matured and were redeemed on 19 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (sixteenth tranche)	The 2022 ultra-short-term notes (sixteenth tranche) have matured and were redeemed on 26 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (seventeenth tranche)	The 2022 ultra-short-term notes (seventeenth tranche) have matured and were redeemed on 26 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (eighteenth tranche)	The 2022 ultra-short-term notes (eighteenth tranche) have matured and were redeemed on 9 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (nineteenth tranche)	The 2022 ultra-short-term notes (nineteenth tranche) have matured and were redeemed on 9 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twentieth tranche)	The 2022 ultra-short-term notes (twentieth tranche) have matured and were redeemed on 31 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-first tranche)	The 2022 ultra-short-term notes (twenty-first tranche) have matured and were redeemed on 9 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-second tranche)	The 2022 ultra-short-term notes (twenty-second tranche) have matured and were redeemed on 9 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-third tranche)	The 2022 ultra-short-term notes (twenty-third tranche) have matured and were redeemed on 16 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-fourth tranche)	The 2022 ultra-short-term notes (twenty-fourth tranche) have matured and were redeemed on 16 September 2022 and the interest payment was completed.



## PARTICULARS OF CORPORATE BONDS

Name of bond	Explanation of the payment of interests and repayment of principal
2022 ultra-short-term notes (twenty-fifth tranche)	The 2022 ultra-short-term notes (twenty-fifth tranche) have matured and were redeemed on 23 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-sixth tranche)	The 2022 ultra-short-term notes (twenty-sixth tranche) have matured and were redeemed on 23 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-seventh tranche)	The 2022 ultra-short-term notes (twenty-seventh tranche) have matured and were redeemed on 30 September 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-eighth tranche)	The 2022 ultra-short-term notes (twenty-eighth tranche) have matured and were redeemed on 12 October 2022 and the interest payment was completed.
2022 ultra-short-term notes (twenty-ninth tranche)	The 2022 ultra-short-term notes (twenty-ninth tranche) have matured and were redeemed on 26 August 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirtieth tranche)	The 2022 ultra-short-term notes (thirtieth tranche) have matured and were redeemed on 28 October 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-first tranche)	The 2022 ultra-short-term notes (thirty-first tranche) have matured and were redeemed on 4 November 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-second tranche)	The 2022 ultra-short-term notes (thirty-second tranche) have matured and were redeemed on 18 November 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-third tranche)	The 2022 ultra-short-term notes (thirty-third tranche) have matured and were redeemed on 25 November 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-fourth tranche)	The 2022 ultra-short-term notes (thirty-fourth tranche) have matured and were redeemed on 2 December 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-fifth tranche)	The 2022 ultra-short-term notes (thirty-fifth tranche) have matured and were redeemed on 2 December 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-sixth tranche)	The 2022 ultra-short-term notes (thirty-sixth tranche) have matured and were redeemed on 2 December 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-seventh tranche)	The 2022 ultra-short-term notes (thirty-seventh tranche) have matured and were redeemed on 13 December 2022 and the interest payment was completed.
2022 ultra-short-term notes (thirty-eighth tranche)	The 2022 ultra-short-term notes (thirty-eighth tranche) have matured and were redeemed on 16 December 2022 and the interest payment was completed.
2020 medium-term notes (first tranche)	The interest of the 2020 medium-term notes (first tranche) for the second year amounting to RMB79.6 million was paid on 21 August 2022.
2021 medium-term notes (first tranche)	The interest of the 2021 medium-term notes (first tranche) for the first year amounting to RMB34.5 million was paid on 17 June 2022.
2021 medium-term notes (second tranche)	The interest of the 2021 medium-term notes (second tranche) for the first year amounting to RMB16.5 million was paid on 27 October 2022.
2021 medium-term notes (third tranche)	The interest of the 2021 medium-term notes (third tranche) for the first year amounting to RMB15.65 million was paid on 24 November 2022.

## PARTICULARS OF CORPORATE BONDS

2. Triggering and execution of issuer or investor option terms and investor protection terms

Applicable  N/A

3. Intermediaries providing services for bond issuance and business in the Duration Period

Name of intermediaries	Business address	Name of signing accountants	Contact person	Contact tel
China Guangfa Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP005, 22 NingHuGao SCP031)	713 Dongfeng East Road, Yuexiu District, Guangdong Province		Li Kan (李勘), Han Jiabao (韩家骥)	020-38328430 · 020-38321295
China Development Bank (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP022, 22 NingHuGao SCP038)	18 Fuxingmennei Avenue, Xicheng District, Beijing		Liang Hang (梁航), Gao Jiayi (高佳儀)	010-68307627 · 025-89655685
Huaxia Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP001, 22 NingHuGao SCP016, 22 NingHuGao SCP021, 22 NingHuGao SCP034)	22 Jianguomen Nei Avenue, Dongcheng District, Beijing		Li Tiying (李提颖), Shi Cong (石聰)	010-85237734 · 010-85237774
Bank of Jiangsu Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP028)	26 Zhonghua Road, Nanjing City, Jiangsu Province		Zhu Heng (朱恒)	025-58588379
Bank of Communications Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP006, 22 NingHuGao SCP020, 21 NingHuGao MTN001, 21 NingHuGao MTN002, 21 NingHuGao MTN003)	188 Yincheng Central Road, Shanghai		Xiao Yadan (肖雅丹), Zhu Dong (朱棟)	021-58781234-6763/6762/8230
Bank of Nanjing Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP009, the lead underwriter/bookrunner, duration management institution of 22 NingHuGao MTN002, the co-lead underwriter of 22 NingHuGao MTN001 (Tech note))	288 Zhongshan Road, Xuanwu District, Nanjing		Zhang Miaomiao (張淼淼)	025-86775895
Bank of Ningbo Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP017, 22 NingHuGao SCP041)	19/F, 21st Century Tower, 210 Century Ave, Pudong New Area, Shanghai		Wang Xinyi (王欣怡)	021-23262719
PingAn Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP015)	5047 Shennan Dong Road, Shenzhen, Guangdong Province		Zhang Xue (張雪)	0755-81945281
Shanghai Pudong Development Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP004, 22 NingHuGao SCP026, 22 NingHuGao SCP044, 22 NingHuGao SCP045)	12, Zhongshan Dong Yi Road, Shanghai		Yu Qitao (俞啟韜), Guo Zhiyuan (郭志遠), Yang Min (楊敏)	021-61616427 · 021-31886041 · 025-84260527

## PARTICULARS OF CORPORATE BONDS

Name of intermediaries	Business address	Name of signing accountants	Contact person	Contact tel
Industrial Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP014, the co-lead underwriter of 22 NingHuGao MTN003)	Industrial Bank Tower, 398 Jiangbinzhong Avenue, Taijiang District, Fuzhou City, Fujian Province		Chen Hao ( 陳豪 ), Wang Haiyan ( 王海燕 )	010-89926570
China Merchants Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP013, 22 NingHuGao SCP030, 22 NingHuGao SCP037, 20 NingHuGao MTN001)				
Industrial and Commercial Bank of China Limited (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP037, 22 NingHuGao SCP023, 22 NingHuGao SCP039, 22 NingHuGao SCP043, 22 NingHuGao SCP046, the lead underwriter/bookrunner, duration management institution of 22 NingHuGao MTN001 (Tech note), the co-lead underwriter of 22 NingHuGao MTN002)	55 Fuxingmennei Avenue, Xicheng District, Beijing		Zhou Qianhui ( 周千慧 )	010-66104147
China Everbright Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP011, 22 NingHuGao SCP024, 22 NingHuGao SCP040)	China Everbright Center, 25 Taipingqiao Street, Xicheng District, Beijing		Hao Youran ( 郝悠然 ), Huang Tiancheng ( 黃天成 )	010-63637785 025-84776051
China Construction Bank Corporation (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP003, 22 NingHuGao SCP012, 22 NingHuGao SCP019, 22 NingHuGao SCP029, 22 NingHuGao SCP033, 22 NingHuGao SCP036, 22 NingHuGao MTN003, the co-lead underwriter of 20 NingHuGao MTN001)	No. 25 Financial Street, Xicheng District, Beijing		Wang Wenjun ( 王文俊 )	010-67594276

## PARTICULARS OF CORPORATE BONDS

Name of intermediaries	Business address	Name of signing accountants	Contact person	Contact tel
China Minsheng Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP010, 22 NingHuGao SCP042)	2 Fuxingmennei Avenue, Xicheng District, Beijing		Shu Chang (舒暢)	010-56366525
Agricultural Bank of China Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP007, 22 NingHuGao SCP027)	69 Jianguomen Nei Avenue, Dongcheng District, Beijing		An Liwei (安立偉)	010-85109045
Bank of China Limited (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP008, 22 NingHuGao SCP032)	1 Fuxingmennei Avenue, Beijing		Xu Suxi (徐蘇錫), Xun Yamei (荀雅梅)	010-66595011 · 010-66592749
Postal Savings Bank of China Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP018, 22 NingHuGao SCO025, the co-lead underwriter of 21 NingHuGao MTN001, 21 NingHuGao MTN002, 21 NingHuGao MTN003)	3 Financial Street, Xicheng District, Beijing		Sun Ru (孫濡), Cao Gan (曹幹)	010-68857445 · 025-83677882
China CITIC Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 22 NingHuGao SCP002, 22 NingHuGao SCP035)	Building 1, 10 Guanghua Road, Chaoyang District, Beijing		Cheng Mi (程謎), Yuan Shanchao (袁善超)	010-66635909 · 010-66635929
Deloitte Touche Tohmatsu Certified Public Accountants LLP (the law firm for all ultra-short, medium-term notes)	30/F, 222 East Yan'an Road, Shanghai	Yang Bei (楊蓓), Chen Shi (陳石)	Yang Bei (楊蓓), Chen Shi (陳石)	025-57908880-5289
KPMG Huazhen LLP (the law firm for all ultra-short, medium-term notes)	12/F, Deji Plaza, 18 Zhongshan Road, Nanjing City, Jiangsu Province	Huang Wenhui (黃文輝), Zhou Xuchun (周徐春)	Zhou Xuchun (周徐春)	025-86912888
Beijing Dentons Law Office LLP (Nanjing) (the law firm for all ultra-short, medium-term notes)	9-10/F, Block A, Lianchuang Technology Building, No. 18 JiHui Road, Gulou District, Nanjing		Zhu Bin (祝彬)	025-83755226
China Chengxin International Credit Rating Co., Ltd. (the credit rating agency for all ultra-short and medium-term notes)	Building 6, Galaxy SOHO, No. 2 Nanzhugan hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing		Gu Hetian (顧合天), Wang xuan (王璇)	010-66428877
China Chengxin Green Financing Technology (Beijing) Co., Ltd. (the Assessment institution of 22 NingHuGao MTN001 (Tech notes))	Room 50532, 4/F, Building 1, 2 Nanzhugan Hutong, Dongcheng District, Beijing		Ma Jun (馬郡)	18010038172

The change of the above intermediaries

Applicable  N/A

## PARTICULARS OF CORPORATE BONDS

4. The use of the funds raised at the end of the Reporting Period

Applicable  N/A

Unit: Hundred million Yuan Currency: RMB

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
2020 medium-term notes (first tranche)	20.00	20.00	-	-	-	Yes
2021 medium-term notes (first tranche)	10.00	10.00	-	-	-	Yes
2021 medium-term notes (second tranche)	5.00	5.00	-	-	-	Yes
2021 medium-term notes (third tranche)	5.00	5.00	-	-	-	Yes
2021 ultra-short-term notes (thirty-seventh tranche)	10.00	10.00	-	-	-	Yes
2022 ultra-short-term notes (first tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (second tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (third tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (fourth tranche)	9.00	9.00	-	-	-	Yes
2022 ultra-short-term notes (fifth tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (sixth tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (seventh tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (eighth tranche)	5.30	5.30	-	-	-	Yes
2022 ultra-short-term notes (ninth tranche)	2.00	2.00	-	-	-	Yes
2022 ultra-short-term notes (tenth tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (eleventh tranche)	3.00	3.00	-	-	-	Yes
2022 ultra-short-term notes (twelfth tranche)	4.00	4.00	-	-	-	Yes

## PARTICULARS OF CORPORATE BONDS

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
2022 ultra-short-term notes (thirteenth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (fourteenth tranche)	2.50	2.50	-	-	-	Yes
2022 ultra-short-term notes (fifteenth tranche)	2.00	2.00	-	-	-	Yes
2022 ultra-short-term notes (sixteenth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (seventeenth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (eighteenth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (nineteenth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (twentieth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-first tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-second tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-third tranche)	9.00	9.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-fourth tranche)	4.00	4.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-fifth tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-sixth tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-seventh tranche)	5.30	5.30	-	-	-	Yes
2022 ultra-short-term notes (twenty-eighth tranche)	5.00	5.00	-	-	-	Yes
2022 ultra-short-term notes (twenty-ninth tranche)	5.30	5.30	-	-	-	Yes
2022 ultra-short-term notes (thirtieth tranche)	8.00	8.00	-	-	-	Yes
2022 ultra-short-term notes (thirty-first tranche)	5.00	5.00	-	-	-	Yes

## PARTICULARS OF CORPORATE BONDS

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
2022 ultra-short-term notes (thirty-second tranche)	5.10	5.10	–	–	–	Yes
2022 ultra-short-term notes (thirty-third tranche)	3.30	3.30	–	–	–	Yes
2022 ultra-short-term notes (thirty-fourth tranche)	8.00	8.00	–	–	–	Yes
2022 ultra-short-term notes (thirty-fifth tranche)	6.00	6.00	–	–	–	Yes
2022 ultra-short-term notes (thirty-sixth tranche)	6.70	6.70	–	–	–	Yes
2022 ultra-short-term notes (thirty-seventh tranche)	6.00	6.00	–	–	–	Yes
2022 ultra-short-term notes (thirty-eighth tranche)	7.00	7.00	–	–	–	Yes
2022 ultra-short-term notes (thirty-ninth tranche)	10.00	10.00	–	–	–	Yes
2022 ultra-short-term notes (fortieth tranche)	5.00	5.00	–	–	–	Yes
2022 ultra-short-term notes (forty-first tranche)	4.00	4.00	–	–	–	Yes
2022 ultra-short-term notes (forty-second tranche)	4.00	4.00	–	–	–	Yes
2022 ultra-short-term notes (forty-third tranche)	8.00	8.00	–	–	–	Yes
2022 ultra-short-term notes (forty-fourth tranche)	7.70	7.70	–	–	–	Yes
2022 ultra-short-term notes (forty-fifth tranche)	7.50	7.50	–	–	–	Yes
2022 ultra-short-term notes (forty-sixth tranche)	7.00	7.00	–	–	–	Yes
2022 green medium-term notes (first tranche) (Tech note)	7.00	7.00	–	–	–	Yes
2022 medium-term notes (second tranche)	3.00	3.00	–	–	–	Yes
2022 medium-term notes (third tranche)	5.00	5.00	–	–	–	Yes

## PARTICULARS OF CORPORATE BONDS

*The progress and operating benefit of utilization of the raised funds for construction projects*

Applicable  N/A

*Explanation of change of the above-mentioned use of funds raised by bonds during the Reporting Period*

Applicable  N/A

*Other explanations*

Applicable  N/A

5. Adjustment of credit rating results

Applicable  N/A

*Other explanations*

Applicable  N/A

6. Performance of and change to the guarantee, debt repayment plan and other measures to ensure debt repayment during the Reporting Period and their effects

Applicable  N/A

7. Other explanation on debt financing instrument of non-financial enterprises

Applicable  N/A

(IV) Loss in excess of 10% of the year-end net assets of the previous year in the consolidated financial statements of the Company during the Reporting Period

Applicable  N/A

(V) Information on overdue interest-bearing debts other than bonds at the end of the Reporting Period

Applicable  N/A

(VI) Impact of breach of laws and regulations, the Articles of Association, the information disclosure management system and the provisions or commitments in the prospectus of bonds offering on the rights and interests of bonds investors during the Reporting Period

Applicable  N/A



## PARTICULARS OF CORPORATE BONDS

### (VII) Accounting data and financial indicators of the Company for the recent 2 years as of the end of the Reporting Period

Applicable  N/A

Unit: Yuan Currency: RMB

Principal indicators	2022	2021	Increase/decrease of the period as compared to the same period of the previous year (%)	Reasons for changes
Net profit attributable to shareholders of the listed company, net of non-recurring profit and loss	3,423,828,879.88	3,763,332,484.59	-9.02	During the Reporting Period, affected by the decline in road network traffic operated by the Group and the toll reduction for trucks in the fourth quarter, the gross operating profit of the Company's toll business and ancillary business in service areas decreased year on year, resulting in a year-on-year decrease in the Group's total profit.
Current ratio	0.6879	0.6483	6.11	Mainly due to the increase in the balance of short-term wealth management products and currency funds held by the Group at the end of the Reporting Period as compared to the beginning of the Reporting Period, while the current liabilities resulting in an increase in the current ratio as compared to the beginning of the Reporting Period due to a decrease in accounts payable and other current liabilities as compared to the beginning of the Reporting Period.
Quick ratio	0.4103	0.3012	36.22	Mainly due to the decrease in the balance of the Group's inventory at the end of the Reporting Period as compared to the beginning of the Reporting Period, resulting in the increase in the quick ratio as compared to the beginning of the Reporting Period.
Gearing ratio (%)	51.63	49.31	Increased by 2.32 percentage points	Mainly due to the significant increase in the Group's interest-bearing debt balance, etc. at the end of the Reporting Period as compared to the beginning of the Reporting Period, and the increase in liabilities exceeding the increase in assets, resulting in the increase in liabilities exceeding the increase in assets.
Total debt to EBITDA ratio	0.1908	0.2352	-18.88	Mainly due to the increase in the Group's total liabilities at the end of the Reporting Period as compared to the beginning of the Reporting Period and the year-on-year decrease in total profit.
Interest coverage ratio	5.100	6.282	-18.81	Mainly due to a year-on-year decrease in the Group's total profit during the Reporting Period.
Cash interest coverage ratio	4.49	5.56	-19.24	Affected by the decline in road network traffic operated by the Group and the toll reduction for trucks in the fourth quarter during the Reporting Period, resulting in the Group's net cash flow from operating activities decreased year on year.
EBITDA interest coverage ratio	6.9389	8.4054	-17.45	Mainly due to a year-on-year decrease in the Group's total profit during the Reporting Period.
Loan repayment rate (%)	100.00	100.00	-	
Interest coverage rate (%)	100.00	100.00	-	

## II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

Applicable  N/A

# AUDITOR'S REPORT

畢馬威華振審字第 2302709 號

## THE SHAREHOLDERS OF JIANGSU EXPRESSWAY COMPANY LIMITED:

### OPINION

We have audited the accompanying financial statements of Jiangsu Expressway Company Limited ("Jiangsu Expressway"), which comprise the consolidated and company balance sheets as at 31 December 2022, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' 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 and company financial position of Jiangsu Expressway as at 31 December 2022, and the consolidated and company financial performance and cash flows of Jiangsu Expressway 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 Jiangsu Expressway 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.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Amortization of toll roads operation rights	
Refer to Note III.16 of Significant accounting policy and accounting estimates and Note V.17 of Notes to the consolidated financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at December 31, 2022, the net value of toll roads operation rights of Jiangsu Expressway and its subsidiaries ("Jiangsu Expressway Group") was RMB33,464,768,154.27. The amortization amount of toll roads operation rights in 2022 was RMB1,363,386,838.89. The toll roads operation rights of Jiangsu Expressway Group was amortized according to the traffic volume methods, and the monthly amortisation amount is calculated by the ratio of the actual traffic volume of the month to the sum of the actual traffic volume of the month and the estimated future traffic volume. The estimated future traffic volume refers to the prediction of the total traffic volume of Jiangsu Expressway Group in the remaining operation period in the future.</p> <p>We identified the amortization of toll roads operation rights as a key audit matter because the amortization amount of toll roads operation rights has a significant impact on the current year net profit, and the prediction of the estimated future traffic volume involves the judgment of the management and may be affected by the bias of the management.</p>	<p>Our audit procedures to evaluate the amortization of toll roads operation rights included the following:</p> <ul style="list-style-type: none"><li>• Understand the design of the key internal controls related to the amortization of toll road operation rights, and evaluate the effectiveness of relevant internal controls;</li><li>• Ask the management to understand the methods and bases they used to predict the estimated future traffic volume, and evaluate the appropriateness.</li><li>• Obtain the traffic volume prediction report issued by the third-party organization hired by Jiangsu Expressway Group, and understand its traffic volume prediction methods and key assumptions; Evaluate the competence, professional capability and objectivity of the third-party organization;</li><li>• Check whether the actual traffic volume data received by Jiangsu Expressway Group from the external service entity is consistent with the actual traffic volume applied in the calculation of the amortization of toll road operation rights, and verify such data through confirmation with external service entities;</li></ul>

## KEY AUDIT MATTERS (CONTINUED)

Amortization of toll roads operation rights	
Refer to Note III.16 of Significant accounting policy and accounting estimates and Note V.17 of Notes to the consolidated financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Understand and evaluate the automatic application control and general information technology control related to the accuracy of actual traffic volume data by using the work of internal information technology experts.</li> <li>Compare the estimated traffic volume in previous years with the actual traffic volume in the corresponding period to evaluate whether there is any sign of management bias.</li> <li>Check the accuracy of the amortization amount of toll roads operation rights calculated according to the traffic volume method.</li> </ul>

## OTHER INFORMATION

Jiangsu Expressway's management is responsible for the other information. The other information comprises all the information included in 2022 annual report of Jiangsu Expressway, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 Jiangsu Expressway'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 Jiangsu Expressway or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Jiangsu Expressway'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.

# AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Jiangsu Expressway'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 Jiangsu Expressway to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Jiangsu Expressway 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Huazhen LLP

Beijing, China

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

Zhou Xuchun (Engagement Partner)

Cao Yang

2023.3.24

# CONSOLIDATED BALANCE SHEET

At 31 December 2022

(Expressed in Renminbi Yuan)

	Note	2022	2021		Note	2022	2021
<b>Assets</b>				<b>Liabilities and shareholders' equity</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash at bank and on hand	V.1	932,931,344.38	623,637,321.80	Short-term loans	V.21	2,434,124,067.61	1,077,145,209.09
Financial assets held for trading	V.2	3,474,620,148.26	2,646,518,676.44	Bills payable	V.22	366,000,000.00	134,040,089.33
Bills receivable	V.3	950,000.00	13,024,839.80	Accounts payable	V.23	2,813,441,518.75	3,217,552,682.31
Accounts receivable	V.4	1,127,669,970.08	868,672,668.89	Advance payments received	V.24	15,148,842.33	18,397,566.42
Prepayments	V.5	7,737,346.20	9,423,703.60	Contract liabilities	V.25	162,928,919.15	427,561,162.30
Other receivables	V.6	62,758,902.02	77,090,371.90	Employee benefits payable	V.26	7,114,523.65	3,518,843.11
Inventories	V.7	2,585,018,115.85	3,889,500,259.57	Taxes payable	V.27	383,023,669.03	414,605,221.89
Non-current assets due within one year	V.8	62,000,000.00	-	Other payables	V.28	288,042,394.72	269,097,635.04
Other current assets	V.9	1,132,118,913.26	976,072,886.04	Non-current liabilities due within one year	V.29	1,815,208,560.25	808,115,766.98
				Other current liabilities	V.30	5,359,728,092.37	7,671,965,597.07
<b>Total current assets</b>		<b>9,385,804,740.05</b>	<b>9,103,940,728.04</b>	<b>Total current liabilities</b>		<b>13,644,760,587.86</b>	<b>14,041,999,763.54</b>
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Long-term receivables	V.10	111,904,575.09	-	Long-term loans	V.31	16,053,597,366.94	16,167,775,891.48
Long-term equity investments	V.11	11,089,989,971.83	10,155,546,826.36	Bonds payable	V.32	9,972,337,481.34	5,777,418,959.86
Investments in other equity instruments	V.12	6,989,448,132.00	5,805,587,078.89	Lease liabilities	V.62	20,300,291.44	25,850,314.84
Other non-current financial assets	V.13	2,877,355,787.11	3,004,141,868.26	Long-term payables	V.33	71,404,993.74	73,003,435.69
Investment properties	V.14	308,801,243.53	91,363,105.92	Deferred income	V.34	73,860,914.18	99,499,953.02
Fixed assets	V.15	8,045,978,815.98	7,645,933,747.91	Deferred tax liabilities	V.19	671,751,540.62	419,248,158.42
Construction in progress	V.16	188,697,382.38	265,046,246.08	Other non-current liabilities	V.35	-	4,451,000.00
Right-of-use assets	V.62	29,471,084.75	39,288,043.61	<b>Total non-current liabilities</b>		<b>26,863,252,588.26</b>	<b>22,567,247,713.31</b>
Intangible assets	V.17	39,160,901,716.97	37,144,247,928.52	<b>Total liabilities</b>		<b>40,508,013,176.12</b>	<b>36,609,247,476.85</b>
Long-term deferred expenses	V.18	18,310,574.19	2,885,785.63	<b>Shareholders' equity</b>			
Deferred tax assets	V.19	183,314,189.73	173,063,828.26	Share capital	V.36	5,037,747,500.00	5,037,747,500.00
Other non-current assets	V.20	68,366,860.46	815,786,455.84	Capital reserve	V.37	9,776,409,372.86	12,122,409,372.86
				Other comprehensive income	V.38	1,752,882,112.53	931,335,600.50
<b>Total non-current assets</b>		<b>69,072,540,334.02</b>	<b>65,142,890,915.28</b>	General risk reserve	V.39	9,737,731.83	6,505,092.88
				Specific reserve	V.40	577,468.02	-
<b>Total assets</b>		<b>78,458,345,074.07</b>	<b>74,246,831,643.32</b>	Surplus reserve	V.41	4,019,593,072.94	3,834,110,631.26
				Retained earnings	V.42	11,343,860,451.93	10,110,279,671.92
				<b>Total equity attributable to shareholders of the Company</b>		<b>31,940,807,710.11</b>	<b>32,042,387,869.42</b>
				Non-controlling interests		6,009,524,187.84	5,595,196,297.05
				<b>Total shareholders' equity</b>		<b>37,950,331,897.95</b>	<b>37,637,584,166.47</b>
				<b>Total liabilities and shareholders' equity</b>		<b>78,458,345,074.07</b>	<b>74,246,831,643.32</b>

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang

Legal Representative

Dai Qian

The person in charge of accounting affairs

Yao Qunfang

The head of the accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# COMPANY BALANCE SHEET

At 31 December 2022

(Expressed in Renminbi Yuan)

	Note	2022	2021		Note	2022	2021
<b>Assets</b>				<b>Liabilities and shareholders' equity</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash at bank and on hand		457,256,666.75	319,971,226.51	Short-term loans		1,704,448,586.00	450,433,125.00
Financial assets held for trading		2,450,006,985.16	2,199,616,681.00	Accounts payable		582,679,623.53	576,540,666.20
Accounts receivable	XV.1	410,626,643.63	389,572,507.53	Advance payments received		4,488,651.19	5,546,807.81
Prepayments		1,130,751.22	4,790,567.78	Employee benefits payable		1,927,435.78	1,635,865.42
Other receivables	XV.2	10,682,984.50	10,933,988.98	Taxes payable		36,143,213.39	92,215,670.12
Inventories		17,655,990.24	15,971,112.95	Other payables		243,353,866.72	214,229,823.94
Other current assets	XV.3	2,838,602,047.81	3,279,536,006.56	Non-current liabilities due within one year		142,426,258.82	90,132,581.45
<b>Total current assets</b>		<b>6,185,962,069.31</b>	<b>6,220,392,091.31</b>	Other current liabilities		5,334,649,066.00	7,638,282,907.00
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Long-term equity investments	XV.4	20,149,153,401.76	16,640,946,788.72	Long-term loans		1,996,497,782.70	1,009,901,663.24
Investments in other equity instruments		5,256,708,192.00	4,451,199,628.89	Bonds payable		9,974,656,778.90	5,777,418,959.86
Fixed assets		1,230,056,879.64	1,264,183,897.53	Deferred income		63,845,851.68	73,886,612.29
Construction in progress		93,394,861.08	195,562,990.53	Deferred tax liabilities		254,570,034.04	4,169,775.30
Intangible assets		11,655,199,035.84	12,433,236,657.15	<b>Total non-current liabilities</b>		<b>12,289,570,447.32</b>	<b>6,865,377,010.69</b>
Long-term deferred expenses		1,315,525.44	-	<b>Total liabilities</b>		<b>20,339,687,148.75</b>	<b>15,934,394,457.63</b>
Other non-current assets		2,062,755,638.21	13,093,831.54	<b>Shareholders' equity</b>		<b>5,037,747,500.00</b>	<b>5,037,747,500.00</b>
<b>Total non-current assets</b>		<b>40,448,583,533.97</b>	<b>34,998,223,794.36</b>	Share capital		5,037,747,500.00	5,037,747,500.00
<b>Total assets</b>		<b>46,634,545,603.28</b>	<b>41,218,615,885.67</b>	Capital reserve		9,945,032,992.78	10,372,950,811.58
				Other comprehensive income		1,056,590,611.44	336,797,292.10
				Surplus reserve		2,518,873,750.00	2,518,873,750.00
				Retained earnings		7,736,613,600.31	7,017,852,074.36
				<b>Total shareholders' equity</b>		<b>26,294,858,454.53</b>	<b>25,284,221,428.04</b>
				<b>Total liabilities and shareholders' equity</b>		<b>46,634,545,603.28</b>	<b>41,218,615,885.67</b>

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang  
Legal Representative

Dai Qian  
The person in charge  
of accounting affairs

Yao Qunfang  
The head of the  
accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

(Expressed in Renminbi Yuan)

	Note	2022	2021
<b>I. Operating income</b>	V.43	<b>13,255,603,107.72</b>	14,260,532,858.18
Less: Operating costs	V.43	<b>8,841,449,322.89</b>	8,998,605,756.71
Taxes and surcharges	V.44	<b>168,927,615.17</b>	266,701,703.32
Selling and distribution expenses	V.45	<b>14,501,739.24</b>	26,111,192.22
General and administrative expenses	V.46	<b>293,508,570.18</b>	245,992,998.91
Financial expenses	V.47	<b>1,094,226,669.03</b>	867,170,637.90
Including: Interest expenses		<b>1,098,642,030.08</b>	869,888,309.40
Interest income		<b>23,262,551.07</b>	16,464,368.49
Add: Other income	V.48	<b>31,982,996.77</b>	30,036,194.33
Investment income	V.49	<b>1,867,961,513.05</b>	1,213,714,101.38
Including: Income from investment in associates and joint ventures		<b>1,086,915,705.37</b>	768,954,027.30
(Losses)/gains from changes in fair value	V.50	<b>(142,950,442.33)</b>	489,879,008.21
Credit losses	V.51	<b>(5,354,679.05)</b>	(8,829,242.92)
Impairment losses	V.52	<b>-</b>	(5,497,868.60)
Gains from asset disposals	V.53	<b>25,731,786.68</b>	7,868,251.48
<b>II. Operating profit</b>		<b>4,620,360,366.33</b>	5,583,121,013.00
Add: Non-operating income	V.54	<b>10,630,200.48</b>	12,948,983.37
Less: Non-operating expenses	V.54	<b>49,967,992.41</b>	29,670,574.13
<b>III. Profit before income tax</b>		<b>4,581,022,574.40</b>	5,566,399,422.24
Less: Income tax expenses	V.55	<b>833,033,706.01</b>	1,289,660,707.85
<b>IV. Net profit for the year</b>		<b>3,747,988,868.39</b>	4,276,738,714.39
1. Net profit classified by continuity of operations:			
(1) Net profit from continuing operations		<b>3,747,988,868.39</b>	4,276,738,714.39
(2) Net profit from discontinued operations		<b>-</b>	-
2. Net profit classified by ownership:			
(1) Shareholders of the Company		<b>3,724,115,165.87</b>	4,280,010,033.09
(2) Non-controlling interests		<b>23,873,702.52</b>	(3,271,318.70)
<b>V. Other comprehensive income, net of tax</b>	V.38	<b>847,357,806.80</b>	151,824,228.78
1. Other comprehensive income (net of tax) attributable to shareholders of the Company		<b>837,091,056.80</b>	158,800,353.78
(1) Items that will not be reclassified to profit or loss		<b>837,189,417.43</b>	158,800,353.78
a. Other comprehensive income recognised under equity method		<b>(3,743,295.51)</b>	(20,210,435.46)
b. Changes in fair value of investments in other equity instruments		<b>840,932,712.94</b>	179,010,789.24
(2) Items that may be reclassified to profit or loss		<b>(98,360.63)</b>	-
2. Other comprehensive income (net of tax) attributable to non-controlling interests		<b>10,266,750.00</b>	(6,976,125.00)
<b>VI. Total comprehensive income for the year</b>		<b>4,595,346,675.19</b>	4,428,562,943.17
1. Attributable to shareholders of the Company		<b>4,561,206,222.67</b>	4,438,810,386.87
2. Attributable to non-controlling interests		<b>34,140,452.52</b>	(10,247,443.70)
<b>VII. Earnings per share</b>			
1. Basic earnings per share	V.56	<b>0.7392</b>	0.8496
2. Diluted earnings per share	V.56	<b>0.7392</b>	0.8496

Note: For a business combination involving entities under common control which occurred in 2022, the net profit of the investee before being consolidated was RMB125,330,455.92. The net profit in 2021 was RMB144,089,949.02.

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang

Legal Representative

Dai Qian

The person in charge  
of accounting affairs

Yao Qunfang

The head of the  
accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# COMPANY INCOME STATEMENT

For the year ended 31 December 2022

(Expressed in Renminbi Yuan)

	Note	2022	2021
<b>I. Operation income</b>	XV.5	<b>6,696,414,212.37</b>	7,870,816,079.21
Less: Operating costs	XV.5	<b>3,520,647,201.03</b>	3,842,837,113.80
Taxes and surcharges		<b>25,061,375.00</b>	40,294,738.64
General and administrative expenses		<b>200,590,925.38</b>	183,033,477.46
Financial expenses		<b>414,460,754.98</b>	374,896,727.53
Including: Interest expenses		<b>423,982,102.30</b>	418,485,174.75
Interest income		<b>16,956,547.66</b>	55,220,042.62
Add: Other income		<b>24,523,253.82</b>	27,763,662.10
Investment income	XV.6	<b>1,230,101,841.61</b>	932,664,601.44
Including: Income from investments in associates and joint ventures		<b>564,663,110.58</b>	552,035,987.05
(Provision for)/reversal of credit losses		<b>(467,344.78)</b>	115,014.62
Impairment losses		<b>–</b>	(5,497,868.60)
Gains from asset disposals		<b>1,134,700.00</b>	5,762,600.00
<b>II. Operating profit</b>		<b>3,790,946,406.63</b>	4,390,562,031.34
Add: Non-operating income		<b>6,588,680.83</b>	8,856,347.78
Less: Non-operating expenses		<b>43,726,096.02</b>	27,410,576.69
<b>III. Profit before income tax</b>		<b>3,753,808,991.44</b>	4,372,007,802.43
Less: Income tax expenses		<b>733,228,160.26</b>	930,356,943.01
<b>IV. Net profit for the year</b>		<b>3,020,580,831.18</b>	3,441,650,859.42
1. Net profit from continuing operations		<b>3,020,580,831.18</b>	3,441,650,859.42
2. Net profit from discontinued operations		<b>–</b>	–
<b>V. Other comprehensive income, net of tax</b>		<b>735,337,864.11</b>	190,557,566.28
1. Items that will not be reclassified to profit or loss		<b>735,436,224.74</b>	190,557,566.28
(1) Other comprehensive income recognised under equity method		<b>(3,743,295.51)</b>	(20,210,435.46)
(2) Changes in fair value of investments in other equity instruments		<b>739,179,520.25</b>	210,768,001.74
2. Items that may be reclassified to profit or loss		<b>(98,360.63)</b>	–
<b>VI. Total comprehensive income for the year</b>		<b>3,755,918,695.29</b>	3,632,208,425.70

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang  
Legal Representative

Dai Qian  
The person in charge  
of accounting affairs

Yao Qunfang  
The head of the  
accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.



# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

(Expressed in Renminbi Yuan)

	Note	2022	2021
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		9,657,865,802.24	10,744,934,960.41
Refund of taxes		1,127,937,142.47	71,941,067.49
Proceeds from other operating activities	V.58(1)	1,175,062,817.41	811,790,273.72
Sub-total of cash inflows		11,960,865,762.12	11,628,666,301.62
Payment for goods and services		2,273,624,208.27	2,016,763,427.43
Payment to and for employees		1,284,237,259.94	1,209,041,317.76
Payment of various taxes		1,396,026,964.96	1,527,991,962.44
Payment for other operating activities	V.58(2)	1,479,056,282.51	1,172,100,290.74
Sub-total of cash outflows		6,432,944,715.68	5,925,896,998.37
Net cash inflow from operating activities	V.59(1)	5,527,921,046.44	5,702,769,303.25
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		16,242,271,244.68	16,764,302,394.15
Investment returns received		916,007,126.42	616,698,176.11
Net proceeds from disposal of fixed assets		51,755,200.88	12,610,218.85
Sub-total of cash inflows		17,210,033,571.98	17,393,610,789.11
Payment for acquisition of fixed assets, intangible assets and other long-term assets		4,039,105,625.86	4,777,231,902.11
Payment for acquisition of investments		17,140,572,709.15	20,636,694,224.57
Net payment for acquisition of subsidiaries	V.59(2)	2,457,000,000.00	-
Sub-total of cash outflows		23,636,678,335.01	25,413,926,126.68
Net cash outflow from investing activities		(6,426,644,763.03)	(8,020,315,337.57)
<b>III. Cash flows from financing activities:</b>			
Proceeds from investors		511,000,000.00	441,900,000.67
Including: Proceeds from non-controlling shareholders of subsidiaries		400,000,000.00	401,900,000.67
Proceeds from borrowings		7,026,403,472.09	5,926,003,334.00
Proceeds from issue of bonds		29,357,400,000.00	21,835,447,890.89
Sub-total of cash inflows		36,894,803,472.09	28,203,351,225.56
Repayments of borrowings		32,259,970,646.60	22,712,024,685.27
Payment for dividends, profit distributions or interest		3,422,409,878.25	3,173,879,263.52
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		19,885,678.86	11,107,452.34
Payment for other financing activities	V.58(3)	5,993,174.91	9,503,833.18
Sub-total of cash outflows		35,688,373,699.76	25,895,407,781.97
Net cash inflow from financing activities		1,206,429,772.33	2,307,943,443.59
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-	-
<b>V. Net increase in cash and cash equivalents ("-" for decrease)</b>			
Add: Cash and cash equivalents at the beginning of the year	V.59(1)b	307,706,055.74	(9,602,590.73)
		617,306,798.75	626,909,389.48
<b>VI. Cash and cash equivalents at the end of the year</b>			
	V.59(3)	925,012,854.49	617,306,798.75

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang  
Legal Representative

Dai Qian  
The person in charge  
of accounting affairs

Yao Qunfang  
The head of the  
accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# COMPANY CASH FLOW STATEMENT

For the year ended 31 December 2022

(Expressed in Renminbi Yuan)

	Note	2022	2021
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		6,898,107,313.27	7,715,480,620.98
Proceeds from other operating activities		137,354,618.91	260,066,060.18
Sub-total of cash inflows		7,035,461,932.18	7,975,546,681.16
Payment for goods and services		1,725,009,332.58	1,693,598,365.45
Payment to and for employees		991,938,293.89	934,614,587.61
Payment of various taxes		1,011,783,590.13	1,072,310,200.46
Payment for other operating activities		104,372,268.67	39,457,341.60
Sub-total of cash outflows		3,833,103,485.27	3,739,980,495.12
Net cash inflow from operating activities		3,202,358,446.91	4,235,566,186.04
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		13,384,812,151.70	13,611,125,808.79
Investment returns received		703,641,086.37	493,600,004.30
Net proceeds from disposal of fixed assets		11,710,589.10	5,903,460.41
Proceeds from other investing activities		7,203,610,022.71	17,280,000,000.00
Sub-total of cash inflows		21,303,773,849.88	31,390,629,273.50
Payment for acquisition of fixed assets, intangible assets and other long-term assets		150,500,419.84	257,851,453.83
Payment for acquisition of investments		13,359,655,172.95	14,860,864,784.98
Net payment for acquisition of subsidiaries and other business units		3,514,170,000.00	2,405,314,310.87
Payment for other investing activities		8,789,634,022.68	17,535,566,488.58
Sub-total of cash outflows		25,813,959,615.47	35,059,597,038.26
Net cash outflow from investing activities		(4,510,185,765.59)	(3,668,967,764.76)
<b>III. Cash flows from financing activities:</b>			
Proceeds from borrowings		3,699,540,071.22	1,510,000,000.00
Proceeds from issuance of bonds		29,357,400,000.00	21,836,480,958.21
Sub-total of cash inflows		33,056,940,071.22	23,346,480,958.21
Repayments of borrowings		28,884,530,599.08	21,012,181,252.51
Payment for dividends or interest		2,723,026,269.00	2,635,453,589.92
Payment for other financing activities		4,270,444.22	-
Sub-total of cash outflows		31,611,827,312.30	23,647,634,842.43
Net cash inflow/(outflow) from financing activities		1,445,112,758.92	(301,153,884.22)
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-	-
<b>V. Net increase in cash and cash equivalents ("-" for decrease)</b>			
Add: Cash and cash equivalents at the beginning of the year		319,971,226.51	54,526,689.45
<b>VI. Cash and cash equivalents at the end of the year</b>			
		457,256,666.75	319,971,226.51

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang

Legal Representative

Dai Qian

The person in charge  
of accounting affairs

Yao Qunfang

The head of the  
accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

(Expressed in Renminbi Yuan)

	2022									
	Attributable to shareholders of the Company									
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Special reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at the beginning of the year	5,037,747,500.00	12,122,409,372.86	931,335,600.50	3,834,110,631.26	6,505,092.88	-	10,110,279,671.92	32,042,387,669.42	5,595,196,297.05	37,637,584,166.47
II. Changes in equity during the year ("-" for decreases)	-	(2,346,000,000.00)	821,546,512.03	185,482,441.68	3,232,638.95	577,468.02	1,233,580,780.01	(101,580,159.31)	414,327,890.79	312,747,731.48
1. Total comprehensive income	-	-	837,091,056.80	-	-	-	3,724,115,165.87	4,561,206,222.67	34,140,452.52	4,595,346,675.19
2. Shareholders' contributions of capital	-	111,000,000.00	-	-	-	-	-	111,000,000.00	400,000,000.00	511,000,000.00
(1) Contribution by ordinary shareholders	-	111,000,000.00	-	-	-	-	-	111,000,000.00	400,000,000.00	511,000,000.00
3. Appropriation of profits	-	-	-	185,482,441.68	3,232,638.95	-	(2,506,078,930.63)	(2,317,363,850.00)	(19,885,678.86)	(2,337,249,528.86)
(1) Appropriation for surplus reserve	-	-	-	185,482,441.68	-	-	(185,482,441.68)	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(19,885,678.86)	(2,337,249,528.86)
(3) Appropriation for general risk reserve	-	-	-	-	3,232,638.95	-	(3,232,638.95)	-	-	-
4. Transfers within equity	-	-	(15,544,544.77)	-	-	-	15,544,544.77	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	(15,544,544.77)	-	-	-	15,544,544.77	-	-	-
5. Considerations paid for the business combination under common control	-	(2,457,000,000.00)	-	-	-	-	-	(2,457,000,000.00)	-	(2,457,000,000.00)
6. Special reserve	-	-	-	-	-	577,468.02	-	577,468.02	73,117.13	650,585.15
(1) Appropriation during the year	-	-	-	-	-	2,781,972.78	-	2,781,972.78	73,117.13	2,855,089.91
(2) Utilisation during the year	-	-	-	-	-	(2,204,504.76)	-	(2,204,504.76)	-	(2,204,504.76)
III. Balance at the end of the year	5,037,747,500.00	9,776,409,372.86	1,752,882,112.53	4,019,593,072.94	9,737,731.83	577,468.02	11,343,860,451.93	31,940,807,710.11	6,009,524,187.84	37,950,331,897.95

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang  
Legal Representative

Dai Qian  
The person in charge of accounting affairs

Yao Qunfang  
The head of the accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

(Expressed in Renminbi Yuan)

	2021								
	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Retained earnings	Sub-total	Non-controlling interests	Total
<b>I. Balance at the beginning of the year</b>	5,037,747,500.00	10,502,833,951.29	806,954,969.94	3,650,405,305.55	3,497,713.71	8,208,531,658.34	28,209,961,098.83	4,839,308,542.18	33,049,269,641.01
Adjustments to business combinations involving enterprises under common control	-	1,573,000,000.00	-	1,137,960.83	-	90,266,851.32	1,664,404,812.15	381,826,419.85	2,046,231,232.00
Adjusted balance at the beginning of the year	5,037,747,500.00	12,075,833,951.29	806,954,969.94	3,651,543,266.38	3,497,713.71	8,298,798,509.66	29,874,365,910.98	5,221,134,962.03	35,095,500,873.01
<b>II. Changes in equity during the year ("-" for decreases)</b>	-	46,575,421.57	124,380,630.56	182,567,364.88	3,017,379.17	1,811,461,162.26	2,168,021,958.44	374,061,335.02	2,542,083,293.46
1. Total comprehensive income	-	-	158,800,353.78	-	-	4,280,010,033.09	4,438,810,386.87	(10,247,443.70)	4,428,562,943.17
2. Shareholders' contributions and decrease of capital	-	46,575,421.57	-	-	-	-	46,575,421.57	395,416,231.06	441,991,652.63
(1) Contribution by ordinary shareholders	-	40,000,000.00	-	-	-	-	40,000,000.00	401,900,000.67	441,900,000.67
(2) Contribution by holders of other equity instruments	-	6,483,769.61	-	-	-	-	6,483,769.61	(6,483,769.61)	-
(3) Others	-	91,651.96	-	-	-	-	91,651.96	-	91,651.96
3. Appropriation of profits	-	-	-	182,567,364.88	3,017,379.17	(2,502,948,594.05)	(2,317,363,850.00)	(11,107,452.34)	(2,328,471,302.34)
(1) Appropriation for surplus reserve	-	-	-	182,567,364.88	-	(182,567,364.88)	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(11,107,452.34)	(2,328,471,302.34)
(3) Appropriation for general risk reserve	-	-	-	-	3,017,379.17	(3,017,379.17)	-	-	-
4. Transfers within equity	-	-	(34,419,723.22)	-	-	34,419,723.22	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	(34,419,723.22)	-	-	34,419,723.22	-	-	-
<b>III. Balance at the end of the year</b>	5,037,747,500.00	12,122,409,372.86	931,335,600.50	3,834,110,631.26	6,505,092.88	10,110,279,671.92	32,042,387,869.42	5,595,196,297.05	37,637,584,166.47

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang  
Legal Representative

Dai Qian  
The person in charge of accounting affairs

Yao Qunfang  
The head of the accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

(Expressed in Renminbi Yuan)

	2022						2021					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
<b>I. Balance at the beginning of the year</b>	5,037,747,500.00	10,372,950,811.58	336,797,292.10	2,518,873,750.00	7,017,852,074.36	25,284,221,428.04	5,037,747,500.00	10,372,859,159.62	180,659,449.04	2,518,873,750.00	5,859,145,341.72	23,969,265,200.38
<b>II. Changes in equity during the year ("+" for increases and "-" for decreases)</b>												
1. Total comprehensive income	-	(427,917,818.80)	719,793,319.34	-	718,761,525.95	1,010,637,026.49	-	91,651.96	156,137,843.06	-	1,158,706,732.64	1,314,936,227.66
2. Shareholders' contributions and decrease of capital	-	(427,917,818.80)	-	-	-	(427,917,818.80)	-	91,651.96	-	-	-	91,651.96
(1) Adjustments on business combinations involving enterprises under common control	-	(427,917,818.80)	-	-	-	(427,917,818.80)	-	-	-	-	-	-
(2) Others	-	-	-	-	-	-	-	91,651.96	-	-	-	91,651.96
3. Appropriation of profits	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
(1) Appropriation for surplus reserve	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
4. Transfers within equity	-	-	(15,544,544.77)	-	15,544,544.77	-	-	-	(34,419,723.22)	-	34,419,723.22	-
(1) Transfer of other comprehensive income to retained earnings	-	-	(15,544,544.77)	-	15,544,544.77	-	-	-	(34,419,723.22)	-	34,419,723.22	-
<b>III. Balance at the end of the year</b>	5,037,747,500.00	9,945,032,992.78	1,056,590,611.44	2,518,873,750.00	7,736,613,600.31	26,294,858,454.53	5,037,747,500.00	10,372,950,811.58	336,797,292.10	2,518,873,750.00	7,017,852,074.36	25,284,221,428.04

These financial statements were approved by the Board of Directors of the Company on 24 March 2023.

Chen Yunjiang  
Legal Representative

Dai Qian  
The person in charge of accounting affairs

Yao Qunfang  
The head of the accounting department

(Company stamp)

The notes on pages 236 to 368 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## I. COMPANY STATUS

Jiangsu Expressway Company Limited (the “Company”) is a company limited by shares established in Nanjing, Jiangsu province on 1 August 1992, with its head office located at Nanjing. The parent of the Company and its ultimate holding company is Jiangsu Communications Holding Company Limited (“Commutations Holding”).

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly include construction, operation and management of the Jiangsu section of Shanghai-Nanjing Expressway (the “Shanghai-Nanjing Expressway”) and other toll roads in Jiangsu Province PRC, and the provision of passenger transport services and other supporting services along the toll road. Please refer to Note VII for details of the subsidiaries of the Company.

During the Reporting Period, the information about increase in the Group’s subsidiaries is disclosed in Note VI.

## II. BASIS OF PREPARATION

As at 31 December 2022, the Group had total current liabilities in excess of total current assets of RMB4,258,955,847.81. As at 31 December 2022, the Group has available unutilized bank loan facilities with a time limit over one year of not less than RMB10,000,000,000.00, and the Group has authorized but not issued super short-term bonds with a time limit over one year of approximately RMB5,780,000,000.00. The Group has authorized but not issued super medium-term bonds with a time limit over one year of approximately RMB4,500,000,000, and the green corporate bonds with a time limit over one year that have been authorized but not issued with the China Securities Regulatory Commission (CSRC) by the Group were approximately RMB1,000,000,000. The Company’s management believes the facilities above are to provide all necessary financial support to the Group in the foreseeable future so as to maintain the Group’s ability to continue as a going concern, therefore, the financial statements have been prepared on the going concern basis.

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group is principally engaged in toll road operation. The Group determines the specific accounting policies on the amortization of toll road operation rights according to the toll road industry characteristics. Refer to Note III 16 for details.

### 1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2022, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (“CSRC”) in 2014. In addition, the financial statements were also subject to relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange.

### 2. Accounting period

The accounting period is from 1 January to 31 December.

### 3. Operating cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. Except for the real estate industry, the Group’s business cycle is short, and the determining criterion of asset-liability liquidity is 12 months. The real estate industry business cycle is from real estate development to sales realization, generally in more than 12 months, the specific period is determined according to the development conditions of the project, and its criterion of asset-liability liquidity is based on the business cycle.

### 4. Functional currency

Renminbi (“RMB”) is the currency of the primary economic environment in which the Group operates. Therefore, the Group adopts RMB as its functional currency. The Company adopts RMB to prepare its financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 5. Accounting treatments for business combinations involving entities under common control and not under common control

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

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

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

#### (1) Business combinations involving entities under common control

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

#### (2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note III.18). If (1) is less than (2), the difference is recognised in profit or loss for the current period. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognised in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior Reporting Periods relating to the previously-held equity interest that may be reclassified to profit or loss are transferred to investment income at the date of acquisition (see Note III.11(2) (b)); 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Consolidated financial statements

#### (1) General principles

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

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

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

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

#### (2) Subsidiaries acquired through a business combination

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Consolidated financial statements (Continued)

#### (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.

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 (see Note III.6(4)).

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) 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.

### 7. 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 8. Foreign currency transactions and translation of foreign currency financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, except that differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period (see Note III.15). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

In translating the financial statements of a foreign operation, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding retained earnings and the translation differences in other comprehensive income, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

### 9. 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 III.11), receivables, payables, loans and borrowings, bonds payable and share capital.

#### (1) Recognition and initial 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 at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with Note III.20.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (2) Classification and subsequent measurement of financial assets

##### (a) *Classification of financial assets*

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (2) Classification and subsequent measurement of financial assets (Continued)

##### (b) Subsequent measurement of financial assets

###### – Financial assets at FVTPL

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

###### – Financial assets at amortised cost

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

###### – Debt investments at FVOCI

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

#### (3) Classification and subsequent measurement of financial liabilities

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

###### – Financial liabilities at FVTPL

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

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

###### – Financial guarantee liabilities

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

Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss.

A financial guarantee liability is measured at the higher of the amount of the loss allowance determined in accordance with impairment policies of financial instruments 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (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.

#### (5) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

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

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

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

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

#### (6) Impairment

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

- financial assets measured at amortised cost;
- contract assets
- 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (6) Impairment (Continued)

##### *Measurement of ECLs*

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

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

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

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

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECL. 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 and lease receivables, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

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

##### *Financial instruments that have low credit risk*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (6) Impairment (Continued)

##### *Significant increases in credit risk*

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

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

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

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

##### *Credit-impaired financial assets*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (6) Impairment (Continued)

##### *Presentation of allowance for ECL*

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

##### *Write-off*

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

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

#### (7) Equity instrument

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

### 10. Inventories

#### (1) Classification and cost

Inventories include spare parts for repairs and maintenance of toll roads infrastructure, petrol for sales and real estate under development etc.

Inventories are initially measured at cost. Cost of real estate under development include payments for land acquisition, costs for infrastructure, construction and installation costs, borrowing costs capitalized before project is ready for intended use, and other relevant costs during development. Cost of other inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

#### (2) Measurement method of cost of inventories

The actual cost of real estate under development is calculated using the specific identification method. Other inventories are calculated using the first-in-first out method.

#### (3) Basis for determining the net realisable value and method for provision for obsolete inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Provision for decline in value of inventories is made based on the excess of cost inventory over its net realizable value on an item-by-item basis.

#### (4) Inventory count system

The Group maintains a perpetual inventory system.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Long-term equity investments

(1) Investment cost of long-term equity investments

(a) *Long-term equity investments acquired through a business combination*

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted to capital premium in the capital reserve, with any excess adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

(b) *Long-term equity investments acquired other than through a business combination*

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

(a) *Investments in subsidiaries*

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale. 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 investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.18.

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note III.6.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Long-term equity investments (Continued)

(2) Subsequent measurement of long-term equity investment (Continued)

(b) *Investment in joint ventures and associates*

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement.

An associate is an entity over which the Group has significant influence (see Note III.11(3)).

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.

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

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

For the impairment of the investments in joint ventures and associates, refer to Note III.18.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Long-term equity investments (Continued)

- (3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

### 12. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. For the impairment of the investment properties, refer to Note III.18.

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant & buildings	30	3	3.2

### 13. Fixed assets

- (1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in supply of services, for rental, or for administrative purposes with useful lives over one accounting year.

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 is measured in accordance with the policy set out in Note III.14.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

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.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Fixed assets (Continued)

(2) Depreciation of fixed assets

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.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant and buildings	10–30	0	3.3–10.0
Safety equipment	10	3	9.7
Communication and surveillance equipment	8	3	12.1
Toll and ancillary equipment	8	3	12.1
Machinery and equipment	9–33	3	2.9–10.8
Electronic equipment	5	3	19.4
Motor vehicles	8	3	12.1
Furniture and others	5	3	19.4

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

(3) For the impairment of the fixed assets, refer to Note III.18.

(4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

- when the fixed asset is holding for disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

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

### 14. Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.15), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.18).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 15. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production 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, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction or production 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 effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

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, construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Capitalisation of borrowing costs is suspended when the acquisition, construction or production activities are interrupted abnormally for a period of more than three months.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 16. Intangible assets

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 III.18). For an intangible asset with finite useful life, other than toll road operation right, 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. If the Group has right to charge users of the toll road service in certain period but the amount is not determined when relevant infrastructure completed, the Group measures the right as intangible asset initially at fair value of received or receivable consideration. The right of operate the road is stated in the balance sheet at historical cost less accumulated amortisation and any impairment losses. It is amortised in accordance with traffic volume methods, and the monthly amortisation amount is calculated by the ratio of the actual traffic volume of the month to the sum of the actual traffic volume of the month and the estimated future traffic volume. When there is significant difference between actual and estimate traffic volume, the Group will re-evaluate the total traffic volume and calculate the amortisation amount.

The respective amortisation periods for intangible assets are as follows:

Item	Method of amortisation	Amortisation period (years)	Residual value rate (%)
Land use rights	Straight-line method	22–30	0
Toll road operation rights	Traffic flow method	25–35	0
Rights to use sea areas	Straight-line method	28	0
Software	Straight-line method	5	0

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

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

### 17. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortised more than one year. Long-term deferred expenses are amortised using a straight-line method within the benefit period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 18. Impairment of assets other than inventories and financial 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
- investment properties measured using a cost model
- long-term equity investments
- long-term deferred expenses, 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 at least annually and the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.19) less costs to sell and its present value of expected future cash flows.

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 19. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

### 20. Revenue recognition

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

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 20. Revenue recognition (Continued)

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

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

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

Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

(1) Toll road income

Toll road income is the income from operating toll road, and is recognized in accordance with amount collected and receivable when a vehicle is passing through.

(2) Construction income

For participation in public infrastructure construction business in the form of PPP, the Group accounts for the construction phase of the project in accordance with the revenue guidelines to determine the Group's status as the primary responsible party. For construction service revenue provided in PPP projects, it is a performance obligation to be performed at a certain point in time and a contract asset is recognized. The Group recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project assets as intangible assets, and the contract assets recognized during the relevant construction period are presented in the balance sheet under "intangible assets". For construction services that are not completed at the balance sheet date, the Group determines the progress of performance based on the proportion of the cumulative actual costs incurred to the estimated total costs and recognizes revenue over the contract period in accordance with the progress of performance.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 20. Revenue recognition (Continued)

(3) Income from ancillary service

Ancillary service income is mainly from sales of petroleum products. Income from sales of petroleum products is recognized when control of the petroleum products is transferred.

(4) Income from real estate development

Income from real estate development is recognized after the related property procedures are completed and transferred to the customer. The Group shall recognize revenue based on transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods and services.

(5) Income from sales of electricity

Income from sales of electricity is recognised when electricity is supplied to the grid companies or customers. The Group recognises income from sales of electricity based on the contracted on-grid electricity price (including national tariff subsidies) and the monthly actual on-grid electricity consumption confirmed by the grid companies or customers.

(6) Income from advertisement and other services

Income from advertisement and other services are mainly from advertising operation, the revenue shall be recognized within the service period based on the service time and price after providing services.

### 21. 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. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 21. Contract costs (Continued)

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

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

### 22. Employee benefits

#### (1) Short-term employee benefits

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

#### (2) Post-employment benefits – 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.

#### (3) Termination benefits

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 23. Government grants

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

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

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

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Or included in other income or non-operating income directly.

### 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.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. Income tax

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Leases

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

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

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

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

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

#### (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. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.18.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Leases (Continued)

#### (1) As a lessee (Continued)

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

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

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

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

#### (2) As a lessor

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

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

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

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.9. 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 is 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 27. Profit distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will 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 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.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

### 29. Segment reporting

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

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

### 30. Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### (1) Significant accounting estimates

Except for accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes III.13 and 16) and provision for impairment of various types of assets (see Notes V.4, 6, 7, 11, 14, 15, 16, 17, 18, 62 and Notes XV.1, 2). Other significant accounting estimates are as follows:

- (a) Note V.19: Recognition of deferred tax assets;
- (b) Note IX: Fair value measurements of financial instruments.

#### (2) Significant accounting judgements

Significant judgements made by the Group in the application of accounting policies are as follows:

Notes VII.1 (1) and 2 (1): Significant judgements and assumptions in determining control, joint control or significant influence over other entity.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 31. Changes in significant accounting policies and accounting estimates

(1) Description and reasons of 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);
- "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); and
- "Accounting for the modification of a share-based payment transaction that changes the classification of the transaction from cash-settled to equity-settled" in CAS Bulletin No.16.

(a) *Main effects of adopting the above requirements and guidance*

(i) Accounting for sales before intended use

In accordance with CAS Bulletin No.15, the Group accounts for the proceeds and related cost arising from the sale of products or by-products produced before the fixed asset is available for its intended use ("sales before intended use") in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognises them in profit or loss for the current period. The net amount of proceeds from such sales before intended use less related costs is no longer offset against the cost of the fixed asset.

These provisions are effective from 1 January 2022. The Group has made retrospective adjustments in accordance with these provisions for sales before intended use occurring between 1 January 2021 and the date of initial implementation.

(ii) Determining whether a contract is onerous

In accordance with CAS Bulletin No.15, when determining whether a contract is onerous, the Group includes in its estimated cost of fulfilling the contract the amount of the incremental cost of fulfilling the contract and the allocation of other costs directly attributable to fulfilling the contract.

The adoption of Bulletin No.16 does not have a significant effect on the financial position and financial performance of the Group.

(iii) Caikuai [2022] No.13

The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10) provides a practical expedient under certain conditions for rent concessions occurring as a direct consequence of the COVID-19 pandemic. According to the provisions of Caikuai [2022] No.13, the practical expedient of Caikuai [2020] No.10 can continue to apply to eligible reduction in lease payments that are originally due after 30 June 2022.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 31. Changes in significant accounting policies and accounting estimates (Continued)

(1) Description and reasons of changes in accounting policies (Continued)

(a) *Main effects of adopting the above requirements and guidance (Continued)*

(iv) Accounting for the income tax consequences of dividends on financial instruments classified as equity instruments by the issuer

In accordance with CAS Bulletin No.16, for financial instruments classified as equity instruments (such as perpetual bonds classified as equity instruments, etc.) in accordance with the CAS No. 37 – Presentation and Disclosure of Financial Instruments and other requirements, if the relevant dividend payments are deductible for income tax purposes according to the relevant provisions of tax policies, the Group (as the issuer) shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. The Group shall recognise the income tax consequences of dividends in (1) profit or loss, if those payments are distributions of profits generated from transactions or events previously recognised in profit or loss; or (2) the items of owner's equity, if those payments are distributions of profits generated from the transactions or events previously recognised in the items of owner's equity.

The adoption of Bulletin No.16 does not have a significant effect on the financial position and financial performance of the Group.

(v) Accounting for the modification of a share-based payment transaction that changes the classification of the transaction from cash-settled to equity-settled

In accordance with CAS Bulletin No.16, if the terms and conditions of a cash-settled share-based payment transaction are modified such that it becomes an equity-settled share-based payment transaction, the Group shall measure the equity-settled share-based payment at its fair value as at the modification date, recognise in equity that fair value to the extent that the services have been rendered up to that date, derecognise the liability for the cash-settled share-based payment as at the modification date, and immediately recognise in profit or loss the difference between the carrying amount of the liability and the amount recognised in equity at the modification date. If the modification extends or shortens the vesting period, the Group applies the modified vesting period to the above accounting treatment.

The adoption of Bulletin No.16 does not have a significant effect on the financial position and financial performance of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 31. Changes in significant accounting policies and accounting estimates (Continued)

(1) Description and reasons of changes in accounting policies (Continued)

(b) *The effects on the financial statements*

The effects on each of the line items in the Group's consolidated balance sheet as at 31 December 2022 are analysed as follows:

	<b>Increase/(decrease) in the line items for the year as a result of applying new accounting policies (Unit: Yuan Currency: RMB)</b>
Assets:	
Fixed assets	24,416,715.75
Shareholders' equity:	
Surplus reserve	1,515,477.32
Retained earnings	13,639,295.91
Non-controlling interests	9,261,942.52

The effects on each of the line items in the Group's consolidated income statement for the year ended 31 December 2022 are as follows:

	<b>Increase/(decrease) in the line items for the year as a result of applying new accounting policies (Unit: Yuan Currency: RMB)</b>
Operating costs	1,792,832.53
Profit before taxation	(1,792,832.53)
Net loss	(1,792,832.53)
Attributable to:	
Shareholders of the Company	(1,290,839.42)
Non-controlling interests	(501,993.11)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 31. Changes in significant accounting policies and accounting estimates (Continued)

(1) Description and reasons of changes in accounting policies (Continued)

(c) *The effects on the comparative financial statements*

The effects of these changes in accounting policies on the net profit for the year ended 31 December 2021, and opening and closing balances of shareholders' equity as at 1 January and 31 December 2021 are summarised as follows:

	<b>The Group</b>		
	2021 Net profit	2021 Closing balance of shareholders' equity	2021 Opening balance of shareholders' equity
Net profit and shareholders' equity before adjustments	4,250,529,166.11	37,611,374,618.19	33,360,845,452.08
The effects of sales before intended use	26,209,548.28	26,209,548.28	–
Net profit and shareholders' equity after adjustments	4,276,738,714.39	37,637,584,166.47	33,360,845,452.08

The effects on each of the line items in the consolidated balance sheet as at 31 December 2021 are as follows:

	<b>The Group</b>		
	Before adjustments	The amounts of adjustments	After adjustments
Assets:			
Fixed assets	7,619,724,199.63	26,209,548.28	7,645,933,747.91
Shareholders' equity			
Surplus reserve	3,832,466,070.00	1,644,561.26	3,834,110,631.26
Retained earnings	10,095,478,620.54	14,801,051.38	10,110,279,671.92
Non-controlling interests	5,585,432,361.41	9,763,935.64	5,595,196,297.05

The effects on each of the line items in the consolidated income statement for the year ended 31 December 2021 are as follows:

	<b>The Group</b>		
	Before adjustments	The amounts of adjustments	After adjustments
Operating income	14,233,640,370.22	26,892,487.96	14,260,532,858.18
Operating costs	8,997,922,817.03	682,939.68	8,998,605,756.71

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 31. Changes in significant accounting policies and accounting estimates (Continued)

(2) Description of and reasons for changes in accounting estimates

According to the Group's accounting policies for intangible assets – road operating rights, intangible assets – road operating rights are amortised under the traffic flow method, which means the amortisation amount for the month is calculated as the ratio of the actual traffic flow for the month to the sum of the actual traffic flow for the month and the estimated future remaining traffic flow.

In view of the differences between the actual traffic flow and the estimated traffic flow of the Group's major toll roads in recent years and the possible changes in the Group's expected future remaining traffic flow, an independent professional traffic research institute has been engaged by the Group to re-forecast the traffic flow of the above roads over the future operation period. The Group has accounted for the amortisation amount of the above intangible – road operating rights from 1 April 2022 based on the adjusted future remaining traffic flow. Such changes are changes in accounting estimates, which are adopted on a prospective basis without the retrospective adjustments. The accounting estimates were reviewed and approved at the 9th meeting of the 10th session of the Company's Board of Directors.

Based on the Group's intangible assets – road operating rights as at 31 March 2022, the changes in accounting estimates resulted in an decrease in the amortisation of intangible assets by RMB234 million as well as increases in shareholders' equity and net profit by RMB176 million respectively during 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## IV. TAXATION

### 1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	3%-13%
City maintenance and construction tax	Based on VAT paid	5%-7%
Land appreciation tax	Based on appreciation amount on property sold and applicable tax rate	Progressive rates ranging from 30%-60%
Corporate income tax	Based on taxable profits	25%, except Note 2

Except the subsidiaries mentioned in Note 2 below are entitled to the preferential tax rates and Jiangsu Expressway International (Hong Kong) Company Limited ("Ninghu International") is entitled to a statutory tax rate of 16.5%, the income tax rate applicable to the Company and other subsidiaries for the year is 25% (2021: 25%).

### 2. Subsidiaries with preferential tax rates

Company name	Preferential tax rate	Reason
Sujiaokong New Energy Technology Fengxian Co., Ltd. ("Fengxian New Energy")	<b>12.5%</b>	3-year exemption and 3-year half payment
Yancheng Yunshan Photovoltaic Power Company, Limited ("Yancheng Yunshan")	<b>12.5%</b>	3-year exemption and 3-year half payment
Sujiaokong Fengxian Renewal Energy Co., Ltd. ("Fengxian Renewable Energy")	<b>12.5%</b>	3-year exemption and 3-year half payment
Kunshan Fengyuan Real Estate Development Co., Ltd. ("Kunshan Fengyuan")	<b>2.5%</b>	Small and micro enterprise
Wuxi Jingcheng Advertising Co., Ltd. ("Jingcheng Advertising")	<b>2.5%</b>	Small and micro enterprise
Sujiaokong Clean Energy Xuzhou Co., Ltd. ("Xuzhou Clean Energy")	<b>2.5%</b>	Small and micro enterprise
Sujiaokong Clean Energy Tongshan Co., Ltd. ("Tongshan Clean Energy")	<b>2.5%</b>	Small and micro enterprise
Sujiaokong Fengxian Agricultural Science and Technology Co., Ltd. ("Agricultural Technology")	<b>2.5%</b>	Small and micro enterprise
Liyang Youke Energy Co., Ltd. ("Liyang Youke")	<b>2.5%</b>	Small and micro enterprise
Jiangsu Traffic Control Rudong Offshore Wind Power Co., Ltd. ("Rudong Company")	<b>0%</b>	3-year exemption and 3-year half payment
Changzhou Jintanheyi New Energy Technology Co., Ltd. ("Jintan Heyi")	<b>0%</b>	3-year exemption and 3-year half payment

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash at bank and on hand

Item	2022	2021
Cash on hand	<b>69,744.33</b>	130,211.71
Deposits with banks	<b>923,122,443.28</b>	614,386,651.21
Other monetary funds	<b>9,739,156.77</b>	9,120,458.88
Total	<b>932,931,344.38</b>	623,637,321.80

As at 31 December 2022, other monetary funds of the Group include security deposits for certain mortgage loans to customers of RMB347,855.62, supervised advance from customers of RMB270,634.27 and security deposits for notes of RMB7,300,000.00 (31 December 2021: security deposits for certain mortgage loans to customers of RMB430,127.25, supervised advance from customers of RMB885,395.80 and security deposits for notes of RMB5,015,000.00). According to the requirements of some local authorities (such as Nanjing, Suzhou, Jurong, Kunshan, etc.) in China, real estate developers need to open supervised bank account when applying for pre-sale permit for new commercial properties. All the advances received from property customers should be transferred to the supervised bank account and all cash payment from the account should coincide with the construction progress in order to ensure the cash being used for property construction on a priority basis.

### 2. Financial assets held for trading

Item	Note	2022	2021
Financial assets at fair value through profit or loss		<b>3,474,620,148.26</b>	2,646,518,676.44
Including: Financial products	(1)	<b>3,444,000,000.00</b>	2,610,193,360.00
Others	(2)	<b>30,620,148.26</b>	36,325,316.44
Total		<b>3,474,620,148.26</b>	2,646,518,676.44

#### (1) Financial products

The Group invests its spare funds in financial products issued by banks and other financial institutions. These financial products usually have preset maturity and expected rate of return, and have a wide range of investments, including government and corporate bonds, central bank bills, money market funds and other listed and unlisted equity securities in China. The Group classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

#### (2) Others

Other held-for trading financial asset mainly includes fund investment and stock investment. The Group classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Bills receivable

- (1) Classification of bills receivable

Item	2022	2021
Bank acceptance bills	<b>950,000.00</b>	13,024,839.80
Less: Provision for bad and doubtful debts	-	-
Total	<b>950,000.00</b>	13,024,839.80

All of the above bills are due within one year.

- (2) The pledged bills receivable of the Group at the end of the year

As at 31 December 2022, the Group had no pledged bills receivable (31 December 2021: none).

- (3) Outstanding endorsed or discounted bills that have not matured at the end of the year

As at 31 December 2022, there is no outstanding endorsed or discounted bills receivable that have not matured (31 December 2021: none).

- (4) Bills transferred to accounts receivable due to non-performance of the issuers at the end of the year

As at 31 December 2022, the Group had no bills transferred to accounts receivable due to non-performance of the issuers (31 December 2021: none).

### 4. Accounts receivable

- (1) Accounts receivable by customer type are as follows:

Type	2022	2021
Amounts due from related party	<b>229,096,489.03</b>	227,442,664.36
Amounts due from third party	<b>913,095,712.25</b>	650,397,556.68
Sub-total	<b>1,142,192,201.28</b>	877,840,221.04
Less: Provision for bad and doubtful debts	<b>14,522,231.20</b>	9,167,552.15
Total	<b>1,127,669,970.08</b>	868,672,668.89



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

(2) The ageing analysis of accounts receivable is as follows:

Ageing	2022	2021
Within 1 year (inclusive)	<b>818,830,075.45</b>	731,140,485.01
Over 1 year but within 2 years (inclusive)	<b>263,703,609.37</b>	61,074,536.11
Over 2 years but within 3 years	<b>33,468,052.66</b>	55,376,238.17
Over 3 years but within 4 years	<b>25,410,558.81</b>	30,248,961.75
Over 4 years	<b>779,904.99</b>	–
Sub-total	<b>1,142,192,201.28</b>	877,840,221.04
Less: Provision for bad and doubtful debts	<b>14,522,231.20</b>	9,167,552.15
<b>Total</b>	<b>1,127,669,970.08</b>	868,672,668.89

The ageing is counted starting from the date when accounts receivable are recognised.

(3) Accounts receivable by provisioning method

Category	2022					2021				
	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Collective assessment	1,142,192,201.28	100.00	14,522,231.20	1.27	1,127,669,970.08	877,840,221.04	100.00	9,167,552.15	1.04	868,672,668.89
- Toll receivable and others	396,148,435.57	34.68	596,358.26	0.15	395,552,077.31	442,203,904.12	50.37	129,013.48	0.03	442,074,890.64
- Electricity receivable	746,043,765.71	65.32	13,925,872.94	1.87	732,117,892.77	435,636,316.92	49.63	9,038,538.67	2.07	426,597,778.25
<b>Total</b>	<b>1,142,192,201.28</b>	<b>100.00</b>	<b>14,522,231.20</b>	<b>1.27</b>	<b>1,127,669,970.08</b>	<b>877,840,221.04</b>	<b>100.00</b>	<b>9,167,552.15</b>	<b>1.04</b>	<b>868,672,668.89</b>

Assessment of ECLs on accounts receivable:

At all times, the Group measures impairment loss for accounts receivable 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 significant differences in the losses of customer groups related to different products. Therefore, the Group assesses ECLs on accounts receivable through disaggregating different customer groups by product type when calculating impairment loss based on ageing information.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

(3) Accounts receivable by provisioning method (Continued)

Collective assessment:

Collective assessment 1: toll road business and others

	Expected credit loss rate	Carrying amount at the end of the year	Provision for bad and doubtful debts at the end of the year
Within 1 year	0%	388,545,116.58	–
Over 1 year but within 2 years	5%	3,279,472.73	163,973.63
Over 2 years (inclusive)	10%	4,323,846.26	432,384.63
Total		396,148,435.57	596,358.26

Collective assessment 2: sales of electricity

	Expected credit loss rate	Carrying amount at the end of the year	Provision for bad and doubtful debts at the end of the year
Within 1 year	0.32%	430,284,958.87	1,377,419.97
Over 1 year but within 2 years	3.18%	260,424,136.64	8,281,487.55
Over 2 years (inclusive)	6.26%	29,144,206.40	1,824,427.32
Over 3 years but within 4 years	9.24%	25,410,558.81	2,347,935.63
Over 4 years	12.13%	779,904.99	94,602.47
Total		746,043,765.71	13,925,872.94

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

- (4) Movements of provisions for bad and doubtful debts:

	2022	2021
Balance at the beginning of the year	9,167,552.15	338,309.23
Additions during the year	9,248,888.42	8,975,169.70
Recoveries or reversals during the year	(3,894,209.37)	(145,926.78)
Balance at the end of the year	14,522,231.20	9,167,552.15

- (5) Five largest accounts receivable by debtor at the end of the year

The subtotal of five largest accounts receivable of the Group at the end of the year is RMB1,017,686,667.61, according for 89.10% of the total accounts receivable, and the corresponding balance of provision for bad and doubtful debts is RMB13,713,153.30.

- (6) Derecognition of accounts receivable due to transfer of financial assets

The Group has no accounts receivable derecognition due to transfer to financial assets this year (2021: none).

- (7) Assets and liabilities recognised due to the transfer with continuing involvement of accounts receivable

The Group does not transfer receivables this year and continues to involve in the formation of assets and liabilities (2021: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Prepayments

(1) Prepayments by category:

Item	2022	2021
Prepayment	<b>7,737,346.20</b>	9,423,703.60
Total	<b>7,737,346.20</b>	9,423,703.60

(2) The ageing analysis of prepayments is as follows:

Ageing	2022		2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	<b>7,096,853.21</b>	<b>91.73</b>	7,500,157.91	79.59
Over 1 year but within 2 years (inclusive)	<b>583,769.95</b>	<b>7.54</b>	1,918,182.04	20.35
Over 2 years but within 3 years (inclusive)	<b>56,723.04</b>	<b>0.73</b>	5,363.65	0.06
Total	<b>7,737,346.20</b>	<b>100.00</b>	9,423,703.60	100.00

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

(3) Five largest prepayments by debtor at the end of the year:

Name of entity	Amount	Proportion of the amount to the total repayment (%)
The Nanjing Branch of China Everbright Bank Co., Ltd.	<b>1,205,401.81</b>	15.58
Jiangsu Electric Power Company Wuxi Power Supply Company	<b>621,061.67</b>	8.03
Beijing Shiji Information Technology Co., Ltd.	<b>593,174.40</b>	7.67
Suzhou City Water Co., Ltd.	<b>479,200.00</b>	6.19
The Jiangyin Branch of China Petroleum and Chemical Corporation	<b>398,713.79</b>	5.15
Total	<b>3,297,551.67</b>	42.62

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables

	Note	2022	2021
Dividends receivable	(1)	<b>4,989,960.00</b>	4,989,960.00
Others	(2)	<b>57,768,942.02</b>	72,100,411.90
<b>Total</b>		<b>62,758,902.02</b>	77,090,371.90

(1) Dividends receivable

Investee	2022	2021
Jiangsu Kuailu Motor Transport Co., Ltd.	<b>4,989,960.00</b>	4,989,960.00

(2) Others

(a) Others by customer type:

Customer type	2022	2021
Amounts due from related party	<b>17,429,452.99</b>	31,739,811.86
Amounts due from third party	<b>56,278,602.03</b>	56,299,713.04
Sub-total	<b>73,708,055.02</b>	88,039,524.90
Less: Provision for bad and doubtful debts	<b>15,939,113.00</b>	15,939,113.00
<b>Total</b>	<b>57,768,942.02</b>	72,100,411.90

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(2) Others (Continued)

(b) The ageing analysis is as follows:

Ageing	2022	2021
Within 1 year (inclusive)	<b>7,784,678.16</b>	22,910,792.56
Over 1 year but within 2 years (inclusive)	<b>18,726,497.05</b>	29,748,993.24
Over 2 years but within 3 years (inclusive)	<b>13,251,033.52</b>	4,053,020.79
Over 3 years	<b>33,945,846.29</b>	31,326,718.31
Sub-total	<b>73,708,055.02</b>	88,039,524.90
Less: Provision for bad and doubtful debts	<b>15,939,113.00</b>	15,939,113.00
<b>Total</b>	<b>57,768,942.02</b>	72,100,411.90

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

(c) Others by provisioning method:

Category	2022					2021				
	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Individual assessment	15,812,140.02	21.45	15,812,140.02	100.00	-	15,812,140.02	17.96	15,812,140.02	100.00	-
Collective assessment	57,895,915.00	78.55	126,972.98	0.22	57,768,942.02	72,227,384.88	82.04	126,972.98	0.18	72,100,411.90
<b>Total</b>	<b>73,708,055.02</b>	<b>100.00</b>	<b>15,939,113.00</b>	<b>21.63</b>	<b>57,768,942.02</b>	<b>88,039,524.90</b>	<b>100.00</b>	<b>15,939,113.00</b>	<b>18.27</b>	<b>72,100,411.90</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(2) Others (Continued)

(d) *Movements of provisions for bad and doubtful debts*

Provision for bad and doubtful debts	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired		12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at the beginning of the year	126,972.98	-	15,812,140.02	15,939,113.00	126,972.98	-	15,812,140.02	15,939,113.00
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reverse to stage 2	-	-	-	-	-	-	-	-
Reverse to stage 1	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-
Recoveries or reversals during the year	-	-	-	-	-	-	-	-
Written-off during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	126,972.98	-	15,812,140.02	15,939,113.00	126,972.98	-	15,812,140.02	15,939,113.00

(i) Provisions for bad and doubtful debts

There is no single significant recover or reversal of bad debt provisions of the Group this year.

(ii) Other receivables written-off during the year

The Group has no other receivables written-off this year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(2) Others (Continued)

(e) Others categorised by nature

Nature of other receivables	2022	2021
Liquidated damages	11,000,000.00	26,000,000.00
Landlord maintenance funds	18,669,886.80	19,865,394.55
Amounts of investment clearance	15,812,140.02	15,812,140.02
Project funds borrowed in advance	6,651,121.50	6,591,121.50
Petty cash	4,018,786.60	5,128,711.80
Mortgage deposits for housing fund loan	2,864,000.00	3,444,600.00
Others	14,692,120.10	11,197,557.03
Sub-total	73,708,055.02	88,039,524.90
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	57,768,942.02	72,100,411.90

(f) Five largest others-by debtor at the end of the year

Debtor	Nature of the receivable	Balance at the end of the year	Ageing	Percentage of ending balance of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Lord Equity Investment Fund Management Co., Ltd. ("Load Fund Company")	Liquidated damages and advances	16,598,493.35	2-3 years	22.52	-
Jiangsu Yixing Highway Administration	Amounts of investment clearance	15,812,140.02	More than 3 years	21.45	15,812,140.02
Department China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	6,088,716.00	Within 1 year, more than 3 years	8.26	-
Suzhou Housing Property Guarantee Co., Ltd.	Deposit	2,864,000.00	1-3 years	3.89	-
Nanjing Guohao Decoration & Installation Engineering Co., Ltd.	Deposit	890,000.00	Within 1 year	1.21	-
Total		42,253,349.37		57.33	15,812,140.02



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

(1) Inventories by category:

Item	Book value	2022		Book value	2021	
		Provision for impairment of inventories	Carrying amount		Provision for impairment of inventories	Carrying amount
Properties under development	407,901,256.91	-	407,901,256.91	1,166,523,570.11	-	1,166,523,570.11
Properties for sales	2,156,279,927.97	-	2,156,279,927.97	2,703,915,759.98	-	2,703,915,759.98
Spare parts for repair and maintenance	4,414,772.75	-	4,414,772.75	9,897,200.82	5,497,868.60	4,399,332.22
Petrol	16,422,158.22	-	16,422,158.22	14,661,597.26	-	14,661,597.26
Total	2,585,018,115.85	-	2,585,018,115.85	3,894,998,128.17	5,497,868.60	3,889,500,259.57

As at 31 December 2022, there are no inventories pledged as security by the Group (2021: none).

Details of properties under development are as follows:

Project Name	Commencement date	Estimated completion date	Estimated total investment	31 December 2021	31 December 2022
Baohua Hongyan Community Plot A Project	September 2018	Postponed	2,455,800,000.00	366,474,657.89	374,070,824.63
Huaqiao Urban Core Project	December 2012	December 2025	3,089,100,000.00	681,935,267.04	33,830,432.28
Suzhou Nanmen Road G25 Project	December 2019	Completed	1,146,300,000.00	118,113,645.18	-
Total			6,691,200,000.00	1,166,523,570.11	407,901,256.91

Details of properties for sales are as follows:

Project Name	Completion date	1 January 2022	Increase	Decrease	31 December 2022
Suzhou Qingyuan	December 2013	343,297,798.08	-	-	343,297,798.08
Baohua Hongyan Community Plot B Project	November 2016	160,683,263.52	-	10,390,842.50	150,292,421.02
Huaqiao Urban Core Project	December 2019	475,044,814.82	-	50,425,295.26	424,619,519.56
Suzhou Nanmen Road G25 Project	September 2022	36,387,655.59	138,367,514.57	138,337,960.17	36,417,209.99
Hanrui Center	June 2021	1,688,502,227.97	13,307,792.08	500,157,040.73	1,201,652,979.32
Total		2,703,915,759.98	151,675,306.65	699,311,138.66	2,156,279,927.97

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

(2) Provision for impairment of inventories

Item	Balance at the beginning of the year	Additions during the year		Written back during the year		Balance at the end of the year
		Provision	Others	Reversals or written-off	Others	
Spare parts for repair and maintenance	5,497,868.60	-	-	5,497,868.60	-	-
Total	5,497,868.60	-	-	5,497,868.60	-	-

### 8. Non-current assets due within one year

Item	2022
Long-term receivables due within one year	62,000,000.00
Sub-total	62,000,000.00
Less: Provision for impairment	-
Total	62,000,000.00

### 9. Other current assets

Item	Note	2022	2021
Factoring receivable	(1)	973,773,182.66	650,509,287.86
Input VAT to be deducted		4,875,858.47	211,125,897.91
Prepaid enterprise income tax		101,375,057.01	62,295,238.44
Prepaid taxes and levies related to pre-sale of real estate		51,953,777.70	52,017,131.60
Others		141,037.42	125,330.23
Sub-total		1,132,118,913.26	976,072,886.04
Less: Provision for impairment		-	-
Total		1,132,118,913.26	976,072,886.04

(1) Factoring receivable

As at 31 December 2022, the factoring receivable was from the factoring business of the Group's subsidiary NingHu Commercial Factoring (Guangzhou) Co., Ltd. ("NingHu Factoring Company"), and the effective interest rate of the factoring receivable ranged from 6.00% to 7.80% per annum (2021: 6.00% – 8.00%).

As at 31 December 2022, the Group has no significant factoring receivable with an aging of more than 1 years. (2021: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Long-term receivables

Item	Note	2022		Range of discount rate	
		Book value	Provision for bad and doubtful debts		Carrying amount
Receivables from sales of properties		185,606,300.00	-	185,606,300.00	3.65%
Less: Unearned finance income		11,701,724.91	-	11,701,724.91	
Sub-total		173,904,575.09	-	173,904,575.09	
Less: Due within one year	V.8	62,000,000.00	-	62,000,000.00	
<b>Total</b>		<b>111,904,575.09</b>	<b>-</b>	<b>111,904,575.09</b>	

### 11. Long-term equity investments

(1) Long-term equity investments by category:

Item	2022	2021
Investments in joint ventures	9,921,731.43	11,816,512.28
Investments in associates	11,080,068,240.40	10,143,730,314.08
Sub-total	11,089,989,971.83	10,155,546,826.36
Less: Provision for impairment	-	-
<b>Total</b>	<b>11,089,989,971.83</b>	<b>10,155,546,826.36</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Long-term equity investments (Continued)

(2) Movements of long-term equity investments during the year are as follows:

Investee (Note 1)	Balance at the beginning of the year	Increase in capital	Decrease in capital	Movements during the year			Provision for impairment	Balance at the end of the year	Balance of provision for impairment at the end of the year
				Investment income/(losses) recognised under equity method	Other comprehensive income	Declared distribution of cash profits			
Joint ventures									
Jiangsu Nengtou Xincheng Photovoltaic Power Generation Co., Ltd. ("Nengtou Xincheng")	11,816,512.28	-	-	1,634,052.15	-	(3,528,833.00)	-	9,921,731.43	-
Sub-total	11,816,512.28	-	-	1,634,052.15	-	(3,528,833.00)	-	9,921,731.43	-
Associates									
Jiangsu Yanjiang Company Co., Ltd. ("Yanjiang Company")	2,382,900,265.04	-	-	421,228,425.32	-	-	-	2,804,128,690.36	-
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	2,007,584,646.61	-	-	225,088,570.75	(3,743,295.51)	(34,190,139.60)	-	2,194,739,782.25	-
Suzhou Expressway Management Co., Ltd. ("Suzhou Expressway Management")	2,122,416,385.68	-	-	87,143,420.69	-	(54,620,883.00)	-	2,154,938,923.37	-
Zijin Trust Co., Ltd. ("Zijin Trust")	1,966,115,135.79	-	-	167,692,251.33	(98,360.63)	(37,556,000.00)	-	2,096,153,026.49	-
Jiangsu Communications Holding Group Finance Co., Ltd. ("Group Finance Company")	682,500,636.31	-	-	38,707,375.00	-	(12,500,000.00)	-	708,708,011.31	-
Three Gorges New Energy Nantong Co., Ltd. ("Three Gorges Nantong")	368,000,000.00	-	-	72,033,500.00	-	-	-	440,033,500.00	-
Jiangsu Sundian Road & Bridge Co., Ltd. ("Sundian Road & Bridge Company")	166,704,743.96	-	-	55,779,588.68	-	-	-	222,484,332.64	-
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	171,512,468.80	-	-	224,443.83	-	-	-	171,736,912.63	-
Longyuan Donghai Wind Power Co., Ltd. ("Longyuan Donghai")	88,604,306.28	-	-	5,227,446.00	-	(6,235,048.16)	-	87,596,704.12	-
Jiangsu Communication Culture and Media Co., Ltd. ("Culture Media")	71,504,311.98	-	-	6,121,891.88	-	-	-	77,626,203.86	-
Jiangsu Expressway Network Operation&Management Center ("Network Operation Company")	53,551,965.69	-	-	5,515,715.22	-	-	-	59,067,680.91	-
Kuailu Company	28,740,219.61	-	-	265,928.70	-	-	-	29,006,148.31	-
Luode Fund Company	22,100,299.52	-	-	563,321.68	-	-	-	22,663,621.20	-
Jiangsu Yuexin Ninghu Gas Co., Ltd. ("Yuexin Ninghu Company")	11,494,928.81	-	-	(310,225.86)	-	-	-	11,184,702.95	-
Sub-total	10,143,730,314.08	-	-	1,085,281,653.22	(3,841,656.14)	(145,102,070.76)	-	11,080,068,240.40	-
Total	10,155,546,826.36	-	-	1,086,915,705.37	(3,841,656.14)	(148,630,903.76)	-	11,089,989,971.83	-

Note 1: The foregoing companies are all unlisted company registered in PRC (Note VII.2).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Investments in other equity instruments

Item	2022	2021
Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu")	<b>5,707,128,132.00</b>	4,614,527,078.89
Jiangsu Financial Leasing Co., Ltd. ("Jiangsu Financial Leasing")	<b>1,282,320,000.00</b>	1,191,060,000.00
Total	<b>6,989,448,132.00</b>	5,805,587,078.89

(1) Investments in other equity instruments:

Item	Reason for being designated at fair value through other comprehensive income	Dividend income recognised for the year	Accumulated gains or losses recognised in other comprehensive income ("-" for losses)	Amount transferred from other comprehensive income to retained earnings	Reason for transferring from other comprehensive income to retained earnings
Bank of Jiangsu ( <i>Note 1</i> )	Non-tradable investment in other equity instruments	397,799,920.00	1,077,597,304.56	15,544,544.77	Disposal
Jiangsu Financial Leasing ( <i>Note 2</i> )	Non-tradable investment in other equity instruments	81,900,000.00	1,011,421,543.11	-	N/A
Total		479,699,920.00	2,089,018,847.67	15,544,544.77	

*Note 1:* This represents the ordinary shares of A-share listed company Bank of Jiangsu Co., Ltd. held by the Group. Bank of Jiangsu was listed in 2016. The Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

*Note 2:* It is a restricted outstanding shares of A-share listed company Jiangsu Financial Leasing Co., Ltd. held by the Group. Jiangsu Leasing was listed in 2018, the Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

### 13. Other non-current financial assets

Item	2022	2021
Financial assets at fair value through profit or loss Including: Equity Interest Investment in partnership	<b>2,877,355,787.11</b>	3,004,141,868.26
Suzhou Industrial Park Guochuang Kaiyuan Phase II Investment Center LLP	<b>1,686,932,351.72</b>	1,753,107,019.89
Nanjing Luode Zhongbei Zhiyuan Equity Investment LLP	<b>257,357,110.04</b>	291,927,158.31
Nanjing Luode Huizhi Equity Investment LLP	<b>460,425,716.91</b>	498,449,674.06
Convertible Bonds		
Jiangsu Financial Leasing	<b>472,640,608.44</b>	460,658,016.00
Total	<b>2,877,355,787.11</b>	3,004,141,868.26

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Investment properties

If the investment properties are subsequently measured using the cost model, disclose them as follows:

	<b>Plant and buildings</b>
Cost	
Balance at the beginning of the year	105,648,788.54
Additions during the year	223,569,685.11
– Transfers from inventories	223,569,685.11
Balance at the end of the year	329,218,473.65
Accumulated depreciation or amortisation	
Balance at the beginning of the year	14,285,682.62
Charge for the year	6,131,547.50
Balance at the end of the year	20,417,230.12
Carrying amounts	
At the end of the year	308,801,243.53
At the beginning of the year	91,363,105.92

As at 31 December 2022, the Group has no investment properties pending certificates of ownership (31 December 2021: none).

As at 31 December 2022, the Group has no investment properties pledged or mortgaged as security (31 December 2021: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Fixed assets

#### (1) Fixed assets

Item	Plant & buildings	Safety equipment	Toll and ancillary equipment	Communication and surveillance equipment	Machinery & equipment	Electronic equipment	Motor vehicles	Office & other equipment	Total
<b>Cost</b>									
Balance at the beginning of the year	2,824,026,941.50	1,111,112,753.55	543,219,489.54	499,621,419.46	5,393,907,774.86	411,960,010.72	63,318,147.13	101,736,074.77	10,948,902,611.53
Additions during the year	871,018,271.14	25,814,469.48	18,041,342.24	60,552,279.31	25,900,486.58	10,181,665.21	2,810,817.10	26,785,756.42	1,041,105,087.48
– Purchases	23,728,938.19	17,404,661.01	2,882,440.43	2,834,859.20	25,900,486.58	9,300,079.74	2,810,817.10	26,559,156.42	111,421,438.67
– Transfers from construction in progress	23,113,564.14	8,409,808.47	15,158,901.81	57,717,420.11	–	881,585.47	–	228,600.00	105,507,880.00
– Transfers from property development costs	824,175,768.81	–	–	–	–	–	–	–	824,175,768.81
Decrease during the year	30,569,272.60	1,238,954.63	5,671,071.39	11,943,917.23	56,284,310.58	4,904,153.86	2,401,793.57	2,861,646.58	115,875,120.44
– Disposals or written-offs during the year	30,569,272.60	1,238,954.63	4,832,861.29	9,610,781.17	43,218,561.29	4,904,153.86	2,401,793.57	1,775,120.58	98,551,498.99
– Other transfer out-settlement adjustment	–	–	838,210.10	2,333,136.06	13,065,749.29	–	–	1,086,526.00	17,323,621.45
Balance at the end of the year	3,664,475,940.04	1,135,688,268.40	555,589,760.39	548,229,781.54	5,363,523,950.86	417,237,522.07	63,727,170.66	125,660,184.61	11,874,132,578.57
<b>Accumulated depreciation</b>									
Balance at the beginning of the year	1,116,996,803.59	834,146,986.87	221,611,891.25	310,189,288.73	643,700,789.77	76,459,851.26	45,778,605.73	54,084,646.42	3,302,968,863.62
Charge for the year	112,300,794.89	48,668,521.98	54,691,248.11	35,604,965.09	289,952,236.06	33,694,429.01	3,314,616.92	15,514,382.16	593,741,194.22
Disposals or written-offs during the year	14,723,769.20	1,159,565.01	3,650,462.45	9,244,458.78	30,977,328.45	4,749,109.09	2,329,739.76	1,721,862.51	68,556,295.25
Balance at the end of the year	1,214,573,829.28	881,655,943.84	272,652,676.91	336,549,795.04	902,675,697.38	105,405,171.18	46,763,482.89	67,877,166.07	3,828,153,762.59
<b>Provision for impairment</b>									
Balance at the beginning of the year	–	–	–	–	–	–	–	–	–
Charge for the year	–	–	–	–	–	–	–	–	–
Disposals or written-offs during the year	–	–	–	–	–	–	–	–	–
Balance at the end of the year	–	–	–	–	–	–	–	–	–
<b>Carrying amounts</b>									
At the end of the year	2,449,902,110.76	254,032,324.56	282,937,083.48	211,679,986.50	4,460,848,253.48	311,832,350.89	16,963,687.77	57,783,018.54	8,045,978,815.98
At the beginning of the year	1,707,030,137.91	276,965,766.68	321,607,598.29	189,432,130.73	4,750,206,985.09	335,500,159.46	17,539,541.40	47,651,428.35	7,645,933,747.91

The Group has no fixed assets as collateral for the Group's liabilities (31 December 2021: none).

As at 31 December 2022, the Group has no temporarily idle fixed assets (31 December 2021: none).

#### (2) Fixed assets leased out under operating leases

Item	2022	2021
Plant & buildings	<b>165,588,528.20</b>	183,152,190.17

#### (3) Fixed assets pending certificates of ownership

As at 31 December 2022, the book value of the Group's fixed assets without certificates of ownership is RMB951,293,548.42 (31 December 2021: RMB978,900,849.93), the above assets were incorporated into communication facilities, therefore cannot obtain certification at present.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Construction in progress

	2022	2021
Construction in progress	<b>188,697,382.38</b>	265,046,246.08

#### (1) Construction in progress

Project	2022			2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Construction project of acoustic barrier	3,078,624.89	-	3,078,624.89	3,078,624.89	-	3,078,624.89
Housing projects of toll stations and service zones	82,269,341.67	-	82,269,341.67	20,282,804.70	-	20,282,804.70
Xiji Expressway expansion project	51,764,587.00	-	51,764,587.00	51,764,587.00	-	51,764,587.00
Toll stations software renovation	3,836,115.93	-	3,836,115.93	12,401,762.93	-	12,401,762.93
Three major system construction project	4,917,556.45	-	4,917,556.45	5,938,932.86	-	5,938,932.86
Information construction project	10,025,891.30	-	10,025,891.30	46,124,609.04	-	46,124,609.04
Suzhou Yangcheng Lake entrance and exit relocation project	-	-	-	49,859,011.36	-	49,859,011.36
Harbor type emergency stop construction project of Shanghai-Nanjing Expressway	-	-	-	30,847,950.57	-	30,847,950.57
Power monitoring upgrading and transformation project of Ninghu company	13,570,000.00	-	13,570,000.00	13,570,000.00	-	13,570,000.00
Large screen reconstruction project of Ninghu command and dispatching center	-	-	-	9,094,817.00	-	9,094,817.00
9 interconnected 35.62 MW photovoltaic power generation projects on Eastern Expressway and Ningjingyan Expressway	14,234,456.07	-	14,234,456.07	-	-	-
Performance appraisal management system	-	-	-	63,679.25	-	63,679.25
Others	5,000,809.07	-	5,000,809.07	22,019,466.48	-	22,019,466.48
<b>Total</b>	<b>188,697,382.38</b>	<b>-</b>	<b>188,697,382.38</b>	<b>265,046,246.08</b>	<b>-</b>	<b>265,046,246.08</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Construction in progress (Continued)

(2) Movements of major construction projects in progress during the year

Item	Budget	Balance at the end of the previous year	Balance at the beginning of the year	Additions during the year	Transfers to fixed assets	Transfer to intangible assets	Decrease due to other reasons	Balance at the end of the year	Percentage of actual cost to budget	Project progress	Sources of funding
Construction project of acoustic barrier	48,803,796.49	3,078,624.89	3,078,624.89	6,939,839.00	6,939,839.00	-	-	3,078,624.89	6.31%	In progress	Self-owned funds
Housing projects of toll stations and service zones	154,518,417.82	20,282,804.70	20,282,804.70	94,893,792.41	27,327,445.77	-	5,579,809.67	82,269,341.67	53.24%	In progress	Self-owned funds
Xiyi Expressway expansion project	501,152,000.00	51,764,587.00	51,764,587.00	-	-	-	-	51,764,587.00	10.33%	In progress	Self-owned funds and loans from financial institutions
Toll stations software renovation	130,864,000.00	12,401,762.93	12,401,762.93	-	8,565,647.00	-	-	3,836,115.93	2.93%	In progress	Self-owned funds
Three major system construction project	228,203,026.78	5,938,932.86	5,938,932.86	10,033,934.59	11,055,311.00	-	-	4,917,556.45	2.15%	In progress	Self-owned funds
Information construction project	60,465,620.61	46,124,609.04	46,124,609.04	-	34,550,675.21	-	1,548,042.53	10,025,891.30	16.58%	In progress	Self-owned funds
Suzhou Yangcheng Lake entrance and exit relocation project	98,000,000.00	49,859,011.36	49,859,011.36	41,032,800.08	-	90,891,811.44	-	-	92.75%	Completed	Self-owned funds
Harbor type emergency stop construction project of Shanghai-Nanjing Expressway	40,000,000.00	30,847,950.57	30,847,950.57	-	-	30,847,950.57	-	-	77.12%	Completed	Self-owned funds
Power monitoring upgrading and transformation project of Ninghu company	15,000,000.00	13,570,000.00	13,570,000.00	-	-	-	-	13,570,000.00	90.47%	In progress	Self-owned funds
Large screen reconstruction project of Ninghu command and dispatching centre	9,980,000.00	9,094,817.00	9,094,817.00	-	5,780,000.00	-	3,314,817.00	-	91.13%	Completed	Self-owned funds
9 interconnected 35.62 MW photovoltaic power generation projects on Eastern Expressway and Ningjingyan Expressway	140,580,000.00	-	-	14,234,456.07	-	-	-	14,234,456.07	10.13%	In progress	Self-owned funds
Performance appraisal management system	150,000.00	63,679.25	63,679.25	63,679.25	-	127,358.50	-	-	84.91%	Completed	Self-owned funds
Others	80,477,460.53	22,019,466.48	22,019,466.48	2,131,197.39	11,288,962.02	240,566.04	7,620,326.74	5,000,809.07	6.21%	In progress	Self-owned funds
<b>Total</b>	<b>1,508,194,322.23</b>	<b>265,046,246.08</b>	<b>265,046,246.08</b>	<b>169,329,698.79</b>	<b>105,507,880.00</b>	<b>122,107,686.55</b>	<b>18,062,995.94</b>	<b>188,697,382.38</b>			

(3) The Group did not note any indicators of impairment; therefore, there is no provision for impairment losses for construction in progress (31 December 2021: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Intangible assets

#### (1) Intangible assets

Item	Toll road operation rights-in operation	Toll road operation rights-under construction	Land use rights	Rights to use sea areas	Software	Total
<b>Cost</b>						
Balance at the beginning of the year	50,429,440,142.62	2,006,205,132.24	1,747,328,971.12	75,992,526.65	77,306,187.24	54,336,272,959.87
Additions during the year	121,739,762.01	3,340,387,380.03	-	-	1,631,411.86	3,463,758,553.90
- Purchase	-	-	-	-	1,263,487.32	1,263,487.32
- Internally generated	-	3,340,387,380.03	-	-	-	3,340,387,380.03
- Transfer from construction in progress	121,739,762.01	-	-	-	367,924.54	122,107,686.55
Decrease during the year	13,170,814.05	-	-	-	-	13,170,814.05
- Other decrease-settlement adjustment	13,170,814.05	-	-	-	-	13,170,814.05
Balance at the end of the year	50,538,009,090.58	5,346,592,512.27	1,747,328,971.12	75,992,526.65	78,937,599.10	57,786,860,699.72
<b>Accumulated amortisation</b>						
Balance at the beginning of the year	15,709,854,097.42	-	1,412,619,396.44	2,797,270.92	66,754,266.57	17,192,025,031.35
Additions during the year	1,363,386,838.89	-	64,721,568.48	2,822,805.85	3,002,738.18	1,433,933,951.40
- Charge for the year	1,363,386,838.89	-	64,721,568.48	2,822,805.85	3,002,738.18	1,433,933,951.40
Balance at the end of the year	17,073,240,936.31	-	1,477,340,964.92	5,620,076.77	69,757,004.75	18,625,958,982.75
<b>Carrying amounts</b>						
At the end of the year	33,464,768,154.27	5,346,592,512.27	269,988,006.20	70,372,449.88	9,180,594.35	39,160,901,716.97
At the beginning of the year	34,719,586,045.20	2,006,205,132.24	334,709,574.68	73,195,255.73	10,551,920.67	37,144,247,928.52

As at 31 December 2022, the Group pledged RMB18,809,575,864.66 of road operation rights in operation and RMB4,781,456,571.94 of the right to receive payments during the future operation of road operation rights under construction to obtain bank loans respectively (2021: RMB19,132,313,193.97 and RMB2,006,205,132.24). Please see Note V.31 for further details.

#### (2) Land use rights pending certificates of ownership

As at 31 December 2022, the Group has no land use rights without certificates of ownership (31 December 2021: none).

### 18. Long-term deferred expenses

Item	Balance at the beginning of the year	Additions during the year	Amortisation for the year	Balance at the end of the year
Building improvements	2,885,785.63	18,111,586.33	2,686,797.77	18,310,574.19
Less: Provision for impairment	-	-	-	-
<b>Total</b>	<b>2,885,785.63</b>	<b>18,111,586.33</b>	<b>2,686,797.77</b>	<b>18,310,574.19</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and liabilities

Item	2022		2021	
	Deductible or taxable temporary differences ("-" for taxable temporary difference)	Deferred tax assets/deferred tax liabilities ("-" for liabilities)	Deductible or taxable temporary differences ("-" for taxable temporary difference)	Deferred tax assets/deferred tax liabilities ("-" for liabilities)
Deferred tax assets:				
Provision for impairment of assets	21,293,749.21	4,790,184.43	29,022,514.16	6,316,529.25
Unrealised profits of intra-group transactions	346,897,713.19	86,724,428.30	363,803,585.97	90,950,896.48
Changes in fair value of investments in other equity instruments	-	-	75,116,257.03	18,779,064.26
Income tax and land appreciation tax of real estate projects	310,655,508.51	77,663,877.16	253,297,244.03	63,324,311.01
Accrued expense	73,601,481.02	18,269,567.65	71,454,361.16	17,863,590.28
Deferred income	52,339,187.58	13,084,796.90	62,807,025.04	15,701,756.26
Sub-total	804,787,639.51	200,532,854.44	855,500,987.39	212,936,147.54
Amount offset	(68,874,658.84)	(17,218,664.71)	(159,489,277.13)	(39,872,319.28)
Balance after offsetting	735,912,980.67	183,314,189.73	696,011,710.26	173,063,828.26
Deferred tax liabilities:				
Changes in fair values of held-for-trading financial assets	(20,613,763.10)	(5,153,440.78)	(26,324,420.44)	(6,581,105.10)
Changes in fair values of investments in other equity instruments	(2,089,018,847.67)	(522,254,711.92)	(1,049,928,547.11)	(262,482,136.78)
Changes in fair values of other non-current financial assets	(602,619,157.67)	(150,654,789.41)	(739,858,942.66)	(184,964,735.67)
Difference between tax policies and that under accounting policies for service zone lease income	(43,629,052.82)	(10,907,263.22)	(20,370,000.59)	(5,092,500.15)
Sub-total	(2,755,880,821.26)	(688,970,205.33)	(1,836,481,910.80)	(459,120,477.70)
Amount offset	68,874,658.84	17,218,664.71	159,489,277.13	39,872,319.28
Balance after offsetting	(2,687,006,162.42)	(671,751,540.62)	(1,676,992,633.67)	(419,248,158.42)

(2) Details of unrecognised deferred tax assets

Item	2022	2021
Deductible tax losses	868,357,390.62	500,540,799.49
Deductible temporary differences	9,167,594.99	1,582,019.59
Total	877,524,985.61	502,122,819.08

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Deferred tax assets and deferred tax liabilities (Continued)

(3) Expiration of deductible tax losses for unrecognised deferred tax assets

Year	2022	2021
2023	<b>20,333,192.00</b>	20,333,192.00
2024	<b>44,120,844.72</b>	44,120,844.72
2025	<b>53,341,130.00</b>	53,341,130.00
2026	<b>382,745,632.77</b>	382,745,632.77
2027	<b>367,816,591.13</b>	-
Total	<b>868,357,390.62</b>	500,540,799.49

### 20. Other non-current assets

Item	2022			2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Prepayments for land and use right certificate fee	<b>9,713,630.00</b>	-	<b>9,713,630.00</b>	9,713,630.00	-	9,713,630.00
Prepayment for purchase long-term assets	-	-	-	2,230,170.00	-	2,230,170.00
Prepayments for construction	<b>200,000.00</b>	-	<b>200,000.00</b>	1,916,812.54	-	1,916,812.54
Deductible input tax	<b>58,453,230.46</b>	-	<b>58,453,230.46</b>	801,925,843.30	-	801,925,843.30
Total	<b>68,366,860.46</b>	-	<b>68,366,860.46</b>	815,786,455.84	-	815,786,455.84

### 21. Short-term loans

(1) Short-term loans by category:

Category	2022	2021
Guaranteed loans	-	376,432,195.20
Credit loans	<b>2,434,124,067.61</b>	700,713,013.89
Total	<b>2,434,124,067.61</b>	1,077,145,209.09

(2) Past due short-term loans:

There are no short-term loans overdue but not yet repaid (31 December 2021: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Bills payable

Item	2022	2021
Bank acceptance bills	<b>366,000,000.00</b>	134,040,089.33
Total	<b>366,000,000.00</b>	134,040,089.33

As at 31 December 2022, there are no bills payable due but unpaid (31 December 2021: none). The bills above are all due within one year.

### 23. Accounts payable

(1) Details of accounts payable are as follows:

Item	2022	2021
Amounts due to related party	<b>186,615,902.53</b>	265,513,545.74
Amounts due to third party	<b>2,626,825,616.22</b>	2,952,039,136.57
Total	<b>2,813,441,518.75</b>	3,217,552,682.31

(2) Significant accounts payable with ageing of more than one year

Item	Balance at the end of the year	Reasons why not settled
Construction payable	<b>1,624,784,891.28</b>	Long settlement procedure of the project
Construction payable for real estate project	<b>236,846,343.00</b>	Long settlement procedure of the real estate project
Total	<b>1,861,631,234.28</b>	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 24. Advance payments received

Details of advance payments received are as follows:

Item	2022	2021
Related parties	<b>2,879,190.33</b>	80,265.00
Third parties	<b>12,269,652.00</b>	18,317,301.42
Total	<b>15,148,842.33</b>	18,397,566.42

At the end of 31 December 2022, the Group has no significant advance payment with ageing of more than one year (31 December 2021: none).

### 25. Contract liabilities

Item	2022	2021
Advances from sales of property received	<b>162,928,919.15</b>	427,561,162.30
Total	<b>162,928,919.15</b>	427,561,162.30

Contract liabilities primarily relate to the Group's advances from real estate sales contracts of the Group's customers. The advanced payment is collected when the contract is signed. The revenue related to the contracts will be recognised until the Group satisfies its performance obligation.

Significant changes in the contract liabilities of the Group are as follows:

Item	2022
Balance at the beginning of the year	<b>427,561,162.30</b>
Amount increased as a result of receipt of cash (excluding amount recognized as income in current year)	<b>56,565,246.69</b>
Revenue recognized by the amount contained in the book value of the contractual liability at the beginning of the year	<b>(321,197,489.84)</b>
Total	<b>162,928,919.15</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26. Employee benefits payable

(1) Employee benefits payable:

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Short-term employee benefits	3,518,843.11	1,108,615,015.85	1,105,019,335.31	7,114,523.65
Post-employment benefits – defined contribution plans	–	179,217,924.63	179,217,924.63	–
<b>Total</b>	<b>3,518,843.11</b>	<b>1,287,832,940.48</b>	<b>1,284,237,259.94</b>	<b>7,114,523.65</b>

(2) Short-term employee benefits

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Salaries, bonuses, allowances	4,562.85	839,784,827.20	838,967,503.43	821,886.62
Staff welfare	–	5,443,984.30	5,443,984.30	–
Social insurance	3,765.00	102,941,577.10	102,941,577.10	3,765.00
Medical insurance	3,765.00	94,026,116.75	94,026,116.75	3,765.00
Work-related injury insurance	–	3,611,118.01	3,611,118.01	–
Maternity insurance	–	5,304,342.34	5,304,342.34	–
Housing fund	–	85,035,845.84	85,035,845.84	–
Labour union fee, staff and workers' education fee	3,510,515.26	26,848,155.42	24,069,798.65	6,288,872.03
Non-monetary benefits	–	48,480,648.89	48,480,648.89	–
Termination benefits	–	79,977.10	79,977.10	–
<b>Total</b>	<b>3,518,843.11</b>	<b>1,108,615,015.85</b>	<b>1,105,019,335.31</b>	<b>7,114,523.65</b>

For the current year, the Group provided employee with non-monetary benefits of RMB48,480,648.89 (2021: RMB44,059,249.59), which represents purchased non-monetary welfare goods and holiday gifts that distributed to employees etc. The calculation basis is the actual purchasing cost.

(3) Post-employment benefits – defined contribution plans

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Basic pension insurance	–	111,251,420.62	111,251,420.62	–
Unemployment insurance	–	3,537,560.48	3,537,560.48	–
Annuity	–	64,428,943.53	64,428,943.53	–
<b>Total</b>	<b>–</b>	<b>179,217,924.63</b>	<b>179,217,924.63</b>	<b>–</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Taxes payable

Item	2022	2021
Corporate income tax	<b>7,797,007.24</b>	105,829,518.25
Land appreciation tax	<b>310,655,508.51</b>	263,677,301.02
Value-added tax	<b>55,485,288.40</b>	30,354,165.21
Property tax	<b>1,207,116.32</b>	5,433,138.61
Individual income tax	<b>3,509,747.26</b>	3,296,881.01
Urban maintenance and construction tax	<b>1,797,099.26</b>	1,843,432.28
Others	<b>2,571,902.04</b>	4,170,785.51
<b>Total</b>	<b>383,023,669.03</b>	414,605,221.89

### 28. Other payables

	Note	2022	2021
Dividends payable	(1)	<b>104,557,522.67</b>	95,543,399.25
Others	(2)	<b>183,484,872.05</b>	173,554,235.79
<b>Total</b>		<b>288,042,394.72</b>	269,097,635.04

(1) Dividends payable

Item	2022	2021
Dividends for ordinary shares	<b>104,557,522.67</b>	95,543,399.25



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 28. Other payables (Continued)

(2) Others

Details of others by nature are as follows:

Item	2022	2021
Lease deposit of service area	49,178,438.65	51,596,061.62
Performance and other security	35,977,215.85	42,023,897.49
Project quality deposit	30,458,222.82	24,611,493.71
House purchase bonus	3,232,935.28	3,279,848.07
Others	64,638,059.45	52,042,934.90
<b>Total</b>	<b>183,484,872.05</b>	<b>173,554,235.79</b>

As of 31 December 2022, no significant others payable aged more than one year (31 December 2021: none).

### 29. Non-current liabilities due within one year

Item	2022	2021
Long-term loans due within one year ( <i>Note V.31</i> )	1,673,998,534.30	707,353,478.48
Bonds payable due within one year ( <i>Note V.32</i> )	127,249,150.67	88,552,931.51
Long-term payables due within one year ( <i>Note V.33</i> )	1,598,441.96	1,528,147.19
Non-current liabilities due within one year ( <i>Note V.35</i> )	4,451,000.00	–
Lease liabilities due within 1 year ( <i>Note V.62</i> )	7,911,433.32	10,681,199.80
<b>Total</b>	<b>1,815,208,560.25</b>	<b>808,115,756.98</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Other current liabilities

Item	2022	2021
Super short-term bonds payable	<b>5,334,649,066.00</b>	7,638,282,907.00
Output VAT to be transferred	<b>25,079,026.37</b>	33,682,690.07
Total	<b>5,359,728,092.37</b>	7,671,965,597.07

The movements of super short-term bonds payable:

Name of bond	Face value (RMB)	Issuance date	Maturity period (Days)	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Repayment during the year	Balance at the end of the year
Super short-term bonds payable									
21 Ninghu Gao SCP011	100.00	9 April 2021	270	500,000,000.00	510,451,505.00	-	237,536.10	510,689,041.10	-
21 Ninghu Gao SCP019	100.00	20 July 2021	177	500,000,000.00	505,616,438.00	-	445,205.84	506,061,643.84	-
21 Ninghu Gao SCP020	100.00	30 July 2021	165	500,000,000.00	504,997,259.00	-	427,398.53	505,424,657.53	-
21 Ninghu Gao SCP021	100.00	9 August 2021	157	500,000,000.00	504,714,522.00	-	425,614.99	505,140,136.99	-
21 Ninghu Gao SCP022	100.00	16 August 2021	178	500,000,000.00	504,504,109.00	-	1,347,945.79	505,852,054.79	-
21 Ninghu Gao SCP023	100.00	26 August 2021	176	400,000,000.00	403,201,095.00	-	1,235,069.38	404,436,164.38	-
21 Ninghu Gao SCP024	100.00	25 August 2021	176	500,000,000.00	504,120,547.00	-	1,545,206.42	505,665,753.42	-
21 Ninghu Gao SCP029	100.00	14 September 2021	171	1,000,000,000.00	1,006,598,357.00	-	3,849,040.26	1,010,447,397.26	-
21 Ninghu Gao SCP030	100.00	14 September 2021	177	730,000,000.00	734,816,800.00	-	3,077,400.00	737,894,200.00	-
21 Ninghu Gao SCP031	100.00	23 September 2021	154	870,000,000.00	875,545,357.00	-	3,080,752.59	878,626,109.59	-
21 Ninghu Gao SCP032	100.00	23 September 2021	154	130,000,000.00	130,828,617.00	-	460,341.90	131,288,958.90	-
21 Ninghu Gao SCP033	100.00	18 November 2021	120	300,000,000.00	300,830,548.00	-	1,585,890.36	302,416,438.36	-
21 Ninghu Gao SCP034	100.00	29 November 2021	120	500,000,000.00	501,019,178.00	-	2,926,027.48	503,945,205.48	-
21 Ninghu Gao SCP036	100.00	7 December 2021	128	650,000,000.00	651,038,575.00	-	4,500,493.49	655,539,068.49	-
21 Ninghu Gao SCP037	100.00	31 December 2021	115	1,000,000,000.00	-	1,000,000,000.00	7,404,109.59	1,007,404,109.59	-
22 Ninghu Gao SCP001	100.00	7 January 2022	122	500,000,000.00	-	500,000,000.00	3,927,397.26	503,927,397.26	-
22 Ninghu Gao SCP002	100.00	10 January 2022	122	500,000,000.00	-	500,000,000.00	3,927,397.26	503,927,397.26	-
22 Ninghu Gao SCP003	100.00	30 January 2022	122	500,000,000.00	-	500,000,000.00	3,843,835.62	503,843,835.62	-
22 Ninghu Gao SCP004	100.00	14 February 2022	122	900,000,000.00	-	900,000,000.00	6,557,917.81	906,557,917.81	-
22 Ninghu Gao SCP005	100.00	16 February 2022	120	500,000,000.00	-	500,000,000.00	3,583,561.64	503,583,561.64	-
22 Ninghu Gao SCP006	100.00	2 March 2022	120	500,000,000.00	-	500,000,000.00	3,369,863.01	503,369,863.01	-
22 Ninghu Gao SCP007	100.00	2 March 2022	120	500,000,000.00	-	500,000,000.00	3,369,863.01	503,369,863.01	-
22 Ninghu Gao SCP008	100.00	7 March 2022	122	530,000,000.00	-	530,000,000.00	3,631,589.04	533,631,589.04	-
22 Ninghu Gao SCP009	100.00	7 March 2022	94	200,000,000.00	-	200,000,000.00	1,050,739.73	201,050,739.73	-
22 Ninghu Gao SCP010	100.00	15 March 2022	121	500,000,000.00	-	500,000,000.00	3,381,369.86	503,381,369.86	-
22 Ninghu Gao SCP011	100.00	24 March 2022	119	300,000,000.00	-	300,000,000.00	1,985,506.85	301,985,506.85	-
22 Ninghu Gao SCP012	100.00	31 March 2022	126	400,000,000.00	-	400,000,000.00	2,803,068.49	402,803,068.49	-
22 Ninghu Gao SCP013	100.00	7 April 2022	119	400,000,000.00	-	400,000,000.00	2,608,219.18	402,608,219.18	-
22 Ninghu Gao SCP014	100.00	21 April 2022	119	250,000,000.00	-	250,000,000.00	1,630,136.99	251,630,136.99	-
22 Ninghu Gao SCP015	100.00	21 April 2022	119	200,000,000.00	-	200,000,000.00	1,304,109.59	201,304,109.59	-
22 Ninghu Gao SCP016	100.00	26 April 2022	121	400,000,000.00	-	400,000,000.00	2,652,054.79	402,652,054.79	-
22 Ninghu Gao SCP017	100.00	6 May 2022	111	400,000,000.00	-	400,000,000.00	2,432,876.71	402,432,876.71	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Other current liabilities (Continued)

The movements of super short-term bonds payable: (Continued)

Name of bond	Face value (RMB)	Issuance date	Maturity period (Days)	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Repayment during the year	Balance at the end of the year
22 Ninghu Gao SCP018	100.00	9 May 2022	122	400,000,000.00	-	400,000,000.00	2,673,972.60	402,673,972.60	-
22 Ninghu Gao SCP019	100.00	10 May 2022	121	400,000,000.00	-	400,000,000.00	2,652,054.79	402,652,054.79	-
22 Ninghu Gao SCP020	100.00	1 June 2022	90	400,000,000.00	-	400,000,000.00	1,923,287.67	401,923,287.67	-
22 Ninghu Gao SCP021	100.00	2 June 2022	95	400,000,000.00	-	400,000,000.00	2,050,958.90	402,050,958.90	-
22 Ninghu Gao SCP022	100.00	6 June 2022	94	400,000,000.00	-	400,000,000.00	2,008,767.12	402,008,767.12	-
22 Ninghu Gao SCP023	100.00	14 June 2022	93	900,000,000.00	-	900,000,000.00	4,586,301.37	904,586,301.37	-
22 Ninghu Gao SCP024	100.00	14 June 2022	93	400,000,000.00	-	400,000,000.00	2,017,972.60	402,017,972.60	-
22 Ninghu Gao SCP025	100.00	24 June 2022	88	500,000,000.00	-	500,000,000.00	2,350,684.93	502,350,684.93	-
22 Ninghu Gao SCP026	100.00	24 June 2022	88	500,000,000.00	-	500,000,000.00	2,350,684.93	502,350,684.93	-
22 Ninghu Gao SCP027	100.00	4 July 2022	86	530,000,000.00	-	530,000,000.00	2,435,095.89	532,435,095.89	-
22 Ninghu Gao SCP028	100.00	11 July 2022	92	500,000,000.00	-	500,000,000.00	2,432,328.77	502,432,328.77	-
22 Ninghu Gao SCP029	100.00	27 July 2022	29	530,000,000.00	-	530,000,000.00	694,808.22	530,694,808.22	-
22 Ninghu Gao SCP030	100.00	29 July 2022	88	800,000,000.00	-	800,000,000.00	3,182,465.75	803,182,465.75	-
22 Ninghu Gao SCP031	100.00	4 August 2022	91	500,000,000.00	-	500,000,000.00	2,056,849.32	502,056,849.32	-
22 Ninghu Gao SCP032	100.00	22 August 2022	87	510,000,000.00	-	510,000,000.00	1,823,424.66	511,823,424.66	-
22 Ninghu Gao SCP033	100.00	26 August 2022	88	330,000,000.00	-	330,000,000.00	1,193,424.66	331,193,424.66	-
22 Ninghu Gao SCP034	100.00	5 September 2022	87	800,000,000.00	-	800,000,000.00	2,860,273.97	802,860,273.97	-
22 Ninghu Gao SCP035	100.00	5 September 2022	87	600,000,000.00	-	600,000,000.00	2,145,205.48	602,145,205.48	-
22 Ninghu Gao SCP036	100.00	5 September 2022	87	670,000,000.00	-	670,000,000.00	2,395,479.45	672,395,479.45	-
22 Ninghu Gao SCP037	100.00	13 September 2022	90	600,000,000.00	-	600,000,000.00	2,219,178.08	602,219,178.08	-
22 Ninghu Gao SCP038	100.00	13 September 2022	93	700,000,000.00	-	700,000,000.00	2,675,342.47	702,675,342.47	-
22 Ninghu Gao SCP039	100.00	20 September 2022	107	1,000,000,000.00	-	1,000,000,000.00	4,443,287.00	-	1,004,443,287.00
22 Ninghu Gao SCP040	100.00	30 September 2022	90	500,000,000.00	-	500,000,000.00	1,874,658.00	-	501,874,658.00
22 Ninghu Gao SCP041	100.00	30 September 2022	90	400,000,000.00	-	400,000,000.00	1,499,726.00	-	401,499,726.00
22 Ninghu Gao SCP042	100.00	30 September 2022	90	400,000,000.00	-	400,000,000.00	1,499,726.00	-	401,499,726.00
22 Ninghu Gao SCP043	100.00	9 November 2022	92	800,000,000.00	-	800,000,000.00	2,028,713.00	-	802,028,713.00
22 Ninghu Gao SCP044	100.00	30 November 2022	92	770,000,000.00	-	770,000,000.00	1,419,121.00	-	771,419,121.00
22 Ninghu Gao SCP045	100.00	9 December 2022	123	750,000,000.00	-	750,000,000.00	986,301.00	-	750,986,301.00
22 Ninghu Gao SCP046	100.00	13 December 2022	121	700,000,000.00	-	700,000,000.00	897,534.00	-	700,897,534.00
Total				32,750,000,000.00	7,638,282,907.00	25,170,000,000.00	147,985,167.19	27,621,619,008.19	5,334,649,066.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31. Long-term loans

(1) Long-term loans by category

Item	2022	2021
Pledged loans	<b>10,493,718,583.88</b>	10,401,324,872.05
Guaranteed loans	<b>10,353,339.10</b>	11,057,550.18
Unsecured loans	<b>7,223,523,978.26</b>	6,462,746,947.73
Less: Long-term loans due within one year ( <i>Note V.29</i> )	<b>1,673,998,534.30</b>	707,353,478.48
Total	<b>16,053,597,366.94</b>	16,167,775,891.48

As of 31 December 2022, Long-term loans mainly include:

- (a) Pledged loans mainly include loans obtained by the Group's subsidiaries from China Development Bank with a total principal of RMB3,314,000,000.00 and an interest of RMB3,283,018.32; obtained loans from Bank of Communications with a total principal of RMB985,753,334.00 and an interest of RMB1,170,480.11; obtained loans from Industrial and Commercial Bank of China with a total principal of RMB1,788,000,000.00 and an interest of RMB2,080,732.63; obtained loans from China Construction Bank with a total principal of RMB1,861,000,000.00 and an interest of RMB2,188,655.56; obtained loans from Agricultural Bank of China with a total principal of RMB767,000,000.00 and an interest of RMB793,708.32; obtained loans from Post Office Saving Bank of China with a total principal of RMB1,566,600,000.00 and an interest of RMB1,666,710.50; obtained loans from China Merchants Bank with a total principal of RMB150,000,000.00 and an interest of RMB136,111.11; obtained loans from Bank of China with a total principal of RMB50,000,000.00 and an interest of RMB45,833.33. The principal of long-term loans due within one year is RMB392,494,666.00 and the interest payable due within one year is RMB10,340,149.89. The maturity date of the remaining Pledged loans is from 6 January 2024 to 2 April 2042. Please refer to Note V.60 "Assets with restrictive ownership title or right of use" for the details of the pledged items of the above pledged loans at the end of 31 December 2022.
- (b) Guaranteed loans mainly include a long-term loan obtained by the Group from Spanish government with a total principal of USD1,486,566.22, which is equivalent to RMB10,353,339.10 at the end of the year. The principal of long-term loans due within one year is USD247,761.02, and the maturity date of the last loans is 10 July 2028.
- (c) Unsecured loans mainly include loans obtained by the Group from Jiangsu Communications Holding Company Limited with a total principal of RMB3,243,148,166.24 and an interest of RMB44,561,832.91; obtained loans from Bank of Communications with a total principal of RMB583,500,000.00 and an interest of RMB610,321.20; obtained loans from Shanghai Pudong Development Bank with a total principal of RMB564,900,000.00 and an interest of RMB632,887.75; obtained loans from China Merchants Bank with a total principal of RMB1,584,000,002.00 and an interest of RMB1,719,553.83; obtained loans from China Construction Bank with a total principal of RMB600,000,000.00 and an interest of RMB476,667.00; obtained loans from Agricultural Bank of China with a total principal of RMB172,400,000.00 and an interest of RMB216,505.67; obtained loans from Industrial and Commercial Bank of China with a total principal of RMB100,000,000.00 and an interest of RMB8333.33; obtained loans from Jiangsu Communications Holding Group Finance Co., Ltd. with a total principal of RMB327,000,000.00 and an interest of RMB349,708.33. The principal of long-term loans due within one year is RMB1,219,837,252.00 and the interest payable due within one year is RMB49,600,910.01. The maturity date of the remaining unsecured loans is from 15 May 2024 to 25 August 2046.

As of 31 December 2022, the annual interest rate of Pledged loans is 3.5% – 4.16%, the annual interest rate of Guaranteed loans is 2%, and the annual interest rate range of unsecured loans is 2.6% – 4.11%.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Bonds payable

(1) Bonds payable

Item	2022	2021
Medium term notes	<b>5,544,625,794.05</b>	4,034,682,999.51
Corporate bonds	<b>4,554,960,837.96</b>	1,831,288,891.86
Less: Bonds payable due within one year (Note V.29)	<b>127,249,150.67</b>	88,552,931.51
<b>Total</b>	<b>9,972,337,481.34</b>	5,777,418,959.86

(2) Movements of bonds:

Debentures Name	Face value (RMB)	Issuance date	Bonds		Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Premium and according to face value	Repayment during the year	Balance at the end of the year	Bonds payable due within one year
			Maturity period	Interest rate								
20 Ninghu Gao MTN001	100.00	21 August 2020	5 years	3.98%	2,000,000,000.00	2,016,693,630.24	-	79,600,000.00	3,210,756.15	79,600,000.00	2,019,904,386.39	29,004,931.51
21 Ninghu Gao MTN001	100.00	15 June 2021	3 years	3.45%	1,000,000,000.00	1,016,238,687.24	-	34,500,000.00	983,882.92	34,500,000.00	1,017,222,570.16	18,715,068.51
21 Ninghu Gao MTN002	100.00	25 October 2021	3 years	3.30%	500,000,000.00	501,570,961.18	-	16,500,000.00	483,345.97	16,500,000.00	502,054,307.15	2,983,561.64
21 Ninghu Gao MTN003	100.00	22 November 2021	3 years	3.13%	500,000,000.00	500,179,720.85	-	15,650,000.00	485,792.24	15,650,000.00	500,865,513.09	1,629,315.07
22 Ninghu Gao MTN001 (SCI-TECH innovation note)	100.00	13 September 2022	3 years	2.49%	700,000,000.00	-	697,900,000.00	5,157,369.85	201,839.77	-	703,259,209.62	5,157,369.85
22 Ninghu Gao MTN002	100.00	10 October 2022	3 years	2.49%	300,000,000.00	-	299,100,000.00	1,678,191.78	65,678.02	-	300,843,869.80	1,678,191.78
22 Ninghu Gao MTN003	100.00	31 October 2022	3 years	2.55%	500,000,000.00	-	498,500,000.00	2,095,890.41	80,047.43	-	500,675,937.84	2,095,890.41
21 Ninghu G1	100.00	2 February 2021	3+2 years	3.70%	1,000,000,000.00	1,031,076,705.70	-	37,000,000.00	628,174.94	37,000,000.00	1,031,704,880.64	33,756,164.36
21 Ninghu G2	100.00	24 November 2021	3+2 years	3.08%	800,000,000.00	800,212,186.16	-	24,640,000.00	452,211.66	24,640,000.00	800,664,397.82	2,565,260.28
22 Ninghu G1	100.00	20 April 2022	3 years	2.90%	1,000,000,000.00	-	997,000,000.00	20,339,726.02	680,702.44	-	1,018,020,428.46	20,339,726.02
22 Ninghu G2	100.00	23 August 2022	3 years	2.55%	500,000,000.00	-	498,500,000.00	4,576,027.40	174,770.21	-	503,250,797.61	4,576,027.40
22 Ninghu G3	100.00	29 November 2022	3 years	2.95%	500,000,000.00	-	498,500,000.00	1,333,561.65	43,851.64	-	499,877,413.29	1,333,561.65
G22 Ninghu 1	100.00	24 October 2022	3 years	2.58%	700,000,000.00	-	697,900,000.00	3,414,082.19	128,837.95	-	701,442,920.14	3,414,082.19
<b>Total</b>					10,000,000,000.00	5,865,971,891.37	4,187,400,000.00	246,484,849.30	7,619,891.34	207,890,000.00	10,099,586,632.01	127,249,150.67

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33. Long-term payables

Item	2022	2021
Long-term payables for right to use sea areas	<b>73,003,435.70</b>	74,531,582.88
Less: Long-term payables due within one year ( <i>Note V.29</i> )	<b>1,598,441.96</b>	1,528,147.19
Total	<b>71,404,993.74</b>	73,003,435.69

### 34. Deferred income

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year	Reason for deferral
Government grant	85,904,687.29	-	12,043,773.11	<b>73,860,914.18</b>	Construction grants of Ningchang Expressway and subsidy for removal of provincial boundary toll station
Other	13,595,265.73	-	13,595,265.73	-	
Total	99,499,953.02	-	25,639,038.84	<b>73,860,914.18</b>	

Items relating to government grant:

Item	Balance at the beginning of the year	Additions during the year	Amounts recognised in other income during the year	Other changes	Balance at the end of the year	Related to assets/income
Subsidy for construction of Ningchang Expressway ( <i>Note 1</i> )	23,097,662.25	-	1,575,935.65	-	21,521,726.60	Related to assets
Subsidy for reconstruction of highway provincial boundary toll station ( <i>Note 2</i> )	62,807,025.04	-	10,467,837.46	-	52,339,187.58	Related to assets
Total	85,904,687.29	-	12,043,773.11	-	73,860,914.18	

*Note 1:* "Subsidy for construction of Ningchang Expressway" is a project construction fund of RMB40,000,000.00 received by Jiangsu Ningchang Zhenli Expressway, which has been absorbed and merged by the Company in 2020, from the People's Government of Wujin District, Changzhou City for the construction of Ningchang expressway due to the extra cost of construction of Wujin Development Zone viaduct project. The Group recognizes the project construction subsidy as a compensation of the construction cost of Ningchang expressway which is recorded in deferred income.

*Note 2:* "Subsidy for reconstruction of highway provincial boundary toll station" received by Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng"), a subsidiary of the Company, amounting to RMB86,689,640.00. The Group recognizes the project construction subsidy as a compensation of reconstruction of highway provincial boundary toll station which is recorded in deferred income.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 35. Other non-current liabilities

Item	2022	2021
Borrowings from third parties	<b>4,451,000.00</b>	4,451,000.00
Less: Other non-current liabilities due within one year (Note V.29)	<b>4,451,000.00</b>	-
Total	-	4,451,000.00

### 36. Share capital

	Balance at the beginning of the year	Changes during the year (+/-)				Sub-total	Balance at the end of the year
		Issuance of new shares	Bonus shares	Transfer from reserves	Others		
Total shares	5,037,747,500.00	-	-	-	-	-	<b>5,037,747,500.00</b>

### 37. Capital reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Share premium	6,407,508,338.00	111,000,000.00	2,457,000,000.00	<b>4,061,508,338.00</b>
Including: Capital contributed by investors	4,776,251,453.53	111,000,000.00	-	<b>4,887,251,453.53</b>
Considerations paid for business combinations involving enterprises under common control	1,631,256,884.47	-	2,457,000,000.00	<b>(825,743,115.53)</b>
Other capital reserves	5,714,901,034.86	-	-	<b>5,714,901,034.86</b>
Including: Share of capital reserve of the investee under the equity method	(18,939,686.61)	-	-	<b>(18,939,686.61)</b>
Contribution by holders of other equity instruments	6,483,769.61	-	-	<b>6,483,769.61</b>
Transfer from capital reserve under the previous accounting system	5,653,832,002.49	-	-	<b>5,653,832,002.49</b>
Difference arising from merging associates	73,524,949.37	-	-	<b>73,524,949.37</b>
Total	12,122,409,372.86	111,000,000.00	2,457,000,000.00	<b>9,776,409,372.86</b>

During the year, Changes in the Group's capital reserves were mainly due to the considerations paid for business combinations involving enterprises under common control on the acquisition a subsidiary – Jiangsu Yunshan Green Energy Investment Holding Company Limited ("YS Energy Company").

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Other comprehensive income

Item	Balance at the beginning of the year attributable to shareholders of the Company		Movements during the year				Balance at the end of the year attributable to shareholders of the Company
	Before-tax amount		Less: Previously recognized amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
Items that will not be reclassified to profit or loss	931,335,600.50	1,112,318,806.84	(15,544,544.77)	(275,129,389.41)	821,644,872.66	10,266,750.00	<b>1,752,980,473.16</b>
Including: Other comprehensive income recognised under equity method (Note 1)	285,319,324.89	(3,743,295.51)	-	-	(3,743,295.51)	-	<b>281,576,029.38</b>
Changes in fair value of investments in other equity instruments (Note 2)	646,016,275.61	1,116,062,102.35	(15,544,544.77)	(275,129,389.41)	825,388,168.17	10,266,750.00	<b>1,471,404,443.78</b>
Items that may be reclassified to profit or loss	-	(98,360.63)	-	-	(98,360.63)	-	<b>(98,360.63)</b>
Including: Other comprehensive income recognised under equity method (Note 3)	-	(98,360.63)	-	-	(98,360.63)	-	<b>(98,360.63)</b>
<b>Total</b>	<b>931,335,600.50</b>	<b>1,112,220,446.21</b>	<b>(15,544,544.77)</b>	<b>(275,129,389.41)</b>	<b>821,546,512.03</b>	<b>10,266,750.00</b>	<b>1,752,882,112.53</b>

*Note 1:* The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the associate Yangtze Bridge Company of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.

*Note 2:* Other investments in equity instruments are the fair value adjustment of the ordinary shares of A-share listed company Bank of Jiangsu Co., Ltd and ordinary shares of A-share listed company Jiangsu Financial Leasing Co., Ltd.

*Note 3:* The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the associate Zijin Trust of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39. General risk reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
General risk reserve	6,505,092.88	3,232,638.95	–	<b>9,737,731.83</b>

Increase in general risk reserve for the year represents the provision of risk reserve by Ninghu Factoring Company, a subsidiary of the Company, as per requirement of “Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises” (Yin Bao Jian Ban Fa (2019) No.205).

### 40. Specific reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Safety fund	–	2,781,972.78	2,204,504.76	<b>577,468.02</b>
Total	–	2,781,972.78	2,204,504.76	<b>577,468.02</b>

The increase in specific reserve during the year was the safety fund made by a subsidiary (YS Energy Company) of the Company based on the Administrative Measures for the Accrual and Use of Expenses for Work Safety by Enterprises (Caizi [2022] No.136).

### 41. Surplus reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Statutory surplus reserve	3,449,586,317.53	109,545,738.94	–	<b>3,559,132,056.47</b>
Discretionary surplus reserve	384,524,313.73	75,936,702.74	–	<b>460,461,016.47</b>
Total	3,834,110,631.26	185,482,441.68	–	<b>4,019,593,072.94</b>

According to “Company Law of the People’s Republic of China” and the Articles of the Company, the Company and its subsidiaries are required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company’s registered capital. Statutory surplus reserve can be used for making up losses, or to increase the capital after approval.

As of 31 December 2022, the Group appropriated the statutory surplus reserve of RMB109,545,738.94 (2021: RMB116,913,988.60).

As of 31 December 2022, the Group appropriated the discretionary surplus reserve amounting to RMB75,936,702.74 (2021: RMB65,653,376.28).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Retained earnings

Item	Note	2022	2021
Retained earnings at the beginning of the year		10,110,279,671.92	8,298,798,509.66
Add: Net profits for the year attributable to shareholders of the Company		3,724,115,165.87	4,280,010,033.09
Transfer of other comprehensive income to retained earnings	(1)	15,544,544.77	34,419,723.22
Less: Appropriation for statutory surplus reserve		109,545,738.94	116,913,988.60
Appropriation for discretionary surplus reserve		75,936,702.74	65,653,376.28
Appropriation for general risk reserve		3,232,638.95	3,017,379.17
Dividends to ordinary shares	(2)	2,317,363,850.00	2,317,363,850.00
Retained earnings at the end of the year		11,343,860,451.93	10,110,279,671.92

- (1) Transfer of other comprehensive income to retained earnings

Transfer of other comprehensive income to retained earnings is mainly the income generated by the disposal of partial investments in other equity instruments held by the Group in 2022. This financial asset is designated to be measured at fair value and its change is included in other comprehensive income. The accumulated profit of RMB15,544,544.77 is transferred from other comprehensive income to undistributed profit.

- (2) Dividends to ordinary shares

Pursuant to the shareholders' approval at the shareholders' general meeting on 18 June 2022, a cash dividend of RMB0.46 per share (2021: RMB0.46 per share), totalling RMB2,317,363,850.00 (2020: RMB2,317,363,850.00), was declared and paid to the Company's ordinary shareholders on 23 June 2022.

### 43. Operating income and operating costs

- (1) Operating income and operating costs

Item	Note	2022		2021	
		Income	Cost	Income	Cost
Principal activities		11,786,933,521.91	7,958,674,859.74	12,649,032,397.83	7,969,504,590.31
Other operating activities		1,468,669,585.81	882,774,463.15	1,611,500,460.35	1,029,101,166.40
Total		13,255,603,107.72	8,841,449,322.89	14,260,532,858.18	8,998,605,756.71
Including: revenue from contracts with customers	V.43(2)	13,162,146,352.67	8,624,182,102.72	13,979,585,569.17	8,793,940,193.43
Rental income		93,456,755.05	217,267,220.17	280,947,289.01	204,665,563.28

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43. Operating income and operating costs (Continued)

(2) Disaggregation of revenue from contracts with customers

Type of contract	2022	2021
By type of goods or services		
Toll road income	<b>7,323,016,523.07</b>	8,263,073,263.06
Construction income	<b>3,340,387,380.03</b>	2,948,829,334.42
Ancillary services income	<b>1,060,057,453.18</b>	1,198,494,447.83
Real estate income	<b>674,078,627.89</b>	1,028,544,320.23
Income from sales of electricity	<b>651,675,244.34</b>	466,126,979.92
Advertising and others income	<b>112,931,124.16</b>	74,517,223.71
Total	<b>13,162,146,352.67</b>	13,979,585,569.17
By timing of transferring goods or services		
Revenue recognized at a point in time	<b>9,718,487,782.07</b>	10,967,610,940.17
Revenue recognized over time	<b>3,443,658,570.60</b>	3,011,974,629.00
Total	<b>13,162,146,352.67</b>	13,979,585,569.17

(3) Information related to transaction price allocated to the remaining performance obligations

At the end of the Reporting Period, the amount of income corresponding to the performance obligation which have been signed but have not been performed or have not been completed is RMB162,928,919.15 (2021: RMB427,561,162.30), which refers to the transaction price of the real estate sales contract that has not met the agreed delivery conditions. RMB162,928,919.15 of the total is expected to be recognised in 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44. Taxes and surcharges

Item	2022	2021
Land appreciation tax	<b>128,552,672.12</b>	205,526,418.59
City maintenance and construction tax	<b>17,402,646.79</b>	21,180,804.70
Education surcharges	<b>12,647,046.15</b>	15,466,681.30
Property tax	<b>3,728,630.65</b>	12,191,783.01
Land use tax	<b>2,653,723.39</b>	9,238,156.48
Others	<b>3,942,896.07</b>	3,097,859.24
Total	<b>168,927,615.17</b>	266,701,703.32

### 45. Selling and distribution expenses

Item	2022	2021
Commission fee for agent of real estate sales	<b>7,553,147.86</b>	12,157,603.81
Advertisement and promotion fee	<b>3,204,167.83</b>	6,071,282.02
Production and planning fee	<b>67,326.43</b>	1,771,657.12
Depreciation	<b>1,906.95</b>	1,624,805.97
Others	<b>3,675,190.17</b>	4,485,843.30
Total	<b>14,501,739.24</b>	26,111,192.22

### 46. General and administrative expenses

Item	2022	2021
Staff costs	<b>115,027,827.98</b>	96,100,738.84
Depreciation and amortisation	<b>78,275,925.24</b>	81,626,389.68
Consulting and intermediary service fee	<b>48,025,651.90</b>	30,848,391.29
Audit fee	<b>3,000,000.00</b>	3,000,000.00
Property management fee	<b>9,129,681.96</b>	2,477,056.14
Labor protection fee	<b>1,697,193.75</b>	6,152,403.69
Maintenance and repair fee	<b>4,694,774.20</b>	3,330,937.87
Publicity fee related to the Party building	<b>4,634,208.99</b>	3,619,325.20
Vehicle related expenses	<b>3,218,935.02</b>	1,767,525.65
Office expenses	<b>1,789,134.59</b>	1,318,115.64
Travelling expenses	<b>1,141,712.49</b>	1,278,414.97
Others	<b>22,873,524.06</b>	14,473,699.94
Total	<b>293,508,570.18</b>	245,992,998.91

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Financial expenses

Item	2022	2021
Interest expenses from loans and payables	<b>1,111,892,890.86</b>	1,023,834,626.73
Interest expenses from lease liabilities	<b>1,685,983.10</b>	1,328,824.55
Less: Borrowing costs capitalised	<b>14,936,843.88</b>	154,665,311.04
Interest income from deposits and receivables	<b>23,262,551.07</b>	16,464,368.49
Net exchange losses	<b>2,806,116.78</b>	5,195,727.56
Bond issuance fee and commission charges for other loans	<b>5,993,174.91</b>	4,800,386.59
Other financial expenses	<b>10,047,898.33</b>	3,140,752.00
<b>Total</b>	<b>1,094,226,669.03</b>	867,170,637.90

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 3.25% – 4.16% (2021: 3.85% – 4.16%) for the year.

### 48. Other income

Item	2022	2021
Government grants	<b>31,604,959.61</b>	29,762,256.45
Others	<b>378,037.16</b>	273,937.88
<b>Total</b>	<b>31,982,996.77</b>	30,036,194.33

### 49. Investment income

Item	2022	2021
Investment income from long-term equity investments accounted for using the equity method	<b>1,086,915,705.37</b>	768,954,027.30
Investment income from disposal of long-term equity investments	–	(1,230,578.75)
Investment income from financial assets held for trading during the holding period	<b>113,447,577.74</b>	23,845,990.01
Investment income from disposal of financial assets held for trading	<b>74,319.29</b>	2,235,387.50
Investment income from other non-current financial assets during the holding period	<b>174,228,724.92</b>	106,091,275.32
Investment income from other equity instruments during the holding period	<b>479,699,920.00</b>	313,818,000.00
Investment income from the acquisition of equity in previous years	<b>13,595,265.73</b>	–
<b>Total</b>	<b>1,867,961,513.05</b>	1,213,714,101.38

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. (Losses)/gains from changes in fair value

Item	2022	2021
Financial assets held for trading	<b>(5,710,657.34)</b>	4,657,109.79
Other non-current financial assets	<b>(137,239,784.99)</b>	485,221,898.42
Total	<b>(142,950,442.33)</b>	489,879,008.21

### 51. Credit losses

Item	2022	2021
Accounts receivable	<b>5,354,679.05</b>	8,829,242.92

### 52. Impairment losses

Item	2022	2021
Inventories	-	5,497,868.60

### 53. Gains from asset disposals

Item	2022	2021
Gains from disposal of fixed assets	<b>25,731,786.68</b>	7,868,251.48

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 54. Non-operating income and non-operating expenses

(1) Non-operating income by item is as follows:

Item	2022	2021	Amount recognised in extraordinary gain and loss in 2022
Income from highway property compensation	<b>7,038,297.00</b>	6,258,180.53	7,038,297.00
Others	<b>3,591,903.48</b>	6,690,802.84	3,591,903.48
<b>Total</b>	<b>10,630,200.48</b>	12,948,983.37	10,630,200.48

(2) Non-operating expenses

Item	2022	2021	Amount recognised in extraordinary gain and loss in 2022
Losses on retirement of fixed assets	<b>3,971,789.54</b>	6,984,460.28	3,971,789.54
Expenditure for repair of damaged highway property	<b>35,244,475.79</b>	16,896,980.03	35,244,475.79
Non-profit donations	<b>1,404,450.79</b>	1,144,000.00	1,404,450.79
Penalty for delayed delivery of buildings	<b>2,656,061.55</b>	325,759.21	2,656,061.55
Others	<b>6,691,214.74</b>	4,319,374.61	6,691,214.74
<b>Total</b>	<b>49,967,992.41</b>	29,670,574.13	49,967,992.41

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 55. Income tax expenses

(1) Income tax expenses:

Item	2022	2021
Current tax expense for the year based on tax law and regulations	<b>878,723,329.99</b>	1,160,962,094.42
Changes in deferred tax	<b>(36,298,618.66)</b>	129,333,237.62
Tax filing differences for prior year	<b>(9,391,005.32)</b>	(634,624.19)
Total	<b>833,033,706.01</b>	1,289,660,707.85

(2) The analysis of changes in deferred tax is set out below:

Item	2022	2021
Origination and reversal of temporary differences	<b>(36,298,618.66)</b>	129,333,237.62

(3) Reconciliation between income tax expenses and accounting profit:

Item	2022	2021
Profits before taxation	<b>4,581,022,574.40</b>	5,566,399,422.24
Expected income tax expenses at tax rate of 25%	<b>1,145,255,643.60</b>	1,391,599,855.56
Tax filing differences for prior year	<b>(9,391,005.32)</b>	(634,624.19)
Effect of non-taxable income	<b>(395,126,315.88)</b>	(244,193,006.82)
Effect of non-deductible costs, expense and losses	<b>22,342,199.50</b>	62,799,836.62
Effect of using the deductible losses for which no deferred tax asset was recognised in previous periods	<b>(236,912.35)</b>	(28,621.51)
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this year	<b>93,850,541.63</b>	99,464,425.18
Effect of preferential tax rates applied by subsidiaries	<b>(33,621,501.39)</b>	(31,151,818.19)
Allocation of income tax for investments in partnerships	<b>9,961,056.22</b>	11,804,661.20
Income tax expenses	<b>833,033,706.01</b>	1,289,660,707.85



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 56. Basic earnings per share and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Company	<b>3,724,115,165.87</b>	4,280,010,033.09
Weighted average number of ordinary shares outstanding	<b>5,037,747,500.00</b>	5,037,747,500.00
Basic earnings per share ( <i>RMB/share</i> )	<b>0.7392</b>	0.8496

Weighted average number of ordinary shares is calculated as follows:

	2022	2021
Issued ordinary shares at the beginning of the year	<b>5,037,747,500.00</b>	5,037,747,500.00
Weighted average number of ordinary shares at the end of the year	<b>5,037,747,500.00</b>	5,037,747,500.00

(2) Diluted earnings per share

There are no dilutive underlying common shares in the Company during the Reporting Period and diluted earnings per share are the same as basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Supplementary information on income statement

Item	2022	2021
Operating income	<b>13,255,603,107.72</b>	14,260,532,858.18
Less: Employee benefits expenses	<b>1,287,832,940.48</b>	1,204,023,317.96
Depreciation and amortisation expenses	<b>2,048,472,217.60</b>	2,175,523,496.20
Toll related expenses	<b>212,286,954.81</b>	234,040,992.86
Road maintenance expenses	<b>609,917,852.14</b>	675,747,296.15
System maintenance expenses	<b>81,559,904.85</b>	127,865,800.26
Construction services expenses	<b>3,340,387,380.03</b>	2,948,829,334.42
Real estate development land and construction cost	<b>435,356,228.58</b>	764,291,668.37
Petroleum in the service zone	<b>919,163,094.69</b>	964,405,795.48
Catering cost in the service zone	<b>1,570,629.71</b>	4,355,721.61
Taxes and surcharges	<b>168,927,615.17</b>	266,701,703.32
Financial expenses	<b>1,094,226,669.03</b>	867,170,637.90
Credit losses	<b>5,354,679.05</b>	8,829,242.92
Impairment losses	<b>-</b>	5,497,868.60
Others	<b>212,912,429.42</b>	171,626,524.53
Add: Other income	<b>31,982,996.77</b>	30,036,194.33
Investment income	<b>1,867,961,513.05</b>	1,213,714,101.38
(Losses)/gains from changes in fair value	<b>(142,950,442.33)</b>	489,879,008.21
Gains from asset disposals	<b>25,731,786.68</b>	7,868,251.48
Operating profit	<b>4,620,360,366.33</b>	5,583,121,013.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 58. Cash flow statement

(1) Proceeds relating to other operating activities:

Item	2022	2021
Changes in restricted cash and bank balances	–	29,393,086.44
Receipts from government grants and non-operating income etc.	<b>30,569,424.14</b>	31,569,705.37
Receipts from interest income of bank deposit	<b>23,262,551.07</b>	16,464,368.49
Recovery from financial factoring business	<b>1,121,230,842.20</b>	734,363,113.42
<b>Total</b>	<b>1,175,062,817.41</b>	811,790,273.72

(2) Payments relating to other operating activities:

Item	2022	2021
Changes in cash with restricted usage	<b>1,587,966.84</b>	–
Payment of non-salary and other expenditure	<b>139,206,298.52</b>	170,059,232.06
Expenses on financial factoring business	<b>1,338,262,017.15</b>	1,002,041,058.68
<b>Total</b>	<b>1,479,056,282.51</b>	1,172,100,290.74

(3) Payments relating to other financing activities:

Item	2022	2021
Bond issue fee and other charges of loans	<b>5,993,174.91</b>	9,503,833.18

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Supplementary information on cash flow statement

(1) Supplement to cash flow statement

a. Reconciliation of net profit to cash flows from operating activities:

Item	2022	2021
Net profit	<b>3,747,988,868.39</b>	4,276,738,714.39
Add: Provisions for impairment of assets	-	5,497,868.60
Impairment of credit assets	<b>5,354,679.05</b>	8,829,242.92
Depreciation of fixed assets	<b>593,741,194.22</b>	482,013,042.76
Amortisation of intangible assets	<b>1,433,933,951.40</b>	1,676,326,805.39
Amortisation of long-term deferred expenses	<b>2,686,797.77</b>	4,776,305.37
Depreciation of ROU assets	<b>11,978,726.71</b>	11,378,875.85
Amortisation of investment properties	<b>6,131,547.50</b>	1,028,466.83
Amortisation of deferred income	<b>(25,639,038.84)</b>	(12,727,317.50)
Gains from asset disposals	<b>(25,731,786.68)</b>	(7,868,251.48)
Losses from scrapping of fixed assets	<b>3,971,789.54</b>	6,984,460.28
(Losses)/gains from changes in fair value	<b>142,950,442.33</b>	(489,879,008.21)
Financial expenses	<b>1,107,441,321.77</b>	880,494,254.39
Gains arising from investments	<b>(1,867,961,513.05)</b>	(1,213,714,101.38)
Increase/(decrease) in deferred tax assets	<b>(6,375,771.16)</b>	14,251,251.54
Decrease/(increase) in deferred tax liabilities	<b>(29,922,847.50)</b>	115,081,986.08
Decrease in gross inventories	<b>1,304,482,143.72</b>	253,769,796.54
Decrease in operating receivables ("-" for increase)	<b>(1,602,921,987.98)</b>	(135,083,934.33)
Decrease in operating payables	<b>727,400,496.09</b>	(204,522,241.23)
Increase/(decrease) in restricted monetary funds	<b>(1,587,966.84)</b>	29,393,086.44
Net cash from operating activities	<b>5,527,921,046.44</b>	5,702,769,303.25

b. Net changes in cash:

Item	2022	2021
Cash at the end of the year	<b>925,012,854.49</b>	617,306,798.75
Less: Cash at the beginning of the year	<b>617,306,798.75</b>	626,909,389.48
Net increase/(decrease) in cash	<b>307,706,055.74</b>	(9,602,590.73)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Supplementary information on cash flow statement (Continued)

(2) Information on acquisition of subsidiaries during the current year:

Information on acquisition of subsidiaries:

	2022
Consideration for acquisitions	<b>2,457,000,000.00</b>
Cash paid during the year for acquiring subsidiaries during the year	<b>2,457,000,000.00</b>
Including: YS Energy Company	<b>2,457,000,000.00</b>
Net payment for acquisition of subsidiaries	<b>2,457,000,000.00</b>

For non-cash assets and liabilities held by the acquired subsidiaries, refer to Note VI.1(3).

(3) Details of cash and cash equivalents

Item	2022	2021
Cash and cash equivalents	<b>925,012,854.49</b>	617,306,798.75
Including: Cash on hand	<b>69,744.33</b>	130,211.71
Bank deposits available on demand	<b>923,122,443.28</b>	614,386,651.21
Other monetary funds available on demand	<b>1,820,666.88</b>	2,789,935.83
Closing balance of cash and cash equivalents	<b>925,012,854.49</b>	617,306,798.75

### 60. Assets with restrictive ownership title or right of use

Item	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Reason for restriction Cash at bank and
on hand (Note V.1)	6,330,523.05	12,879,148.91	11,291,182.07	<b>7,918,489.89</b>	Customer mortgage margin, pre-sale regulatory funds and bill margin
Intangible assets (Note V.17)	21,138,518,326.21	2,775,251,439.70	322,737,329.31	<b>23,591,032,436.60</b>	Pledge of toll road rights
Accounts receivable (Note V.4)	231,400,480.78	604,080,594.82	267,126,998.80	<b>568,354,076.80</b>	Pledge of the rights for electricity fee receivable
Total	21,376,249,330.04	3,392,211,183.43	601,155,510.18	<b>24,167,305,003.29</b>	

The amortisation of intangible assets used as pledge for current year is RMB309,566,515.26.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Government grants

Details of government grants

Item	Amount	Presentation item	Amount recognised in profit or loss for the current period
Additional deduction of VAT	12,905,574.02	Other income	12,905,574.02
Subsidy for reconstruction of highway provincial boundary toll station	10,467,837.46	Deferred income	10,467,837.46
Subsidy for construction of Ningchang Expressway	1,575,935.65	Deferred income	1,575,935.65
Post allowance	1,611,355.11	Other income	1,611,355.11
Anti-epidemic special supporting funds	2,000,000.00	Other income	2,000,000.00
Subsidies for the interest on green bonds	1,901,500.00	Other income	1,901,500.00
Others	1,142,757.37	Other income	1,142,757.37
<b>Total</b>	<b>31,604,959.61</b>		<b>31,604,959.61</b>

### 62. Leases

(1) As a lessee

*Right-of-use assets*

Item	Plant & buildings	Rights to use roofs	Transportation vehicles	Rights to use parking spaces	Total
<b>Cost</b>					
Balance at the beginning of the year	38,441,367.58	9,306,997.28	242,884.72	541,969.45	48,533,219.03
Additions during the year	1,605.02	2,160,162.83	-	-	2,161,767.85
Decrease during the year	-	-	-	-	-
Balance at the end of the year	38,442,972.60	11,467,160.11	242,884.72	541,969.45	50,694,986.88
<b>Accumulated depreciation</b>					
Balance at the beginning of the year	8,193,902.99	889,265.76	141,682.75	20,323.92	9,245,175.42
Charge for the year	10,747,403.05	1,109,797.80	101,201.97	20,323.89	11,978,726.71
Reductions during the year	-	-	-	-	-
Balance at the end of the year	18,941,306.04	1,999,063.56	242,884.72	40,647.81	21,223,902.13
<b>Provision for impairment</b>					
Balance at the beginning of the year	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-
<b>Carrying amounts</b>					
At the end of the year	19,501,666.56	9,468,096.55	-	501,321.64	29,471,084.75
At the beginning of the year	30,247,464.59	8,417,731.52	101,201.97	521,645.53	39,288,043.61

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 62. Leases (Continued)

(1) As a lessee (Continued)

#### Lease liabilities

Item	Note	2022	2021
Long-term lease liabilities		<b>28,211,724.76</b>	36,531,514.64
Less: lease liabilities due within one year	V.29	<b>7,911,433.32</b>	10,681,199.80
Total		<b>20,300,291.44</b>	25,850,314.84

Item	2022	2021
Short-term lease expenses applied the practical expedient	<b>3,822,647.19</b>	2,550,786.09
Variable lease payments not included in the measurement of lease liabilities	<b>2,929,304.00</b>	558,085.71
Total cash outflow for leases	<b>18,919,492.02</b>	9,560,179.63

(2) As a lessor

#### Operating lease

Item	2022	2021
Lease income	<b>93,456,755.05</b>	280,947,289.01
Including: Income relating to variable lease payments not included in lease receipts	<b>23,814,111.71</b>	68,655,803.61

The Group mainly leases some plant and buildings in the service zone along the expressway, the lease term is subject to the actually signed contract. The lessee guarantees the residual value of the leased assets at the end of the lease term. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The undiscounted lease receipts to be received after the balance sheet date are as follows:

Item	2022	2021
Within 1 year (inclusive)	<b>19,185,372.09</b>	20,382,924.29
Over 1 year but within 2 years (inclusive)	<b>14,728,072.00</b>	19,185,372.09
Over 2 years but within 5 years	<b>23,123,899.35</b>	31,582,467.58
Over 5 years	<b>106,948,805.42</b>	113,218,309.19
Total	<b>163,986,148.86</b>	184,369,073.15

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VI. CHANGE OF CONSOLIDATION SCOPE

### 1. Business combinations involving entities under common control

(1) Business combinations involving entities under common control during the year

Name of acquiree	Proportion of equity interests acquired in business combination	Basis for business combination under common control	Acquisition date	Basis for determination of acquisition date	From the beginning of the year to the acquisition date			2021	
					Income	Net profit	Net cash inflow/outflow	Income	Net profit
YS Energy Company	100%	Controlled by the same parent company (Jiangsu Communications Holding) before the acquisition	2022-7-12	The gain of control	323,120,796.68	125,330,455.92	43,152,656.90	467,945,615.68	144,089,949.02

YS Energy Company is a company established in Nanjing, Jiangsu Province on 29 November 2016, mainly engaged in the investment, development, operation and management of photovoltaic power generation and wind power generation.

(2) Acquisition cost

Acquisition cost	YS Energy Company
Cash	2,457,000,000.00
Total	2,457,000,000.00



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VI. CHANGE OF CONSOLIDATION SCOPE (CONTINUED)

### 1. Business combinations involving entities under common control (Continued)

(3) The carrying amounts of assets and liabilities of the acquiree at the combination date

	YS Energy Company	
	Acquisition date	31 December 2021
<b>Assets:</b>		
Cash at bank and on hand	170,662,642.64	127,509,985.74
Bills receivable	470,000.00	1,134,839.80
Accounts receivable	623,263,886.14	426,597,778.25
Prepayments	665,489.48	773,025.28
Other receivables	708,620.60	788,182.91
Inventories	327,113.86	298,828.90
Other current assets	100,271,980.05	98,809,438.23
Long-term equity investments	519,893,271.08	468,420,818.56
Investment properties	33,975,959.91	34,653,605.07
Fixed assets	4,822,216,844.31	4,969,762,904.61
Construction in progress	1,331,011.21	2,851,507.50
Right-of-use assets	22,221,070.49	22,639,564.96
Intangible assets	75,061,457.69	76,521,295.71
Long-term deferred expenses	162,030.65	205,554.64
Deferred tax assets	2,205,258.31	925,030.48
Other non-current assets	302,304,052.89	352,918,560.23
<b>Liabilities:</b>		
Short-term loans	6,000,000.00	–
Bills payable	1,500,000.00	33,740,089.33
Accounts payable	817,713,753.13	888,654,653.39
Advance payments received	1,996,659.23	2,615,092.50
Employee benefits payable	703,311.32	504,167.66
Taxes payable	4,416,028.73	982,389.57
Other payables	7,756,076.50	16,087,729.99
Non-current liabilities due within one year	102,679,967.46	130,072,486.37
Other current liabilities	277,173.00	–
Long-term loans	3,123,458,350.44	3,139,078,350.44
Long-term payables	73,003,435.69	73,003,435.69
Lease liabilities	16,614,210.00	17,930,344.91
Other non-current liabilities	4,451,000.00	4,451,000.00
Net assets	2,515,170,723.81	2,277,691,181.02
Less: Non-controlling interests	486,088,542.61	465,587,062.88
Net assets acquired	2,029,082,181.20	1,812,104,118.14

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES

### 1. Interests in subsidiaries

#### (1) Composition of the Group

Name of the subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Jiangsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment Company")	Nanjing	Nanjing	Investment and services	RMB1,940,000,000.00	100	-	Set-up
Jiangsu Ninghu Properties Co., Ltd. ("Ninghu Properties Company")	Nanjing, Zhenjiang	Nanjing	Real estate	RMB500,000,000.00	100	-	Set-up
Nanjing Hanwei Property Development Company Limited ("Hanwei Company")	Nanjing	Nanjing	Real estate	RMB290,000,000.00	100	-	Business combination involving entities not under common control
Jiangsu Yangtze Commerce and Energy Co., Ltd. ("Yangtze Commerce and Energy Company")	Nanjing	Nanjing	Operation of service zone	RMB100,000,000.00	100	-	Set-up
Jiangsu Yangtze River Expressway Management Co., Ltd. ("Yangtze River Management")	Wuxi	Nanjing	Construction and operation of expressway	RMB50,000,000.00	100	-	Set-up
Ninghu International Company	Hong Kong SAR	Hong Kong SAR	Investment	USD113,176.86	100	-	Set-up
YS Energy Company	Nanjing	Nanjing	Clean energy power generation	RMB2,000,000,000.00	100	-	Business combination involving entities under common control
Jiangsu Guangjing Xicheng Expressway Company Limited ("Guangjing Xicheng Company")	Wuxi	Nanjing	Construction and operation of expressway	RMB2,500,000,000.00	85	-	Set-up
Jiangsu Zhendan Expressway Co., Ltd. ("Zhendan Company")	Zhenjiang	Nanjing	Construction and operation of expressway	RMB605,590,000.00	70	-	Set-up
Jiangsu Wufengshan Bridge Co., Ltd. ("Wufengshan Bridge")	Zhenjiang, Yangzhou	Zhenjiang	Construction and operation of expressway	RMB4,826,350,000.00	64.5	-	Set-up
Jiangsu Longtan Bridge Co., Ltd. ("Longtan Bridge")	Nanjing	Nanjing	Construction and operation of expressway	RMB2,501,570,000.00	57.3	-	Set-up
Ninghu Properties (Kunshan) Co., Ltd. ("Kunshan Properties")	Kunshan	Kunshan	Real estate	RMB200,000,000.00	-	100	Set-up
Ninghu Properties (Suzhou) Co., Ltd. ("Suzhou Properties")	Suzhou	Suzhou	Real estate	RMB100,000,000.00	-	100	Set-up

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of the subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Ninghu Commercial Factoring (Guangzhou) Co., Ltd. ("Ninghu Factoring Company")	Guangzhou	Guangzhou	Business services	RMB90,000,000.00	-	100	Set-up
Kunshan Fengyuan	Kunshan	Kunshan	Real estate	RMB9,000,000.00	-	100	Set-up
Jiangsu Tongcheng Times Property Management Co., Ltd. ("Tongcheng Property Management")	Kunshan	Kunshan	Property management	RMB3,000,000.00	-	100	Set-up
Jingcheng Advertising	Wuxi	Wuxi	Services	RMB1,000,000.00	-	100	Set-up
Xuzhou Clean Energy	Xuzhou	Xuzhou	Clean energy power generation	RMB6,900,000.00	-	100	Business combination involving entities under common control
Tongshan Clean Energy	Tongshan	Tongshan	Clean energy power generation	RMB15,150,000.00	-	100	Business combination involving entities under common control
Fengxian New Energy	Fengxian	Fengxian	Technology promotion and application services	RMB32,600,000.00	-	100	Business combination involving entities under common control
Agricultural Technology	Fengxian	Fengxian	Agriculture	RMB1,000,000.00	-	100	Business combination involving entities under common control
Jiangsu Communications Holding Clean Energy Jiangsu Co., Ltd. ("Jiangsu Clean Energy")	Nanjing	Nanjing	Clean energy power generation	RMB100,000,000.00	-	100	Business combination involving entities under common control
Liyang Youke	Liyang	Liyang	Clean energy power generation, technology promotion and application services	RMB10,000,000.00	-	90	Business combination involving entities under common control

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of the subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Yancheng Yunshan	Yancheng	Yancheng	Clean energy power generation	RMB54,000,000.00	-	80	Business combination involving entities under common control
Rudong Company	Nantong	Nantong	Clean energy power generation	RMB1,391,000,000.00	-	72	Business combination involving entities under common control
Fengxian Renewable Energy	Nantong	Nantong	Clean energy power generation	RMB49,230,000.00	-	70	Business combination involving entities under common control
Jintan Heyi	Changzhou	Changzhou	Clean energy power generation	RMB20,000,000.00	-	70	Business combination involving entities under common control
Jiangsu Yichang Expressway Company Limited ("Yichang Company")	Yixing, Changxing	Yixing	Construction and operation of expressway	RMB1,591,480,880.00	-	60	Set-up
Jiangsu Changyi Expressway Company Limited ("Changyi Company")	Changzhou, Yixing	Wuxi	Construction and operation of expressway	RMB1,519,846,000.00	-	60	Set-up

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (Continued)

#### (2) Material non-wholly owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by non-controlling interests	Profit or loss allocated to non-controlling interests during the year	Dividend declared to non-controlling shareholders during the year	Balance of non-controlling interests at the end of the year
Longtan Bridge	42.7%	257,520.49	-	1,561,108,356.23
Changyi Company	40.0%	(33,294,177.52)	-	541,062,716.50
Yichang Company	40.0%	(25,299,210.70)	-	582,858,057.70
Wufengshan Bridge	35.5%	(59,134,350.38)	-	1,610,074,400.54
Zhendan Company	30.0%	(15,381,302.63)	-	119,363,714.10
Fengxian Renewable Energy	30.0%	3,174,085.65	-	25,384,520.32
Jintan Heyi	30.0%	827,492.78	1,124,970.45	5,324,816.93
Rudong Company	28.0%	30,743,963.53	-	451,128,721.11
Yancheng Yunshan	20.0%	800,517.88	-	17,138,190.58
Guangjing Xicheng Company	15.0%	121,081,926.05	18,537,423.89	1,095,101,720.52
Liyang Youke	10.0%	97,237.37	223,284.52	978,973.31

#### (3) Key financial information about material non-wholly owned subsidiaries

Significant financial Information	Guangjing Xicheng Company		Zhendan Company		Wufengshan Bridge		Changyi Company	
	2022	2021	2022	2021	2022	2021	2022	2021
Current assets	114,829,168.25	170,304,084.76	9,826,090.66	13,741,306.97	381,439,488.83	115,352,336.09	21,010,050.80	52,325,721.98
Non-current assets	15,185,784,587.47	14,492,289,541.99	1,654,287,986.09	1,703,179,971.85	12,008,855,632.76	12,601,025,617.16	3,650,803,272.86	3,728,287,979.54
Total assets	15,300,613,755.72	14,662,593,626.75	1,664,114,076.75	1,716,921,277.82	12,390,295,121.59	12,716,377,953.25	3,671,813,323.66	3,780,613,701.52
Current Liabilities	3,207,195,717.41	2,157,368,353.35	1,266,245,029.76	1,267,781,222.08	537,415,198.67	549,026,456.05	822,044,867.34	290,472,551.41
Non-current liabilities	3,650,393,895.75	4,755,682,757.01	-	-	7,317,495,246.24	7,465,395,877.80	1,497,022,750.00	2,054,160,000.00
Total liabilities	6,857,589,613.16	6,913,051,110.36	1,266,245,029.76	1,267,781,222.08	7,854,910,444.91	8,014,422,333.85	2,319,067,617.34	2,344,632,551.41
Operating income	1,967,808,282.23	2,715,461,849.94	76,542,127.73	90,694,184.51	395,502,278.38	1,352,159,266.14	99,109,995.28	85,930,654.39
Net profits/(losses) attributable to the Company	807,212,840.33	557,801,821.85	(51,271,008.75)	(41,428,524.65)	(166,570,942.72)	(127,062,290.87)	(83,235,443.79)	(100,865,666.54)
Total comprehensive income	875,657,840.33	426,056,092.66	(51,271,008.75)	(41,428,524.65)	(166,570,942.72)	(127,062,290.87)	(83,235,443.79)	(100,865,666.54)
Cash flows from operating activities	1,014,758,769.40	1,007,187,547.16	31,805,508.50	57,191,307.47	811,369,534.93	197,976,037.69	141,546,125.60	120,928,043.42

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (Continued)

(3) Key financial information about material non-wholly owned subsidiaries (continued)

Significant financial information	Yichang Company		Longtan Bridge (Note)		Rudong Company	
	2022	2021	2022	2021	2022	2021
Current assets	38,854,322.95	45,812,192.63	24,451,897.03	234,670,389.49	1,142,224,081.24	360,672,554.58
Non-current assets	3,758,692,967.05	3,855,761,770.97	4,839,909,802.40	2,034,868,654.88	4,310,327,914.56	4,914,709,734.67
Total assets	3,797,547,290.00	3,901,573,963.60	4,864,361,699.43	2,269,539,044.37	5,452,551,995.80	5,275,382,289.25
Current liabilities	822,711,060.81	591,029,707.65	147,603,559.16	100,509,922.53	838,333,418.24	952,631,448.49
Non-current liabilities	1,517,780,000.00	1,790,240,000.00	1,328,000,000.00	3,000,000.00	3,003,044,573.66	2,861,653,270.92
Total liabilities	2,340,491,060.81	2,381,269,707.65	1,475,603,559.16	103,509,922.53	3,841,377,991.90	3,814,284,719.41
Operating income	135,501,449.47	1,228,438,402.30	2,775,251,439.70	668,140,944.80	534,584,597.20	348,331,560.87
Net (losses)/profits attributable to the Company	(63,248,026.76)	(112,229,906.44)	559,018.43	323,607.86	109,799,869.75	114,678,669.96
Total comprehensive income	(63,248,026.76)	(112,229,906.44)	559,018.43	323,607.86	109,799,869.75	114,678,669.96
Cash flows from operating activities	265,758,419.20	43,204,740.28	43,850,842.13	42,745,079.29	607,359,678.94	173,947,622.13

Note: At the 8th meeting of the tenth session of the Board of Directors of the Company, directors agreed to increase the capital of RMB2,095,376,200 to Longtan Bridge. The Company signed a capital increase agreement with Longtan Bridge and its other existing shareholders on 8 July 2022, after which the shareholding ratio of the Company became 57.33% and the paid-up ratio was 53.93% as at 31 December 2022.

### 2. Interests in joint ventures or associates

Item	2022	2021
Joint ventures		
– Immaterial joint ventures	9,921,731.43	11,816,512.28
Associates		
– material associates	9,249,960,422.45	8,479,016,433.10
– immaterial associates	1,830,107,817.95	1,664,713,880.98
Sub-total	11,080,068,240.40	10,143,730,314.08
Less: Provision for impairment	–	–
Total	11,089,989,971.83	10,155,546,826.36

(1) Material associates:

Name of associates	Principal place of business	Registered place	Nature of business	Shareholding percentage		Accounting treatment of investments in associates	Registered capital	Strategic to the Group's activities
				Direct	Indirect			
Yangtze Bridge Company	Nanjing	Nanjing	Construction and operation of expressway	26.66	–	Equity method	2,137,248,000	Yes
Suzhou Expressway Management	Suzhou	Suzhou	Construction and operation of expressway	23.86	–	Equity method	2,543,392,900	Yes
Zijin Trust	Nanjing	Nanjing	Trust	20.00	–	Equity method	3,271,075,500	Yes
Yanjiang Company	Nanjing	Nanjing	Construction and operation of expressway	–	25.15	Equity method	3,976,453,400	Yes

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in joint ventures or associates (Continued)

(2) Key financial information of material associates:

The following table sets out the key financial information of the Group's material associates, adjusted for fair value adjustments at the time of acquisition and any differences in accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the associates when using the equity method:

	Yangtze Bridge Company		Suzhou Expressway Management (Note)		Zijin Trust		Yanjiang Company		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Current assets	707,114,884.59	1,161,130,480.55	1,476,465,048.04	1,156,249,085.04	362,789,396.91	981,670,152.41	8,748,986,272.98	2,203,448,676.99	11,295,355,602.52	5,502,498,394.99
Non-current assets	29,763,834,864.59	23,726,134,770.77	9,081,458,924.59	7,772,617,824.99	8,914,299,689.07	7,581,547,564.64	7,519,342,115.51	9,064,558,994.79	55,278,935,593.76	48,144,859,155.19
Total assets	30,470,949,749.18	24,887,265,251.32	10,557,923,972.63	8,928,866,910.03	9,277,089,085.98	8,563,217,717.05	16,268,328,388.49	11,268,007,671.78	66,574,291,196.28	53,647,357,550.18
Current liabilities	1,598,105,308.30	4,368,374,628.74	741,094,724.49	475,496,277.99	818,155,118.21	722,541,344.32	717,859,016.47	659,251,937.72	3,875,214,167.47	6,225,664,188.77
Non-current liabilities	15,009,485,477.89	9,094,869,918.63	2,655,380,575.11	1,453,987,515.63	109,171,632.06	74,662,313.66	5,383,177,664.28	1,916,682,550.49	23,157,215,349.34	12,540,202,298.41
Total liabilities	16,607,590,786.19	13,463,244,547.37	3,396,475,299.60	1,929,483,793.62	927,326,750.27	797,203,657.98	6,101,036,680.75	2,575,934,488.21	27,032,429,516.81	18,765,866,487.18
Net assets	13,863,358,962.99	11,424,020,703.95	7,161,448,673.03	6,999,383,116.41	8,349,762,335.71	7,766,014,059.07	10,167,291,707.78	8,692,073,183.57	39,541,861,679.47	34,881,491,063.00
Non-controlling interests	5,830,480,687.48	4,093,149,688.91	20,601,211.95	17,693,205.41	-	-	55,133,702.86	106,105,125.50	5,906,215,602.29	4,216,948,019.82
Equity attributable to shareholders of the Company	8,032,878,275.51	7,330,871,015.04	7,140,847,461.08	6,981,689,911.00	8,349,762,335.71	7,766,014,059.07	10,112,158,004.88	8,585,968,058.07	33,635,646,077.18	30,664,543,043.18
Group's share of net assets	2,141,565,348.25	1,954,410,212.61	2,127,727,679.98	2,095,205,142.29	1,683,240,702.52	1,553,202,811.82	2,790,955,609.35	2,869,727,184.03	8,743,489,340.10	7,972,545,360.75
Add: Goodwill derived from acquiring investments	53,174,434.00	53,174,434.00	27,211,243.38	27,211,243.38	412,912,323.97	412,912,323.97	13,173,081.00	13,173,081.00	506,471,082.35	506,471,082.35
Carrying amount of interests in associates	2,194,739,782.25	2,007,584,646.61	2,154,938,923.36	2,122,416,385.67	2,096,153,026.49	1,966,115,135.79	2,804,128,690.35	2,882,900,265.03	9,249,960,422.45	8,479,016,433.10
Operating income	5,419,557,377.64	2,494,826,646.50	1,618,491,055.55	1,986,834,819.21	1,677,831,403.67	116,169,396.09	5,481,648,360.35	2,289,275,448.58	14,197,528,197.21	6,887,106,310.38
Net profits attributable to the Company	844,293,213.62	1,156,841,698.69	365,200,909.91	546,964,930.92	838,461,256.66	28,025,678.95	1,526,189,946.80	664,751,453.22	3,569,623,639.89	2,396,593,761.78
Net profit from discontinued operations	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	(14,040,868.37)	(75,808,084.98)	-	-	(491,803.16)	-	-	-	(14,532,671.53)	(75,808,084.98)
Total comprehensive income	825,730,658.15	1,081,033,613.71	365,200,909.91	546,964,930.92	837,969,453.50	28,025,678.95	1,526,189,946.80	664,751,453.22	3,555,090,968.36	2,320,775,676.80
Dividends received from associates during the year	34,190,139.60	34,190,139.60	54,620,883.00	54,620,883.00	37,556,000.00	29,072,000.00	-	18,523,546.82	126,367,022.60	136,406,569.42

Note: Suzhou Sujiahang Expressway Co., Ltd., an associate of the Company with 30.01% shareholding, increased its capital to invest in the construction of the Qidu-Taoyuan section of the Sutai Expressway, the Company did not participate in this investment. Suzhou Sujiahang Expressway Co., Ltd. has completed the business registration on 13 January 2022, the registered capital after the capital increase amounted to RMB2.543 billion, and the Company's shareholding ratio decreased to 23.86%.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in joint ventures or associates (Continued)

(3) Summarised financial information of immaterial joint ventures and associates:

	2022	2021
Joint ventures:		
Aggregate carrying amount of investments	<b>9,921,731.43</b>	11,816,512.28
Aggregate amount of share of		
– Net profit	<b>1,634,052.15</b>	3,187,352.22
– Other comprehensive income	–	–
– Total comprehensive income	<b>1,634,052.15</b>	3,187,352.22
Associates:		
Aggregate carrying amount of investments	<b>1,830,107,817.95</b>	1,664,713,880.98
Aggregate amount of share of		
– Net profit	<b>184,128,985.13</b>	105,771,487.36
– Other comprehensive income	–	–
– Total comprehensive income	<b>184,128,985.13</b>	105,771,487.36

## VIII. RISK RELATED TO 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
- 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 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, bills receivable, accounts receivable, other receivables, factoring receivable, long-term receivables disclosed in Notes V, 1, 3, 4, 6, 9 and 10, and the guarantee contract amount related to real estate sales disclosed in Note XII "Contingencies". Exposures to these credit risks are monitored by management on an ongoing basis.

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

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

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, 89.10% (2021: 84.78%) of total accounts receivable and contract assets were due from the Group's five largest customers.

For details of accounts receivable, refer to Note V.4.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 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 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:

Item	2022 Contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Bills payable	366,000,000.00	-	-	-	366,000,000.00	366,000,000.00
Accounts payable	2,813,441,518.75	-	-	-	2,813,441,518.75	2,813,441,518.75
Other payables	288,042,394.72	-	-	-	288,042,394.72	288,042,394.72
Short-term loans	2,498,464,735.86	-	-	-	2,498,464,735.86	2,434,124,067.61
Other current liabilities	5,375,213,770.81	-	-	-	5,375,213,770.81	5,334,649,066.00
Long-term loans (includes long-term loans due within one year)	2,450,256,702.52	827,049,100.96	4,213,283,833.85	17,502,290,151.21	24,992,879,788.54	17,727,595,901.24
Bonds payable (includes Bonds payable due within one year)	566,463,260.27	2,297,283,835.62	8,210,546,794.52	-	11,074,293,890.41	10,099,586,632.01
Lease liabilities (includes lease liabilities due within one year)	14,228,772.09	9,771,472.00	8,254,099.35	6,990,705.42	39,245,048.86	28,211,724.76
Long-term payables (including long-term payables due within one year)	4,956,600.00	4,956,600.00	14,869,800.00	99,958,100.00	124,741,100.00	73,003,435.70
Other non-current liabilities (including other non-current liabilities due within one year)	4,819,420.85	-	-	-	4,819,420.85	4,451,000.00
<b>Total</b>	<b>14,381,887,175.87</b>	<b>3,139,061,008.58</b>	<b>12,446,954,527.72</b>	<b>17,609,238,956.63</b>	<b>47,577,141,668.80</b>	<b>39,169,105,740.79</b>

Item	2021 Contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Bills payable	134,040,089.33	-	-	-	134,040,089.33	134,040,089.33
Accounts payable	3,217,552,682.31	-	-	-	3,217,552,682.31	3,217,552,682.31
Other payables	269,097,635.04	-	-	-	269,097,635.04	269,097,635.04
Short-term loans	1,110,995,036.46	-	-	-	1,110,995,036.46	1,077,145,209.09
Other current liabilities	7,697,085,136.65	-	-	-	7,697,085,136.65	7,638,282,907.00
Long-term loans (includes long-term loans due within one year)	1,309,037,852.33	2,433,304,503.32	3,247,996,808.73	17,826,156,558.91	24,816,495,723.29	16,875,129,369.96
Bonds payable (includes Bonds payable due within one year)	296,776,109.59	207,890,000.00	6,121,883,890.41	-	6,626,550,000.00	5,865,971,891.37
Lease liabilities (includes lease liabilities due within one year)	15,426,324.29	14,228,772.09	16,712,667.58	8,303,609.19	54,671,373.15	36,531,514.64
Long-term payables (including long-term payables due within one year)	4,956,600.00	4,956,600.00	14,869,800.00	104,914,700.00	129,697,700.00	74,531,582.88
Other non-current liabilities (including other non-current liabilities due within one year)	202,520.50	4,616,900.35	-	-	4,819,420.85	4,451,000.00
<b>Total</b>	<b>14,055,169,986.50</b>	<b>2,664,996,775.76</b>	<b>9,401,463,166.72</b>	<b>17,939,374,868.10</b>	<b>44,061,004,797.08</b>	<b>35,192,733,881.62</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 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) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

Item	2022		2021	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
– Cash at bank	0.25% – 1.26%	932,863,514.69	0.01% – 1.30%	623,507,110.09
– Factoring receivable	6.00% – 7.80%	973,773,182.66	6.00% – 8.00%	650,509,287.86
– Long-term receivables (including long-term receivables due within one year)	3.65%	173,904,575.09	–	–
Financial liabilities				
– Short-term loans	1.50% – 4.35%	1,580,386,661.61	3.15% – 4.35%	1,077,145,209.09
– Long-term loans (includes long-term loans due within one year)	2.00% – 4.16%	3,693,930,116.25	2.00% – 4.30%	3,050,638,215.68
– Bonds payable (includes Bonds payable due within one year)	2.49% – 3.98%	10,099,586,632.01	3.00% – 4.00%	5,865,971,891.37
– Lease liabilities (includes lease liabilities due within one year)	4.75%	28,211,724.76	4.75%	36,531,514.64
– Long-term payables (including long-term payables due within one year)	4.60%	73,003,435.70	4.60%	74,531,582.88
– Other current liabilities	1.50% – 2.60%	5,334,649,066.00	2.23% – 2.89%	7,638,282,907.00
– Other non-current liabilities (including other non-current liabilities due within one year)	4.55%	4,451,000.00	4.55%	4,451,000.00
Total		(18,733,677,363.89)		(16,473,535,922.71)

Variable rate instruments:

Item	2022		2021	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial liabilities				
– Short-term loans	Floating interest rate based on LPR benchmark interest rate	853,737,406.00	Floating interest rate based on LPR benchmark interest rate	–
– Long-term loans	Floating interest rate based on LPR benchmark interest rate	14,033,665,784.99	Floating interest rate based on LPR benchmark interest rate	13,824,491,154.28
Total		14,887,403,190.99		13,824,491,154.28

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Interest rate risk (Continued)

#### (2) Sensitivity analysis

As at 31 December 2022, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's equity and net profit by RMB117,940,406.02 (2021: RMB109,598,631.63).

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.

### 4. Other price risks

Other price risks include assets price risk and commodity price risk.

In order to avoid the risk of equity investment, the Group uses the stock capital to invest in some domestic listed companies with certain scale, competitive advantage and development potential through the securities market in accordance with the authorization of the board of directors of the Company. At the same time, the Group reasonably controls its investment scale and collectively studies on specific investment strategies based on the stock market and the management of target enterprises. On the other hand, the Group divides stock investment into other equity instrument investment in strict accordance with national laws and regulations and in combination with the Group's investment arrangement, and carries out targeted tracking management. For the stock investment divided into other equity instruments, the Group pay attention to the operation and development of the target company, and understand the operation and management of the company through attending its shareholders' meeting.

As at 31 December 2022, the value of held-for-trading financial assets and other non-current financial assets measured at fair value held by the Group was RMB6,351,975,935.37 (31 December 2021: RMB5,650,660,544.70), the value of other equity instruments was RMB6,989,448,132.00 (31 December 2021: RMB5,805,587,078.89). As at 31 December 2022, if the price of held-for-trading financial assets and other non-current financial assets measured at fair value held by the Group had increased or decreased by 1% and other variables remain unchanged, shareholders' equity or net profit of the Group would have been increased or decreased by RMB47,639,819.52 (31 December 2021: shareholders' equity or net profit of the Group would have been increased or decreased by RMB42,379,954.09); if the price of the other equity instruments had increased or decreased by 1% and other variables remain unchanged, shareholders' equity of the Group would have been increased or decreased by RMB52,420,860.99 (31 December 2021: shareholders' equity of the Group would have been increased or decreased by RMB43,541,903.09), no impact on net profit (31 December 2021: none).

The above sensitivity analysis assumes that the asset price changes on the balance sheet date, and the changed asset price is used to re-measure the other equity instruments held by the group and exposed to asset price risk on the balance sheet date. The above sensitivity analysis also assumes that the fair value of other equity instruments held by the group will change according to the correlation with relevant asset prices in the past, and will not be impaired due to the fluctuation of short-term asset prices. The analysis is performed on the same basis for the previous year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## IX. FAIR VALUE DISCLOSURE

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.

### 1. Fair value of assets and liabilities measured at fair value at the end of the year

Item	Note	31 December 2022			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
Financial assets held for trading	V.2	30,620,148.26	3,444,000,000.00	-	3,474,620,148.26
Including: Fund investments		30,613,163.10	-	-	30,613,163.10
Stock investments		6,985.16	-	-	6,985.16
Financial products		-	3,444,000,000.00	-	3,444,000,000.00
Investments in other equity instruments	V.12	6,989,448,132.00	-	-	6,989,448,132.00
Other non-current financial assets	V.13	472,640,608.44	-	2,404,715,178.67	2,877,355,787.11
Including: Equity instruments		472,640,608.44	-	2,404,715,178.67	2,877,355,787.11
Total assets measured at fair value on a recurring basis		7,492,708,888.70	3,444,000,000.00	2,404,715,178.67	13,341,424,067.37

Item	Note	31 December 2021			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
Financial assets held for trading	V.2	36,325,316.44	2,610,193,360.00	-	2,646,518,676.44
Including: Fund investments		36,323,820.44	-	-	36,323,820.44
Stock investments		1,496.00	-	-	1,496.00
Financial products		-	2,610,193,360.00	-	2,610,193,360.00
Investments in other equity instruments	V.12	5,805,587,078.89	-	-	5,805,587,078.89
Other non-current financial assets	V.13	-	-	3,004,141,868.26	3,004,141,868.26
Including: Equity instruments		-	-	3,004,141,868.26	3,004,141,868.26
Total assets measured at fair value on a recurring basis		5,841,912,395.33	2,610,193,360.00	3,004,141,868.26	11,456,247,623.59

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

Items in Level 1 fair value measurement on a recurring basis include held-for-trading financial assets-fund investment and stock investment and part of other equity instruments, whose fair values are the prices of similar items quoted at active market at the end of the period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## IX. FAIR VALUE DISCLOSURE (CONTINUED)

### 3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 2

The fair value of the held-for-trading financial assets – financial products are determined by discounted future cash flows based on expected yield rate.

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

Non-current financial assets in Level 3 fair value measurements on recurring basis mainly include private equity fund shares held by the group. The group adopts valuation technology for fair value measurement, which is mainly calculated and recognized by market method.

### 5. Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements

(1) Reconciliation between carrying amount at the beginning of the year and that at the end of the year for items measured at recurring Level 3 fair value measurements

2022	Total gains or losses for the year				Purchases and settlements			Balance at the end of the year	Unrealised gains or losses for the year included in profit or loss for assets and liabilities held at the end of the year
	Balance at the beginning of the year	Transfer out of Level 3	Included in profit or loss <i>Note</i>	Included in other comprehensive income <i>Note</i>	Purchases	Sales	Settlements		
Assets									
Other non-current financial assets	3,004,141,868.26	460,658,016.00	24,267,260.70	-	104,223,693.42	93,769,989.58	173,489,638.13	2,404,715,178.67	(137,239,784.99)
Including: Equity instruments	3,004,141,868.26	460,658,016.00	24,267,260.70	-	104,223,693.42	93,769,989.58	173,489,638.13	2,404,715,178.67	(137,239,784.99)
Total	3,004,141,868.26	460,658,016.00	24,267,260.70	-	104,223,693.42	93,769,989.58	173,489,638.13	2,404,715,178.67	(137,239,784.99)

2021	Total gains or losses for the year				Purchases and settlements			Balance at the end of the year	Unrealised gains or losses for the year included in profit or loss for assets and liabilities held at the end of the year
	Balance at the beginning of the year	Transfer out of Level 3	Included in profit or loss <i>Note</i>	Included in other comprehensive income <i>Note</i>	Purchases	Settlements			
Assets									
Investments in other equity instruments	1,253,070,000.00	1,253,070,000.00	-	-	-	-	-	-	-
Other non-current financial assets	2,039,192,599.15	-	591,313,173.74	-	479,727,370.69	106,091,275.32	3,004,141,868.26	485,221,898.42	
Including: Equity instruments	2,039,192,599.15	-	591,313,173.74	-	479,727,370.69	106,091,275.32	3,004,141,868.26	485,221,898.42	
Total	3,292,262,599.15	1,253,070,000.00	591,313,173.74	-	479,727,370.69	106,091,275.32	3,004,141,868.26	485,221,898.42	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## IX. FAIR VALUE DISCLOSURE (CONTINUED)

### 5. Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements (Continued)

- (1) Reconciliation between carrying amount at the beginning of the year and that at the end of the year for items measured at recurring Level 3 fair value measurements (Continued)

*Note:* The above gains or losses for the year included in profit or loss or other comprehensive income are as follows:

Item	2022	2021
Realised gains or losses included in profit or loss for the year		
– Investment income	<b>173,489,638.13</b>	106,091,275.32
Unrealised gains or losses included in profit or loss for the year		
– Gains from changes in fair value	<b>(149,222,377.43)</b>	485,221,898.42
<b>Total</b>	<b>24,267,260.70</b>	591,313,173.74
Gains or losses included in other comprehensive income		
– Changes in fair value of investments in other equity instruments	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

- (2) Sensitivity analysis on unobservable inputs for recurring fair value measurements categorised within Level 3

The Group determines the fair value of other non-current financial assets – investments in other equity instruments based on the net value of the partnership's share of the investment with reference to observable market prices, to which the liquidity discount is adjusted. The fair value measurement is negatively correlated with the liquidity discount. As at 31 December 2022, the Group's other comprehensive income would increase or decrease by RMB0 (2021: RMB0) for every 1% decrease or increase in the liquidity discount, respectively, assuming other variables remain unchanged.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## IX. FAIR VALUE DISCLOSURE (CONTINUED)

### 6. Current changes in valuation techniques and the reasons

During 2022, there were no changes in valuation techniques for the recurring and non-recurring fair value measurements.

### 7. Fair values of financial assets and liabilities not measured at fair value

All financial instruments are carried at amounts not materially different from their fair value as at 31 December 2022 and 2021 except as follows:

	2022		Fair value measurements in 2022 categorised into		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Long-term loans (includes long-term loans due within one year)	2,294,561,832.91	2,321,375,450.00	2,321,375,450.00	-	-
Bonds payable (includes Bonds payable due within one year)	10,099,586,632.01	10,165,215,400.00	10,165,215,400.00	-	-
<b>Total</b>	<b>12,394,148,464.92</b>	<b>12,486,590,850.00</b>	<b>12,486,590,850.00</b>	<b>-</b>	<b>-</b>

	2021		Fair value measurements in 2021 categorised into		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Long-term loans (includes long-term loans due within one year)	2,228,852,040.19	2,291,564,650.00	2,291,564,650.00	-	-
Bonds payable (includes Bonds payable due within one year)	5,865,971,891.37	5,897,524,972.80	5,897,524,972.80	-	-
<b>Total</b>	<b>8,094,823,931.56</b>	<b>8,189,089,622.80</b>	<b>8,189,089,622.80</b>	<b>-</b>	<b>-</b>

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

### 1. Information about the parent of the Company

Company name	Registered place	Business nature	Registered capital	Shareholding percentage (%)	Percentage of voting rights (%)
Communication Holding	Nanjing, Jiangsu Province	Investment, construction, operation and management of traffic infrastructure, transportation and other relevant industry	16,800,000,000.00	54.44	54.44

The ultimate control party of the Company is Communication Holding.

### 2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

### 3. Information about associates of the Company

For information about the associates of the Company, refer to Note VII.2.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Information on other related parties

Name of other related parties	Related party relationship
Jiangsu Tongxingbao Smart Transportation Science & Technology Co., Ltd. ("Tongxingbao Company")	Same ultimate shareholder
Jiangsu Expressway Energy Development Co., Ltd. ("Expressway Energy Development Company") (formerly known as Jiangsu Expressway Petroleum Development Co., Ltd.)	Same ultimate shareholder
Jiangsu Sutong Bridge Co., Ltd. ("Sutong Bridge Company")	Same ultimate shareholder
Jiangsu Taizhou Bridge Co., Ltd. ("Taizhou Bridge Company")	Same ultimate shareholder
Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. ("Maintenance Technology Company")	Same ultimate shareholder
Jiangsu Huatong Engineering Testing Co., Ltd. ("Huatong Company")	Same ultimate shareholder
Jiangsu Jinghu Expressway Co., Ltd. ("Jinghu Company")	Same ultimate shareholder
Jiangsu Railway Group Co., Ltd. ("Railway Group Company")	Same ultimate shareholder
Jiangsu Xiandai Engineering Testing Co., Ltd. ("Engineering Testing Company")	Same ultimate shareholder
Nanjing Micro Video Co., Ltd. ("Micro Video Company")	Same ultimate shareholder
Taixing Hechang Petroleum Sales Co., Ltd. ("Taixing Hechang Petroleum Company")	Same ultimate shareholder
Jiangsu Highway Engineering Maintenance Co., Ltd. ("Engineering Maintenance Company")	Same ultimate shareholder
Jiangsu Hutong Bridge Co., Ltd. ("Hutong Bridge Company")	Same ultimate shareholder
Jiangsu Shanghai Jiangsu Zhejiang Expressway Co., Ltd. ("Husuzhe Expressway")	Same ultimate shareholder
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. ("Communications Holding Commercial Operation Company")	Same ultimate shareholder
Jiangsu Cuiplingshan Hotel ("Cuiplingshan Hotel")	Same ultimate shareholder
Jiangsu Communications Holding Training Co., Ltd. ("Communications Holding Training Company")	Same ultimate shareholder
Jiangsu Xitai Tunnel Company Limited ("Xitai Tunnel Company")	Same ultimate shareholder
Jiangsu Dongfang Road and Bridge Construction Maintenance Co., Ltd. ("Dongfang R&B Company")	Same ultimate shareholder
Jiangsu Expressway Operation and Management Centre ("Expressway Management Centre")	Same ultimate shareholder
Jiangsu Runyang Bridge Development Co., Ltd. ("Runyang Bridge Company")	Same ultimate shareholder
Jiangsu East Expressway Management Co., Ltd. ("East Expressway Company")	Same ultimate shareholder
Jiangsu Yunshan Capital Management Co., Ltd. ("Yunshan Capital")	Same ultimate shareholder
Changzhou Expressway Management Co., Ltd. ("Changzhou Expressway Management")	Same ultimate shareholder
Jiangsu Yanshe Expressway Co., Ltd. ("Yanshe Expressway Company")	Same ultimate shareholder
Jiangsu Suhuaiyan Expressway Management Co., Ltd. ("Suhuaiyan Expressway Company")	Same ultimate shareholder
Jiangsu Ningsuxu Expressway Co., Ltd. ("Ningsuxu Expressway Company")	Same ultimate shareholder
Jiangsu Suxichang South Expressway Co., Ltd. ("Suxichang South Company")	Same ultimate shareholder
Nanjing Highway Development (Group) Co., Ltd. ("Nanjing Highway Development Company")	Same ultimate shareholder
Jiangsu Hetai Expressway Operating and Management Co., Ltd. ("Hetai Expressway Company")	Same ultimate shareholder
Tongchang Real Estate Nantong Co., Ltd. ("Tongchang Real Estate")	Same ultimate shareholder
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. ("JCH Commercial Operation Company")	Same ultimate shareholder
Jiangsu Tongchang Real Estate Investment Co., Ltd. ("Tongchang Real Estate Investment")	Same ultimate shareholder
Nantong Tongsha Harbor Business Co., Ltd. ("Tongsha Harbor Business")	Same ultimate shareholder
Nantong Tiandian Xinxing Energy Co., Ltd. ("Nantong Tiandian Company")	Same ultimate shareholder
Jiangsu South Yanjiang Intercity Railway Co., Ltd. ("South Yanjiang Railway")	Same ultimate shareholder
Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu")	Associate of the parent company
Bank of Nanjing Co., Ltd. ("Bank of Nanjing")	Associate of the parent company
Fuanda Fund Management Co., Ltd. ("Fuanda Company")	Associate of the parent company
Jiangsu Expressway Information Engineering Co., Ltd. ("Expressway Information Company")	Associate of the parent company
Suzhou Suchang Auto Repair Service Co., Ltd. ("Suchang Auto Repair Company")	Subsidiary of an associate

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties

The transactions below with related parties were conducted under normal commercial terms or agreements.

- (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties

Purchase of goods/receipt of services/interest expense of loans

Name of related party	Nature of transaction	2022	2021
Sundian R&B Company*	Road maintenance fee	<b>250,166,013.76</b>	493,772,854.01
Sundian R&B Company*	Special engineering projects	<b>122,159,514.03</b>	–
Sundian R&B Company*	Wufengshan Bridge service area design and construction fees	–	6,240,000.00
Sundian R&B Company*	Emergency on-site project construction fees	–	1,851,424.91
Sundian R&B Company	Special engineering projects	<b>13,164,435.28</b>	–
Sundian R&B Company	Greening and environmental improvement projects	<b>4,636,084.48</b>	–
Sundian R&B Company	Winter precaution emergency cooperation projects	<b>7,474,052.00</b>	–
Network Operation Company*	Maintenance and operating administration fees for toll collection system	<b>24,221,244.00</b>	25,391,753.00
Network Operation Company	Network system maintenance fee	<b>2,414,764.00</b>	–
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	<b>34,006,506.59</b>	33,662,693.64
Maintenance Technology Company *	Road maintenance fee	<b>26,845,151.16</b>	25,753,467.97
Expressway Information Company*	System maintenance fee	<b>731,558.55</b>	3,636,750.81
Expressway Information Company*	Spare parts commission management fee	<b>3,038,839.76</b>	2,797,056.18
Expressway Information Company*	Yangcheng Lake toll point relocation electromechanical engineering	<b>2,637,138.49</b>	7,146,647.00
Expressway Information Company*	Renewal and renovation projects	–	1,390,000.00
Huatong Company*	Engineering reinforcement and maintenance fee	<b>1,834,337.40</b>	28,542,874.98
Kuailu Company*	Lease fee of transportation service	<b>11,780,398.09</b>	18,163,635.68
Kuailu Company	Lease fee of transportation service	<b>10,746,361.94</b>	–
Nanlin Hotel	Catering and accommodations	<b>1,088.00</b>	7,153.00
Micro Video Company*	Three major system construction and maintenance fees	<b>5,250,048.50</b>	10,156,648.41
Engineering Maintenance Company*	Periodic bridge inspection fee	<b>868,992.86</b>	1,832,698.87
Engineering Testing Company	Road maintenance fee	<b>2,599,120.62</b>	11,388,427.14
Dongfang R&B Company*	Winter precaution emergency cooperation projects	<b>11,116,679.00</b>	8,457,059.30
Dongfang R&B Company	Road maintenance fee	<b>2,122,379.00</b>	–
Culture Media	Entrusted management fee	<b>7,957,992.62</b>	9,190,089.80
Cuipingshan Hotel*	Procurement and service fee	<b>424,800.38</b>	726,313.73
JCH Commercial Operation Company	Procurement and service fee	<b>3,727,747.52</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

- (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties (Continued)

Purchase of goods/receipt of services/interest expense of loans (Continued)

Name of related party	Nature of transaction	2022	2021
Communications Holding	Procurement and service fee	<b>4,326,460.08</b>	2,548,769.33
Nantong Tiandian Company	Procurement and service fee	<b>3,984,501.55</b>	2,282,194.98
Human Resources Company*	Training fee	<b>10,392,254.54</b>	8,841,215.66
Luode Fund Company	Entrusted management fee	<b>7,666,802.99</b>	–
South Yanjiang Railway Communications Holding	Design fee	<b>1,110,000.00</b>	–
	Interest expenses of loans from a related party	<b>129,109,846.09</b>	124,353,814.85
Bank of Jiangsu	Underwriting fee	<b>63,013.70</b>	310,963.89
Bank of Nanjing	Underwriting fee	<b>5,222.22</b>	–
Bank of Jiangsu	Underwriting fee	<b>292.00</b>	1,927.00
Bank of Nanjing	Commission charges	<b>2,447.31</b>	2,223.80
Bank of Nanjing	Investment income from wealth management products	<b>1,907,756.82</b>	–
Sutong Bridge Company	Interest expenses of entrusted loan	–	9,378,000.00
Husuzhe Expressway	Interest expenses of entrusted loan	<b>534,111.11</b>	4,170,277.78
Group Finance Company*	Interest expenses of working capital loan	<b>35,565,058.56</b>	28,477,038.99
Dongfang R&B Company	Interest expenses of working capital loan	<b>510,888.89</b>	892,222.22
Culture Media	Interest expenses of working capital loan	<b>2,253,916.72</b>	4,478,854.14
Tongchang Real Estate	Interest expenses of working capital loan	<b>1,554,666.67</b>	1,601,177.06
Yunshan Capital	Interest expenses of working capital loan	<b>258,083.33</b>	917,541.67
Nanlin Hotel	Interest expenses of working capital loan	<b>93,284.72</b>	788,170.12
Tongsha Harbor Business	Interest expenses of working capital loan	–	35,625.00

Pricing and decision-making procedures of related party transactions: For significant related party transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related director should abstain from voting. The independent directors should then express an independent opinion. For all related party transactions, the price is settled by signed contracts.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

- (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties (Continued)

Sale of goods/rendering of services/interest income of loans

Name of related party	Nature of transaction	2022	2021
Group Finance Company*	Interest income from deposits	<b>4,847,390.00</b>	4,768,021.81
Bank of Jiangsu	Interest income from deposits	<b>11,040.16</b>	56,676.10
Bank of Nanjing	Interest income from deposits	<b>282,666.12</b>	198,515.03
Kuailu Company	Toll road income	<b>162,669.92</b>	180,000.00
Tongxingbao Company management income	ETC customer-service network	–	611,617.80
Kuailu Company	Income from sales of oil	<b>368,875.97</b>	–
Suxichang South Company	Income from sales of oil	<b>134,039.49</b>	–
Sundian R&B Company	Income from sales of oil	<b>1,140,560.69</b>	1,485,967.75
Luode Fund Company	Income from sales of oil	<b>9,156.07</b>	876.20
Suxichang South Company*	Entrusted management income	<b>34,438,119.58</b>	–
Yangtze Bridge Company*	Entrusted management income	<b>14,262,200.00</b>	14,142,600.00
Hutong Bridge Company*	Entrusted management income	<b>8,210,800.00</b>	8,005,900.00
Xitai Tunnel Company	Entrusted management income	<b>420,000.00</b>	410,000.00
Lianxu Expressway Company	Income from sales of electricity	<b>1,340,735.65</b>	1,051,182.81
East Expressway Company	Income from sales of electricity	<b>852,472.23</b>	686,331.54
Suhuaiyan Expressway Company	Income from sales of electricity	<b>929,544.02</b>	811,311.96
Ningsuxu Expressway Company	Income from sales of electricity	<b>1,233,384.20</b>	1,097,279.65
Yanjiang Company	Income from sales of electricity	<b>165,957.38</b>	144,513.26
Runyang Bridge Company	Income from sales of electricity	<b>382,602.62</b>	313,491.96
Hetai Expressway Company	Income from sales of electricity	<b>314,645.68</b>	402,898.50
JCH Commercial Operation Company	Income from sales of properties	<b>176,004,575.09</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(2) Leases

As the lessor

Name of lessee	Type of assets leased	Lease income recognised in 2022	Lease income recognised in 2021
Expressway Energy Development Company*	Fixed assets	<b>22,504,740.84</b>	21,612,290.10
Taixing Hechang Oil Company*	Fixed assets	<b>2,813,489.06</b>	3,574,164.00
Railway Group Company	Fixed assets	<b>3,973,640.00</b>	3,973,640.00
Sundian R&B Company*	Fixed assets	<b>1,690,000.00</b>	1,690,000.00
Kuailu Company	Fixed assets	<b>950,000.00</b>	–
Culture Media*	Fixed assets	<b>23,359,345.98</b>	6,314,600.04
Yangtze Bridge Company	Fixed assets	–	131,000.00
Tongxingbao Company*	Fixed assets	<b>157,513.38</b>	–
Tongxingbao Company	Fixed assets	<b>521,074.94</b>	–
Three Gorges Nantong	Fixed assets	<b>431,748.43</b>	143,555.36

As the lessee

Name of lessor	Type of assets leased	Lease expense recognised in 2022	Lease expense recognised in 2021
JCH Commercial Operation Company	Fixed assets	<b>7,473,374.80</b>	3,674,167.89
Yangtze Bridge Company	Fixed assets	<b>1,123,000.00</b>	1,000,000.00
Suhuaiyan Expressway Company	Fixed assets	<b>51,378.00</b>	48,469.81
Yanjiang Company	Fixed assets	<b>8,505.00</b>	8,023.58
Lianxu Expressway Company	Fixed assets	<b>31,500.00</b>	37,641.50
Ningsuxu Expressway Company	Fixed assets	<b>92,730.00</b>	87,481.13
East Expressway Company	Fixed assets	–	55,542.85
Hetai Expressway Company	Fixed assets	–	36,792.45

(3) Guarantee

The Group as the guarantor

Guarantee holder	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Communications Holding	USD1,486,566.22	15 October 1998	18 July 2027	N

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(4) Borrowings/loans from related parties

2022:

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Funds received					
Group Finance Company*	(30,000,000.00)	17 September 2021	16 September 2022	-	Related party loans at 3.30% per annum
Group Finance Company*	(100,000,000.00)	17 March 2021	16 March 2022	-	Related party loans at 3.15% per annum
Group Finance Company*	(100,000,000.00)	21 April 2021	20 April 2022	-	Related party loans at 3.15% per annum
Group Finance Company*	(100,000,000.00)	15 June 2021	14 June 2022	-	Related party loans at 3.15% per annum
Group Finance Company*	(100,000,000.00)	5 August 2021	4 August 2022	-	Related party loans at 3.15% per annum
Group Finance Company*	(50,000,000.00)	30 August 2021	29 August 2022	-	Related party loans at 3.15% per annum
Group Finance Company*	(150,000,000.00)	18 September 2021	17 September 2022	-	Related party loans at 3.55% per annum
Group Finance Company*	(10,000,000.00)	13 April 2021	12 April 2022	-	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	16 March 2022	16 March 2023	<b>100,000,000.00</b>	Related party loans at 2.95% per annum
Group Finance Company*	100,000,000.00	24 April 2022	23 April 2023	<b>100,000,000.00</b>	Related party loans at 2.95% per annum
Group Finance Company*	100,000,000.00	15 June 2022	14 June 2023	<b>100,000,000.00</b>	Related party loans at 2.80% per annum
Group Finance Company*	150,000,000.00	15 July 2022	14 July 2023	<b>150,000,000.00</b>	Related party loans at 2.65% per annum
Group Finance Company*	150,000,000.00	19 July 2022	18 July 2023	<b>150,000,000.00</b>	Related party loans at 2.65% per annum
Group Finance Company*	150,000,000.00	11 August 2022	10 August 2023	<b>150,000,000.00</b>	Related party loans at 2.65% per annum
Group Finance Company*	100,000,000.00	26 August 2022	25 August 2023	<b>100,000,000.00</b>	Related party loans at 2.60% per annum
Group Finance Company*	250,000,000.00	1 December 2022	30 November 2023	<b>250,000,000.00</b>	Related party loans at 2.90% per annum
Group Finance Company*	(3,000,000.00)	25 December 2017	29 July 2022	-	Related party loans at 3.95% per annum
Group Finance Company*	(2,685,000.00)	25 December 2017	29 July 2022	-	Related party loans at 3.95% per annum
Group Finance Company*	(45,250,000.00)	26 September 2019	29 July 2022	-	Related party loans at 4.15% per annum
Group Finance Company*	(71,671,060.00)	28 November 2016	29 July 2022	-	Related party loans at 3.95% per annum
Group Finance Company*	(26,180,000.00)	22 May 2018	29 July 2022	-	Related party loans at 3.95% per annum
Group Finance Company*	(200,000,000.00)	12 March 2021	29 July 2022	-	Related party loans at 4.10% per annum
Group Finance Company*	(22,550,000.00)	4 June 2020	29 July 2022	-	Related party loans at 4.50% per annum
Group Finance Company*	55,000,000.00	24 August 2022	20 June 2027	<b>55,000,000.00</b>	Related party loans at 3.50% per annum
Group Finance Company*	24,000,000.00	24 August 2022	20 June 2028	<b>24,000,000.00</b>	Related party loans at 3.50% per annum
Group Finance Company*	200,000,000.00	24 August 2022	10 August 2037	<b>200,000,000.00</b>	Related party loans at 3.50% per annum
Group Finance Company*	48,000,000.00	24 August 2022	20 June 2028	<b>48,000,000.00</b>	Related party loans at 3.50% per annum
Communications Holding	(250,000,000.00)	5 December 2012	5 December 2022	-	Related party loans at 5.50% per annum

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(4) Borrowings/loans from related parties (Continued)

2022: (Continued)

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Communications Holding	-	17 May 2013	17 May 2023	<b>250,000,000.00</b>	Related party loans at 5.30% per annum
Communications Holding	-	21 June 2020	29 May 2035	<b>500,000,000.00</b>	Related party loans at 3.45% per annum
Communications Holding	-	22 July 2020	22 July 2025	<b>548,795,875.80</b>	Related party loans at 3.85% per annum
Communications Holding	-	20 November 2018	24 October 2023	<b>500,000,000.00</b>	Related party loans at 4.43% per annum
Communications Holding	-	8 November 2019	29 August 2024	<b>100,000,000.00</b>	Related party loans at 3.76% per annum
Communications Holding	-	22 July 2020	22 July 2025	<b>50,000,000.00</b>	Related party loans at 3.85% per annum
Communications Holding	-	20 November 2018	24 October 2023	<b>300,000,000.00</b>	Related party loans at 4.43% per annum
Communications Holding	-	22 July 2020	22 July 2025	<b>200,000,000.00</b>	Related party loans at 3.85% per annum
Communications Holding	496,170,000.00	14 September 2022	13 September 2039	<b>496,170,000.00</b>	Related party loans at 3.10% per annum
Communications Holding	-	21 January 2020	20 January 2025	<b>298,482,290.44</b>	Related party loans at 3.74% per annum
Tongchang Real Estate	(14,000,000.00)	19 July 2021	31 May 2022	-	Related party loans at 4.00% per annum
Tongchang Real Estate	(32,000,000.00)	27 April 2021	31 May 2022	-	Related party loans at 4.00% per annum
Tongchang Real Estate	(6,000,000.00)	19 July 2021	31 May 2022	-	Related party loans at 4.00% per annum
Culture Media	(30,000,000.00)	16 April 2020	29 July 2022	-	Related party loans at 4.00% per annum
Culture Media	(13,000,000.00)	17 April 2020	29 July 2022	-	Related party loans at 4.75% per annum
Culture Media	(50,000,000.00)	26 November 2019	29 July 2022	-	Related party loans at 4.40% per annum
Dongfang R&B Company	(20,000,000.00)	28 June 2020	29 July 2022	-	Related party loans at 4.40% per annum
Husuzhe Expressway	(23,000,000.00)	11 December 2020	29 July 2022	-	Related party loans at 4.00% per annum
Yunshan Capital	(13,000,000.00)	22 September 2017	29 July 2022	-	Related party loans at 4.75% per annum
Yunshan Capital	(6,000,000.00)	30 November 2017	29 July 2022	-	Related party loans at 4.75% per annum
Nanlin Hotel	(4,500,000.00)	11 February 2019	29 July 2022	-	Related party loans at 4.75% per annum
Nanlin Hotel	(5,000,000.00)	23 April 2019	29 July 2022	-	Related party loans at 4.75% per annum

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(4) Borrowings/loans from related parties (Continued)

2021:

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Funds received					
Group Finance Company*	(100,000,000.00)	25 November 2020	24 November 2021	–	Related party loans at 3.55% per annum
Group Finance Company*	(50,000,000.00)	24 November 2020	1 December 2021	–	Related party loans at 3.55% per annum
Group Finance Company*	30,000,000.00	17 September 2021	16 September 2022	30,000,000.00	Related party loans at 3.30% per annum
Group Finance Company*	100,000,000.00	17 March 2021	16 March 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	21 April 2021	20 April 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	15 June 2021	14 June 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	5 August 2021	4 August 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	50,000,000.00	30 August 2021	29 August 2022	50,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	150,000,000.00	18 September 2021	17 September 2022	150,000,000.00	Related party loans at 3.55% per annum
Group Finance Company*	10,000,000.00	13 April 2021	12 April 2022	10,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	(3,500,000.00)	22 May 2018	21 May 2028	26,180,000.00	Related party loans at 4.15% per annum
Group Finance Company*	110,000,000.00	12 March 2021	20 November 2038	110,000,000.00	Related party loans at 4.15% per annum
Group Finance Company*	90,000,000.00	12 March 2021	20 November 2038	90,000,000.00	Related party loans at 4.15% per annum
Group Finance Company*	–	4 June 2020	3 June 2027	1,580,000.00	Related party loans at 4.50% per annum
Group Finance Company*	–	12 June 2020	3 June 2027	1,580,000.00	Related party loans at 4.50% per annum
Group Finance Company*	–	6 August 2020	3 June 2027	3,160,000.00	Related party loans at 4.50% per annum
Group Finance Company*	–	19 August 2020	3 June 2027	1,580,000.00	Related party loans at 4.50% per annum
Group Finance Company*	–	19 August 2020	3 June 2027	1,580,000.00	Related party loans at 4.50% per annum
Group Finance Company*	–	23 September 2020	3 June 2027	3,160,000.00	Related party loans at 4.50% per annum
Group Finance Company*	–	25 November 2020	3 June 2027	3,800,000.00	Related party loans at 4.50% per annum
Group Finance Company*	(2,250,000.00)	25 November 2020	3 June 2027	610,000.00	Related party loans at 4.50% per annum



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(4) Borrowings/loans from related parties (Continued)

2021: (Continued)

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Group Finance Company*	700,000.00	18 January 2021	3 June 2027	700,000.00	Related party loans at 4.50% per annum
Group Finance Company*	3,200,000.00	19 April 2021	3 June 2027	3,200,000.00	Related party loans at 4.50% per annum
Group Finance Company*	1,600,000.00	15 June 2021	3 June 2027	1,600,000.00	Related party loans at 4.50% per annum
Group Finance Company*	(16,000,000.00)	28 November 2016	27 November 2026	55,671,060.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	–	28 November 2016	27 November 2026	16,000,000.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	(500,000.00)	25 December 2017	10 December 2027	3,000,000.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	(740,000.00)	25 December 2017	10 December 2027	2,685,000.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	(2,250,000.00)	26 September 2019	20 June 2028	37,400,000.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	–	26 September 2019	20 June 2028	450,000.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	–	18 October 2019	25 September 2029	830,000.00	Related party loans at floating rate based on LPR benchmark rate
Group Finance Company*	–	8 January 2020	25 September 2029	920,000.00	Related party loans at floating rate based on LPR benchmark rate
Communications Holding	–	5 December 2012	5 December 2022	250,000,000.00	Related party loans at 5.50% per annum
Communications Holding	–	17 May 2013	17 May 2023	250,000,000.00	Related party loans at 5.30% per annum
Communications Holding	–	21 June 2020	29 May 2035	500,000,000.00	Related party loans at 3.45% per annum
Communications Holding	–	22 July 2020	22 July 2025	550,000,000.00	Related party loans at 3.85% per annum
Communications Holding	–	20 November 2018	24 October 2023	500,000,000.00	Related party loans at 4.43% per annum
Communications Holding	–	8 November 2019	29 August 2024	100,000,000.00	Related party loans at 3.76% per annum
Communications Holding	–	22 July 2020	22 July 2025	50,000,000.00	Related party loans at 3.85% per annum
Communications Holding	–	20 November 2018	24 October 2023	300,000,000.00	Related party loans at 4.43% per annum
Communications Holding	–	22 July 2020	22 July 2025	200,000,000.00	Related party loans at 3.85% per annum
Communications Holding	–	21 January 2020	20 January 2025	298,482,290.44	Related party loans at 3.74% per annum

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(4) Borrowings/loans from related parties (Continued)

2021: (Continued)

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Sutong Bridge Company	(190,000,000.00)	1 December 2020	30 November 2021	–	Related party loans at 3.60% per annum
Sutong Bridge Company	(180,000,000.00)	2 December 2020	1 December 2021	–	Related party loans at 3.60% per annum
Husuzhe Expressway	(100,000,000.00)	1 December 2020	30 November 2021	–	Related party loans at 3.50% per annum
Tongchang Real Estate	14,000,000.00	19 July 2021	18 July 2024	14,000,000.00	Related party loans at 4.00% per annum
Tongchang Real Estate	(2,500,000.00)	27 April 2021	26 April 2024	32,000,000.00	Related party loans at 4.00% per annum
Tongchang Real Estate	6,000,000.00	19 July 2021	18 July 2024	6,000,000.00	Related party loans at 4.00% per annum
Culture Media	–	16 April 2020	15 April 2023	30,000,000.00	Related party loans at 4.00% per annum
Culture Media	–	17 April 2020	16 April 2023	13,000,000.00	Related party loans at 4.75% per annum
Culture Media	–	26 November 2019	26 November 2022	50,000,000.00	Related party loans at 4.40% per annum
Dongfang R&B Company	–	28 June 2020	27 June 2023	20,000,000.00	Related party loans at 4.40% per annum
Husuzhe Expressway	–	11 December 2022	10 December 2023	23,000,000.00	Related party loans at 4.00% per annum
Yunshan Capital	–	22 September 2017	21 September 2022	13,000,000.00	Related party loans at 4.75% per annum
Yunshan Capital	–	30 November 2017	29 November 2022	6,000,000.00	Related party loans at 4.75% per annum
Nanlin Hotel	–	11 February 2019	10 February 2022	4,500,000.00	Related party loans at 4.75% per annum
Nanlin Hotel	–	23 April 2019	22 April 2022	5,000,000.00	Related party loans at 4.75% per annum
Nanlin Hotel	(7,000,000.00)	25 December 2018	24 December 2021	–	Related party loans at 4.75% per annum
Tongsha Harbor Business	(10,000,000.00)	29 January 2018	28 January 2021	–	Related party loans at 4.75% per annum

*Note:* When the Group is the borrower, the positive amount represents borrowing from a related party while the negative amount represents repayment to a related party; When the Group is the lender, positive amount represents lending to a related party while the negative amount represents collecting the money from a related party.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

- (5) Remuneration of key management personnel

Item	2022	2021
Remuneration of key management personnel	<b>7,109,827.39</b>	6,570,539.93

- (6) Other related party transactions

Name of related party	Nature of transaction	2022	2021
Jiangsu Leasing Company	Investments in convertible bonds	-	391,716,000.00

- (7) Other explanations

\* Representing the connected transaction as defined in Chapter 14A of the Listing Rules.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Receivables from and payables to related parties (Continued)

(1) Receivables from related parties

Item	Name of related party	2022	2021
Deposits with banks <i>(Note 1)</i>	Group Finance Company	597,044,456.03	507,851,958.95
	Bank of Jiangsu	308,902.43	415,465.89
	Bank of Jiangsu	2,180,913.87	1,478,305.65
	Sub-total	599,534,272.33	509,745,730.49
Financial assets held for trading Accounts receivable <i>(Note 2)</i>	Bank of Nanjing	300,000,000.00	-
	Expressway Energy Development Company	10,916,263.55	12,224,343.60
	Yangtze Bridge Company	14,262,200.00	14,189,663.30
	Hutong Bridge Company	8,210,800.00	8,009,505.25
	Kuailu Company	247,484.52	48,864.10
	Luode Fund Company	2,555.33	-
	Sundian R&B Company	102,458.02	233,542.71
	Culture Media	7,515,612.20	21,000.02
	Taixing Hechang Oil Company <i>(Note 3)</i>	1,951,495.70	1,741,251.14
	Engineering Testing Company	-	124.92
	Xitai Tunnel Company	420,000.00	410,000.00
	East Expressway Company	11,071.52	0.20
	Suhuaiyan Expressway Company	6,475.95	-
	Lianxu Expressway Company	43,337.93	35,083.82
	Ningsuxu Expressway Company	50,513.82	4,183.95
	Runyang Bridge Company	1.42	1.42
	Suxichang South Company	34,468,610.46	-
	Tongxingbao Company	7,819,964.84	-
	Fuanda Company	483,634.08	-
Sub-total	86,512,479.34	36,917,564.43	
Long-term receivables (including those due within one year) Prepayments	JCH Commercial Operation Company	173,904,575.09	-
	Expressway Information Company	-	3,000,000.00
	Tongxingbao Company	33,941.78	258,228.83
	Micro Video Company	-	241,439.96
Sub-total	33,941.78	3,499,668.79	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Receivables from and payables to related parties (Continued)

(1) Receivables from related parties (continued)

Item	Name of related party	2022	2021
Other receivables	Luode Fund Company	<b>16,598,493.35</b>	31,598,493.35
	Sundian R&B Company	<b>12,509.15</b>	11,287.51
	Network Operation Company	<b>324.00</b>	324.00
	Tongxingbao Company	<b>109,161.22</b>	129,707.00
	Engineering Testing Company	<b>123,082.21</b>	-
	Expressway Information Company	<b>329.00</b>	-
	JCH Commercial Operation Company	<b>289,705.00</b>	-
	Nengtou Xincheng	<b>295,849.06</b>	-
	Sub-total	<b>17,429,452.99</b>	31,739,811.86
Dividends receivable	Kuailu Company	<b>4,989,960.00</b>	4,989,960.00

*Note 1:* A financial service agreement was signed and concluded between the Group and Group Finance Company, in which Group Finance Company would provide financial service to the Group such as deposit, credit and so on. The Company's subsidiaries, Guangjing Xicheng Company, Changyi Company, Yichang Company, Zhendan Expressway, Yangtze River Management and Longtan Bridge have also participated in this agreement. As at 31 December 2022, the Group has deposited RMB597,044,456.03 (31 December 2021: RMB507,851,958.95) in Group Finance Company in accordance with the financial service agreement.

*Note 2:* As at 31 December 2022, besides the accounts receivable from related party stated above, there are split toll road fee receivables from Eastern Expressway Company, Jinghu Company and other expressway companies within the toll road network companies ("Toll Road Network Companies") which amounted to RMB142,584,009.69 (31 December 2021: RMB190,525,099.93). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which the Company has no other control, joint control or significant influence relationship with them.

*Note 3:* As at 31 December 2021, the carrying amount with Expressway Energy Development Company and Taixing Hechang Oil Company were lease receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Receivables from and payables to related parties (Continued)

(2) Payables to related parties

Item	Name of related party	2022	2021
Accounts payable (Note)	Sundian R&B Company	128,136,021.54	186,002,617.43
	Yangtze Bridge Company	-	959,867.31
	Yanjiang Company	-	1,887,868.20
	Expressway Information Company	8,357,624.10	12,835,263.00
	Suzhou Expressway Management	-	131,574.13
	Network Operation Company	2,348,127.00	1,352,863.00
	Tongxingbao Company	2,198,085.96	3,058,846.38
	Kuailu Company	7,860,954.80	1,142,183.94
	Micro Video Company	1,860,510.26	2,467,069.97
	Maintenance Technology Company	10,745,361.56	11,245,265.00
	Huatong Company	7,270,296.84	32,420,358.54
	Culture Media	2,021,800.00	3,038,304.92
	Hutong Bridge Company	-	28,835.87
	Engineering Testing Company	377,377.00	2,454,992.78
	Communications Holding	522,207.94	1,022,207.94
	Human Resources Company	621,048.00	495,030.66
	Dongfang R&B Company	-	800,000.00
	Runyang Bridge Company	-	81,386.13
	Cuipingshan Hotel	-	3,362.00
	Engineering Maintenance Company	904,292.00	826,233.00
Bank of Nanjing	1,490,000.00	-	
JCH Commercial Operation Company	279,364.28	-	
Luode Fund Company	7,666,802.99	-	
	Sub-total	182,659,874.27	262,254,130.20
Advance payments received	Kuailu Company	458,689.67	-
	Sundian R&B Company	80,000.00	80,000.00
	Yuexin Ninghu Company	-	265.00
	Yanjiang Company	1,738,949.66	-
	Yangtze Bridge Company	601,551.00	-
	Sub-total	2,879,190.33	80,265.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Receivables from and payables to related parties (Continued)

(2) Payables to related parties (Continued)

Item	Name of related party	2022	2021	
Other payables	Communications Holding	<b>8,511,094.34</b>	10,697,784.31	
	Tongxingbao Company	<b>74,150.00</b>	6,700.00	
	Network Operation Company	<b>1,620.00</b>	1,320.00	
	Sundian R&B Company	<b>19,964,294.25</b>	10,541,871.27	
	Luode Fund Company	<b>10,000,000.00</b>	15,000,000.00	
	Engineering Testing Company	-	6,709.59	
	Huatong Company	-	293,637.85	
	Dongfang R&B Company	<b>376,181.40</b>	376,181.40	
	Expressway Information Company	<b>283,428.96</b>	850,970.83	
	Suchang Auto Repair Company	-	48,878.40	
	East Expressway Company	<b>367,803.57</b>	367,803.57	
	Expressway Management Centre	<b>2.52</b>	-	
	Human Resources Company	<b>200,000.00</b>	-	
	Micro Video Company	<b>102,364.66</b>	-	
	Culture Media	<b>35,585.85</b>	-	
	Sub-total	<b>39,916,525.55</b>	38,191,857.22	
Short-term loans	Group Finance Company	<b>1,100,932,707.78</b>	640,638,763.89	
	Sub-total	<b>1,100,932,707.78</b>	640,638,763.89	
Long-term loans (including long-term loans due within one year)	Group Finance Company	<b>327,349,708.33</b>	371,806,934.75	
	Communications Holding	<b>3,287,709,999.15</b>	3,038,001,015.56	
	Tongchang Real Estate Investment	-	52,063,555.55	
	Culture Media	-	93,134,979.17	
	Dongfang R&B Company	-	20,026,888.89	
	Husuzhe Expressway	-	23,028,111.11	
	Yunshan Capital	-	19,027,576.39	
	Nanlin Hotel	-	9,517,482.64	
		Sub-total	<b>3,615,059,707.48</b>	3,626,606,544.06

*Note:* As at 31 December 2022, besides the accounts payable to related party stated above, there are split toll road fee payables to other Toll Road Network Companies which amounted to RMB3,956,028.26 (31 December 2021: RMB3,259,415.54). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which the Company has no other control, joint control or significant influence relationship with them.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 7. Directors' emoluments

2022:

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Performance related payments (Note 2)	Post-employment benefits (Including enterprise annuity etc., for details, see Note 3)	Total
<b>Executive directors</b>					
Chen Yunjiang (appointed in June 2022, see Note 4)	243,800.00	65,446.65	121,900.00	100,840.23	531,986.88
Wang Feng (appointed in June 2022)	325,000.00	85,482.36	492,150.00	97,395.72	1,000,028.08
Yao Yongjia	318,150.00	91,836.36	519,700.00	107,811.72	1,037,498.08
Cheng Xiaoguang (resigned in May 2022, see Note 4)	81,250.00	18,442.59	436,375.00	29,158.41	565,226.00
<b>Non-executive directors</b>					
Chen Yanli	-	-	-	-	-
Wang Yingjian	-	-	-	-	-
Wu Xinhua	-	-	-	-	-
Ma Zhongli	365,160.59	-	-	-	365,160.59
Li Xiaoyan	-	-	-	-	-
<b>Independent non-executive directors</b>					
Zhou Shudong	107,894.72	-	-	-	107,894.72
Liu Xiaoxing	107,894.72	-	-	-	107,894.72
Xu Guanghua	107,894.72	-	-	-	107,894.72
Yu Mingyuan	107,894.72	-	-	-	107,894.72
Ge Yang (appointed in June 2022)	53,947.36	-	-	-	53,947.36
Lin Hui (resigned in May 2022)	53,947.36	-	-	-	53,947.36
<b>Supervisors</b>					
Yang Shiwei	-	-	-	-	-
Pan Ye	-	-	-	-	-
Lu Zhengfeng	211,250.00	87,982.36	347,815.00	87,051.72	734,099.08
Kong Yuanyi	182,000.00	86,950.36	299,656.00	80,211.72	648,818.08
Wan Liye	-	-	-	-	-
Ding Guozhen (resigned in November 2022)	-	-	-	-	-
<b>Total</b>	<b>2,266,084.19</b>	<b>436,140.68</b>	<b>2,217,596.00</b>	<b>502,469.52</b>	<b>5,422,290.39</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 7. Directors' emoluments (Continued)

2021:

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Performance related payments (Note 2)	Post-employment benefits (including enterprise annuity etc., for details, see Note 3)	Total
<b>Executive directors</b>					
Cheng Xiao Guang (Appointed in October 2021, for details, see Note 4)	310,000.00	80,391.64	466,950.00	94,997.82	952,339.46
Yao Yong Jia	300,800.00	87,977.64	491,150.00	85,265.82	965,193.46
Sun Xi Bin (Resigned in October 2021, for details, see Note 4)	129,200.00	42,640.85	473,050.00	38,861.40	683,752.25
<b>Non-executive directors</b>					
Chen Yan Li	-	-	-	-	-
Wang Ying Jian (Appointed in June 2021)	-	-	-	-	-
Wu Xin Hua	-	-	-	-	-
Ma Zhong Li	324,561.03	-	-	-	324,561.03
Li Xiao Yan	-	-	-	-	-
Chen Yong Bing (Resigned in May 2021)	-	-	-	-	-
<b>Independent non-executive directors</b>					
Lin Hui	107,900.00	-	-	-	107,900.00
Zhou Shu Dong	107,900.00	-	-	-	107,900.00
Liu Xiao Xing	107,900.00	-	-	-	107,900.00
Xu Guang Hua	53,900.00	-	-	-	53,900.00
Yu Ming Yuan	53,900.00	-	-	-	53,900.00
Zhang Zhu Ting (Resigned in June 2021)	53,900.00	-	-	-	53,900.00
Chen Liang (Resigned in June 2021)	53,900.00	-	-	-	53,900.00
<b>Supervisors</b>					
Yang Shi Wei	-	-	-	-	-
Ding Guo Zhen	-	-	-	-	-
Pan Ye	-	-	-	-	-
Lu Zheng Feng	532,455.00	79,823.64	-	79,817.82	692,096.46
Kong Yuan Yi	447,007.00	76,419.64	-	73,397.82	596,824.46
Yu Lan Ying (Resigned in May 2021)	-	-	6,200.00	-	6,200.00
<b>Total</b>	<b>2,583,323.03</b>	<b>367,253.41</b>	<b>1,437,350.00</b>	<b>372,340.68</b>	<b>4,760,267.12</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 7. Directors' emoluments (Continued)

*Note 1:* Other benefits include housing funds, non-monetary welfare, as well as medical insurance, work injury insurance and maternity insurance provided by the Company according to government's requirement.

*Note 2:* The performance related payments are determined by reference to the individual performance of the directors or supervisors.

*Note 3:* Post-employment benefits include annuity payment, pension insurance and unemployment insurance provided by the Company.

*Note 4:* On 12 May 2022, the board of directors of the Company received resignation letter from chairman of the board, Mr. Cheng Xiaoguang who applied for resignation of positions as the Company's chairman, chairman of strategy committee under the board and the director due to job changes. After the resignation, Mr. Cheng Xiaoguang will not hold any position in the Company. 17 June 2022, the Board of Directors of the Company elected Chen Yunjiang, an executive director, as the Chairman of the Tenth Session of the Board of Directors and Chairman of the Strategic Committee of the Board of Directors of the Company.

None of the directors or supervisors waived or agreed to waive any emoluments during both years.

### 8. Five individuals with the highest emoluments

Two (prior year: two) of the five individuals with the highest emoluments in the Group are directors of the Company whose emoluments are included in note of directors' emoluments. The emoluments of the remaining three (prior year: three) individuals are listed as follows:

	Accumulative amount for the current year	Accumulative amount for the prior year
Salaries and other benefits	2,331,464.79	1,994,639.92
Post-employment benefits	260,006.40	227,321.46
Total	2,591,471.19	2,221,961.38

Their emoluments were within the following bands:

	Current year	Prior year
Less than RMB1,000,000	3	3

## XI. 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 shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group uses the asset-liability ratio to manage its capital structure. This ratio is calculated as total liabilities divided by total assets. The Group's strategy is the same for the years ending 2022 and 2021. The Group's asset-liability ratio for 2022 and 2021 is 51.63% and 49.31%, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XII. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

#### (1) Capital commitments

	2022	2021
Capital commitments that have been entered into but have not been recognized in the financial statements		
– Commitment for acquisition and construction of long-term assets	<b>15,292,496,496.36</b>	4,712,632,500.00

### 2. Contingencies

Ninghu Properties and Hanwei Company, the subsidiaries of the Company provide joint and several liability guarantees to banks for bank borrowings granted to buyers of properties in accordance with real estate industry practices. The obligation begins from the date on which the guarantee contract comes into effect and will end when the buyers obtain certifications of the purchased properties and complete registration of mortgage and pass the properties warrants certification to the bank. As at 31 December 2022, the outstanding guarantees amounted to approximately RMB131,898,198.22 (31 December 2021: RMB367,604,074.44).

## XIII. SUBSEQUENT EVENTS

### 1. Profit appropriations after the balance sheet date

	Amount
Dividends proposed	2,317,363,850.00

The Board of Directors proposed on 24 March 2023, the appropriation of a cash dividend of RMB0.46 per share (2022: RMB0.46 per share) to the Company's ordinary shareholders, totalling RMB2,317,363,850.00 (2022: RMB2,317,363,850.00). The proposal is subject to approval by the shareholders' general meeting. Such cash dividends are not recognised as a liability at the balance sheet date.

### 2. Disposal of subsidiaries

Pursuant to the resolution of the board of directors' meeting held on 18 February 2023, the Group agreed to the transfer of 100% equity interest in NingHu Factoring Company held by the Group's subsidiary – NingHu Investment, to Jiangsu Communications Holding (80%) and Yunshan Capital (20%). As at 31 December 2022, the net assets of Ninghu Factoring Company amounted to RMB328 million in total, accounting for 0.86% of the Group's net assets. According to the appraisal results of the Asset Appraisal Report (No. A12-0002) on Shareholders' Net assets for NingHu Commercial Factoring (Guangzhou) Co., Ltd. "by Huaya Zhengxin Appraisal Report No. [2022], the value of the shareholders' total equity of Ninghu Factoring Company was RMB348.6 million. In February 2023, the Company and the equity transferee entered into the Equity Transfer Agreement.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XIV. OTHER SIGNIFICANT ITEMS

### 1. Segment reporting

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 13 operating segments, including Shanghai-Nanjing Expressway, Ningchang Expressway and Zhenli Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Zhendan Expressway, Wufengshan Bridge, Changyi Expressway, Yichang Expressway, Longtan Bridge, ancillary services (including petrol, food and retail in service zones along the expressways), real estate development, sales of electricity and advertising and others. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance.

#### (1) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders. Non-operating income and expenses and tax expenses are not allocated to individual segments.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

#### (1) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments set out below is the measure of segment profit and segment assets reviewed by the chief operating decision maker or is otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment profit and segment assets:

	Shanghai-Nanjing Expressway		Guangjing Expressway and Xicheng Expressway		Xiyi Expressway and Wuxi Huantaihu Expressway		Changyi Expressway		Yichang Expressway	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment operating income	4,280,907,517.39	5,175,311,438.44	682,210,156.22	869,938,635.26	463,237,872.83	484,383,787.26	99,109,995.28	85,930,654.39	132,267,584.77	111,490,335.25
Operating cost	1,814,473,079.60	1,874,264,876.20	322,185,776.08	390,672,822.95	271,910,990.88	290,930,775.54	88,565,029.13	99,155,327.12	112,855,821.84	154,259,522.02
Including: Amortisation of toll roads operation rights	533,916,112.87	602,056,742.01	74,213,825.86	102,731,396.26	139,011,681.30	142,388,665.82	72,765,116.14	73,200,692.56	86,143,650.68	124,932,204.75
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-
Segment operating profit/(loss)	2,466,434,437.79	3,301,046,562.24	360,024,380.14	479,265,812.31	191,326,881.95	193,453,011.72	10,544,966.15	(13,224,672.73)	19,411,762.93	(42,769,186.77)
Reconciling items:										
Less: Taxes and surcharges	23,578,755.87	29,144,953.34	3,827,469.46	3,933,506.79	2,598,948.14	1,695,160.05	(17,736.32)	147,270.41	34,307.74	919,831.40
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-
General and administrative expenses	65,056,511.96	68,293,834.04	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-
Add: Other income	8,464,824.96	25,504,182.06	2,003,012.50	2,049,436.29	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-	-	-
Credit losses	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-	-	-
Gains from asset disposals	1,134,700.00	5,762,600.00	29,159,344.30	-	-	-	-	-	-	-
Operating profit/(loss)	2,387,398,694.92	3,234,874,556.92	387,359,267.48	477,381,741.81	188,727,933.81	191,757,851.67	10,562,702.47	(13,371,943.14)	19,377,455.19	(43,689,018.17)
Non-operating income	-	5,253,800.00	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-
Profit/(loss) before taxation	2,387,398,694.92	3,240,128,356.92	387,359,267.48	477,381,741.81	188,727,933.81	191,757,851.67	10,562,702.47	(13,371,943.14)	19,377,455.19	(43,689,018.17)
Income tax	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the year	2,387,398,694.92	3,240,128,356.92	387,359,267.48	477,381,741.81	188,727,933.81	191,757,851.67	10,562,702.47	(13,371,943.14)	19,377,455.19	(43,689,018.17)
Total segment assets	7,959,302,297.51	8,820,919,262.86	734,412,265.37	884,939,073.59	1,467,784,060.20	1,616,142,265.31	3,650,602,587.96	3,727,547,078.28	3,758,692,967.05	3,799,790,747.18
Supplementary information:										
Depreciation and amortisation expenses	630,956,820.08	703,225,933.22	97,111,454.37	128,092,695.92	149,740,381.30	152,516,125.37	77,427,887.98	77,524,037.44	94,584,637.14	132,397,717.36
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	7,959,302,297.51	8,820,919,262.86	734,412,265.37	884,939,073.59	1,467,784,060.20	1,616,142,265.31	3,650,602,587.96	3,727,547,078.28	3,758,692,967.05	3,799,790,747.18
Capital expenditure	178,589,945.15	130,420,961.34	38,841,485.03	10,942,864.45	-	-	-	4,656,678.67	-	1,162,278,062.89

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

(1) Segment results, assets and liabilities (Continued)

	Ningchang Expressway and Zhenli Expressway		Zhendan Expressway		Wufengshan Bridge		Longtan Bridge		Ancillary services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Segment operating income	1,198,241,242.41	1,308,519,652.48	74,639,746.98	88,136,724.28	392,402,407.19	184,253,220.57	-	-	1,124,123,337.41
Operating cost	493,152,695.24	662,770,741.11	64,249,857.51	92,923,592.19	203,588,566.57	139,325,121.01	-	-	1,288,604,543.24	1,380,090,064.44
Including: Amortisation of toll roads operation rights	300,257,812.23	439,112,456.73	30,781,954.52	32,903,506.64	126,296,685.29	85,246,599.93	-	-	-	-
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	919,163,094.69	1,022,790,032.60
Segment operating profit	705,088,547.17	645,748,911.37	10,389,889.47	(4,786,867.91)	188,813,840.62	44,928,099.56	-	-	(164,481,205.83)	57,039,735.91
Reconciling items:										
Less: Taxes and surcharges	-	-	364,735.02	482,112.37	17,749.33	448,666.32	371,792.50	143,801.20	1,482,619.13	14,245,837.14
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-
General and administrative expenses	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-
Add: Other income	1,575,935.65	2,259,480.04	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-	-	-
Credit losses	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-	-	-
Gains and losses from asset disposals	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss)	706,664,482.82	648,008,391.41	10,025,154.45	(5,268,980.28)	188,796,091.29	44,479,433.24	(371,792.50)	(143,801.20)	(165,963,824.96)	42,793,898.77
Non-operating income	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-
Profit before taxation	706,664,482.82	648,008,391.41	10,025,154.45	(5,268,980.28)	188,796,091.29	44,479,433.24	(371,792.50)	(143,801.20)	(165,963,824.96)	42,793,898.77
Income tax	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the year	706,664,482.82	648,008,391.41	10,025,154.45	(5,268,980.28)	188,796,091.29	44,479,433.24	(371,792.50)	(143,801.20)	(165,963,824.96)	42,793,898.77
Total segment assets	4,310,627,055.85	4,588,205,488.21	1,652,349,607.44	1,701,432,463.68	11,997,490,700.62	12,170,857,137.90	4,781,456,571.94	2,006,205,132.24	418,748,097.86	381,457,634.05
Supplementary information:										
Depreciation and amortisation expenses	322,020,488.26	471,450,289.23	51,574,454.04	51,910,484.57	167,134,584.20	105,633,318.64	-	-	71,815,942.70	57,637,695.85
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	4,310,627,055.85	4,588,205,488.21	1,652,349,607.44	1,701,432,463.68	11,997,490,700.62	12,170,857,137.90	4,781,456,571.94	2,006,205,132.24	418,748,097.86	381,457,634.05
Capital expenditure	-	-	2,996,897.09	30,430,295.51	10,153,988.58	1,341,142,693.96	2,775,251,438.70	668,140,944.80	-	44,714,644.90

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

(1) Segment results, assets and liabilities (Continued)

	Real estate development		Sales of electricity		Advertising and others		Unallocated items and Consolidation offset		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment operating income	674,078,627.89	1,028,544,320.23	651,675,244.34	466,126,979.92	142,321,994.98	135,655,562.03	3,340,387,380.03	2,885,111,747.73	13,255,603,107.72	14,260,532,858.18
Operating cost	435,356,228.58	732,545,827.31	328,148,600.23	216,258,598.17	77,970,753.96	80,296,740.92	3,340,387,380.03	2,885,111,747.73	8,841,449,322.89	8,998,605,756.71
Including: Amortisation of toll roads operation rights	-	-	-	-	-	-	-	-	1,363,386,838.89	1,602,572,264.70
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	919,163,094.69	1,022,790,032.60
Operating profit	238,722,399.31	295,998,492.92	323,526,644.11	249,868,381.75	64,351,241.02	55,358,821.11	-	-	4,414,153,784.83	5,261,927,101.47
Reconciling items:										
Less: Taxes and surcharges	134,073,641.65	213,435,837.88	823,640.04	640,512.85	1,771,692.61	1,464,213.57	-	-	168,927,615.17	266,701,703.32
Selling and distribution expenses	14,435,134.42	26,111,192.22	-	-	66,604.82	-	-	-	14,501,739.24	26,111,192.22
General and administrative expenses	-	-	-	-	-	-	228,452,058.22	177,699,164.87	293,508,570.18	245,992,998.91
Financial expenses	-	-	-	-	-	-	1,094,226,669.03	867,170,637.90	1,094,226,669.03	867,170,637.90
Add: Other income	141,387.43	96,173.65	-	-	-	-	19,797,836.23	126,922.28	31,982,996.77	30,036,194.33
Investment income	-	-	-	-	-	-	1,867,961,513.05	1,213,714,101.38	1,867,961,513.05	1,213,714,101.38
Gains or losses from changes in fair value	-	-	-	-	-	-	(142,950,442.33)	489,879,008.21	(142,950,442.33)	489,879,008.21
Credit losses	-	-	-	-	-	-	(5,354,679.05)	(8,829,242.92)	(5,354,679.05)	(8,829,242.92)
Impairment losses	-	-	-	-	-	-	-	(5,497,868.60)	-	(5,497,868.60)
Gains from asset disposals	-	-	(4,562,248.88)	-	-	-	(8.74)	2,105,651.48	25,731,786.68	7,868,251.48
Operating profit	90,355,010.67	56,547,636.47	318,140,755.19	249,227,868.90	62,512,943.59	53,894,607.54	416,775,491.91	646,628,769.06	4,620,360,366.33	5,583,121,013.00
Non-operating income	-	-	-	-	-	-	10,630,200.48	7,695,183.37	10,630,200.48	12,948,983.37
Non-operating expenses	-	-	-	-	-	-	49,967,992.41	29,670,574.13	49,967,992.41	29,670,574.13
Profit before taxation	90,355,010.67	56,547,636.47	318,140,755.19	249,227,868.90	62,512,943.59	53,894,607.54	377,437,699.98	624,653,378.30	4,581,022,574.40	5,566,399,422.24
Income tax	-	-	-	-	-	-	833,033,706.01	1,289,660,707.85	833,033,706.01	1,289,660,707.85
Net profit for the year	90,355,010.67	56,547,636.47	318,140,755.19	249,227,868.90	62,512,943.59	53,894,607.54	(455,596,006.03)	(665,007,329.55)	3,747,988,868.39	4,276,738,714.39
Total segment assets	2,564,181,184.87	2,836,469,080.78	4,738,959,726.71	5,046,284,200.32	1,348,382,163.25	1,072,986,949.87	29,075,355,787.44	25,593,595,129.05	78,458,345,074.07	74,246,831,643.32
Supplementary information:										
Depreciation and amortisation expenses	7,080,050.79	1,407,240.12	614,620,584.46	322,394,179.07	99,890,010.05	3,565,009.05	(335,485,077.77)	(32,231,229.64)	2,048,472,217.60	2,175,523,496.20
Interest income	-	-	-	-	-	-	23,262,551.07	16,464,368.49	23,262,551.07	16,464,368.49
Interest expenses	-	-	-	-	-	-	1,098,642,030.08	869,888,309.40	1,098,642,030.08	869,888,309.40
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	1,867,961,513.05	1,213,714,101.38	1,867,961,513.05	1,213,714,101.38
Non-current assets other than long-term equity investments	1,433,398,944.55	152,564,820.59	4,808,144,537.69	5,460,478,023.20	2,889,575,840.90	2,751,075,787.56	8,119,964,827.25	6,925,729,174.27	57,982,550,362.19	54,987,344,088.92
Capital expenditure	30,494,568.09	793,080.18	12,703,293.78	1,939,369,028.77	583,759.28	3,878,106.57	7,650,687.78	94,537,270.42	3,057,266,064.48	5,431,304,632.46

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

(2) Geographical information

All income and non-current assets of the Group are from/located in Jiangsu Province.

(3) Major customers

There is no reliance on specific customers.

### 2. Defined contribution plans

According to the pension, unemployment insurance plans set up by the government institutions or assigned with financial institutions, the Group monthly pays to the plans for the staff at 16% and 0.5% of the average basic salary of staff in prior year respectively. The Group participates in annuity plans operated and managed by independent third parties and contributes monthly at 8% of the average monthly basic salary of the previous year to the banking institutions designated by such plans. Apart from the above monthly payment, the Group bears no longer further payment obligation. Corresponding expenses are recorded in the profits and losses of current period or the cost of the related assets.

The Group shall pay RMB111,251,420.62, RMB64,428,943.53 and RMB3,537,560.48 to the pension insurance plan, the annuity plan and the unemployment insurance plan, respectively (2021: RMB102,707,107.67, RMB60,918,772.47 and RMB3,260,542.07). The Group's plan contributions for pension, annuity and unemployment insurance as at 31 December 2022 have been fully paid.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

### 1. Accounts receivable

(1) Accounts receivable by customer type are as follows:

Type	2022	2021
Amounts due from related party	<b>254,080,327.59</b>	218,453,512.50
Amounts due from third party	<b>157,142,674.30</b>	171,248,008.51
Sub-total	<b>411,223,001.89</b>	389,701,521.01
Less: Provision for bad and doubtful debts	<b>596,358.26</b>	129,013.48
Total	<b>410,626,643.63</b>	389,572,507.53

(2) The ageing analysis of accounts receivable is as follows:

Ageing	2022	2021
Within 1 year (inclusive)	<b>403,619,682.90</b>	383,250,847.02
Over 1 year but within 2 years (inclusive)	<b>3,279,472.73</b>	6,450,673.99
Over 2 years but within 3 years (inclusive)	<b>4,323,846.26</b>	–
Sub-total	<b>411,223,001.89</b>	389,701,521.01
Less: Provision for bad and doubtful debts	<b>596,358.26</b>	129,013.48
Total	<b>410,626,643.63</b>	389,572,507.53

The ageing is counted starting from the date when accounts receivable are recognised.

(3) Accounts receivable by provisioning method

Category	2022					2021				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
Amount	Percentage (%)	Amount	Percentage (%)	Amount		Percentage (%)	Amount	Percentage (%)		
Collective assessment	<b>411,223,001.89</b>	100	<b>596,358.26</b>	0.15	<b>410,626,643.63</b>	389,701,521.01	100.00	129,013.48	0.00	389,572,507.53

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Accounts receivable (Continued)

- (4) Movements of provisions for bad and doubtful debts

	2022	2021
Balance at the beginning of the year	129,013.48	244,028.10
Additions during the year	467,344.78	–
Recoveries or reversals during the year	–	(115,014.62)
Balance at the end of the year	596,358.26	129,013.48

- (5) Five largest accounts receivable by debtor at the end of the year:

The five largest accounts receivable of the Company amounted to RMB298,457,005.17, accounting for 72.58% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB0.

- (6) Derecognition of accounts receivable due to transfer of financial assets:

The Company has no accounts receivable derecognition due to transfer to financial assets this year (2021: none).

- (7) Assets and liabilities recognised due to the continuing involvement of accounts receivable transferred:

The Company does not transfer receivables this year and continues to involve in the formation of assets and liabilities (2021: none).

### 2. Other receivables

	Note	2022	2021
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	5,693,024.50	5,944,028.98
Total		10,682,984.50	10,933,988.98

- (1) Dividends receivable

Investee	2022	2021
Kuailu Company	4,989,960.00	4,989,960.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Other receivables (Continued)

(2) Others

(a) Others by customer type:

Customer type	2022	2021
Amounts due from related party	457,570.21	–
Amounts due from third party	21,147,811.19	21,856,385.88
Sub-total	21,605,381.40	21,856,385.88
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
<b>Total</b>	<b>5,693,024.50</b>	<b>5,944,028.98</b>

(b) The ageing analysis is as follows:

Ageing	2022	2021
Within 1 year (inclusive)	2,332,031.80	4,928,122.77
Over 1 year but within 2 years (inclusive)	2,524,514.02	237,769.54
Over 2 years but within 3 years (inclusive)	220,489.06	734,423.50
Over 3 years	16,528,346.52	15,956,070.07
Sub-total	21,605,381.40	21,856,385.88
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
<b>Total</b>	<b>5,693,024.50</b>	<b>5,944,028.98</b>

(c) Others by method of provisioning

Category	2022					2021				
	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Individual assessment	15,812,140.02	73.19	15,812,140.02	100.00	–	15,812,140.02	72.35	15,812,140.02	100.00	–
Collective assessment	5,793,241.38	26.81	100,216.88	1.73	5,693,024.50	6,044,245.86	27.65	100,216.88	1.66	5,944,028.98
<b>Total</b>	<b>21,605,381.40</b>	<b>100.00</b>	<b>15,912,356.90</b>	<b>73.65</b>	<b>5,693,024.50</b>	<b>21,856,385.88</b>	<b>100.00</b>	<b>15,912,356.90</b>	<b>72.80</b>	<b>5,944,028.98</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Other receivables (Continued)

(2) Others (Continued)

(d) *Movements of provision for bad and doubtful debts*

Provision for bad and doubtful debts	2022				2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	Total
Balance at the beginning of the year	100,216.88	-	15,812,140.02	15,912,356.90	100,216.88	-	15,812,140.02	15,912,356.90
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reverse to stage 2	-	-	-	-	-	-	-	-
Reverse to stage 1	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-
Recoveries or reversals during the year	-	-	-	-	-	-	-	-
Written-off during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	100,216.88	-	15,812,140.02	15,912,356.90	100,216.88	-	15,812,140.02	15,912,356.90

(e) *Others categorised by nature*

Nature of other receivables	2022	2021
Amounts of investment clearance	15,812,140.02	15,812,140.02
Petty cash	2,759,474.60	3,720,899.80
Other insignificant amounts	3,033,766.78	2,323,346.06
Sub-total	21,605,381.40	21,856,385.88
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
Total	5,693,024.50	5,944,028.98

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Other receivables (Continued)

(2) Others (Continued)

(f) Five largest others-by debtor at the end of the year

Debtor	Nature of the receivable	Balance at the end of the year	Ageing	Percentage of ending balance of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Yixing Highway Administration Department	Amounts of investment clearance	15,812,140.02	Over 3 years	73.19	15,812,140.02
Ping An of China Property and Casualty Insurance Co., Ltd.	Insurance premiums	149,843.90	Within 1 year	0.69	-
Wuxi China Resources Gas Co., Ltd.	Natural gas deposit	135,000.00	Over 3 years	0.62	-
Suzhou Power Supply Company of State Grid Jiangsu Province Electric Power Co., Ltd.	Electricity	132,400.00	Within 1 year	0.61	-
Suzhou Changlu Agricultural and Sideline Products Distribution Co., Ltd.	Deposits	124,383.28	1-2 years	0.58	-
Total		16,353,767.20		75.69	15,812,140.02

### 3. Other current assets

Item	2022	2021
Enterprise income tax in advance	27,526,057.39	-
Subsidiary transactions	2,810,455,992.39	3,277,474,000.63
Others	619,998.03	2,062,005.93
Total	2,838,602,047.81	3,279,536,006.56

### 4. Long-term equity investments

Item	2022			2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investments in subsidiaries	12,697,898,670.05	-	12,697,898,670.05	9,611,646,488.85	-	9,611,646,488.85
Investments in associates	7,451,254,731.71	-	7,451,254,731.71	7,029,300,299.87	-	7,029,300,299.87
Less: Provisions	-	-	-	-	-	-
Total	20,149,153,401.76	-	20,149,153,401.76	16,640,946,788.72	-	16,640,946,788.72

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 4. Long-term equity investments (Continued)

(1) Investments in subsidiaries:

Subsidiary	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Provision made during the year	Impairment at the end of the year
Guangjing Xicheng Company	2,125,000,000.00	-	-	2,125,000,000.00	-	-
Longtan Bridge	1,005,090,000.00	822,170,000.00	-	1,827,260,000.00	-	-
Ninghu International Company	732,310.87	-	-	732,310.87	-	-
Ninghu Investment Company	1,919,434,377.98	235,000,000.00	-	2,154,434,377.98	-	-
Ninghu Properties Company	500,000,000.00	-	-	500,000,000.00	-	-
Wufengshan Bridge	3,112,980,000.00	-	-	3,112,980,000.00	-	-
Yangtze River Management Company	50,000,000.00	-	-	50,000,000.00	-	-
Yangtze Commerce and Energy Company	100,000,000.00	-	-	100,000,000.00	-	-
Zhendan Company	423,910,000.00	-	-	423,910,000.00	-	-
Hanwei Company	374,499,800.00	-	-	374,499,800.00	-	-
YS Energy Company	-	2,029,082,181.20	-	2,029,082,181.20	-	-
<b>Total</b>	<b>9,611,646,488.85</b>	<b>3,086,252,181.20</b>	<b>-</b>	<b>12,697,898,670.05</b>	<b>-</b>	<b>-</b>

(2) Investments in associates

Investee	Balance at the beginning of the year	Movements during the year					Balance at the end of the year	Balance of provision for impairment at the end of the year
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits		
<b>Associates</b>								
Network Operation Company	27,236,426.33	-	-	2,757,857.61	-	-	-	29,994,283.94
Zijin Trust	1,966,115,135.79	-	-	167,692,251.33	(98,360.63)	(37,556,000.00)	-	2,096,153,026.49
Finance Company	682,500,636.31	-	-	38,707,375.00	-	(12,500,000.00)	-	708,708,011.31
Culture Media	71,504,311.98	-	-	6,121,891.88	-	-	-	77,626,203.86
Kuailu Company	28,740,219.61	-	-	265,928.70	-	-	-	29,006,148.31
Sundian R&B Company	111,707,608.75	-	-	37,196,040.48	-	-	-	148,903,649.23
Yuexin Ninghu Company	11,494,928.81	-	-	(310,225.86)	-	-	-	11,184,702.95
Yangtze Bridge Company	2,007,584,646.61	-	-	225,088,570.75	(3,743,295.51)	(34,190,139.60)	-	2,194,739,782.25
Suzhou Expressway Management	2,122,416,385.68	-	-	87,143,420.69	-	(64,620,883.00)	-	2,154,938,923.37
<b>Total</b>	<b>7,029,300,299.87</b>	<b>-</b>	<b>-</b>	<b>564,663,110.58</b>	<b>(3,841,656.14)</b>	<b>(138,867,022.60)</b>	<b>-</b>	<b>7,451,254,731.71</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 5. Operating income and operating costs

(1) Operating income and operating costs

Item	Note	2022		2021	
		Income	Cost	Income	Cost
Principal activities		<b>6,574,216,958.54</b>	<b>3,520,647,201.03</b>	7,828,369,363.53	3,842,837,113.80
Other operating activities		<b>122,197,253.83</b>	-	42,446,715.68	-
Total		<b>6,696,414,212.37</b>	<b>3,520,647,201.03</b>	7,870,816,079.21	3,842,837,113.80
Including: revenue from contracts with customers	XV.5(2)	<b>6,663,090,101.35</b>	<b>3,359,897,709.53</b>	7,688,515,915.54	3,685,940,950.79
Rental income		<b>33,324,111.02</b>	<b>160,749,491.50</b>	182,300,163.67	156,896,163.01

(2) Disaggregation of revenue from contracts with customers

Type of contract	2022	2021
By type of goods or services		
Toll road income	<b>5,479,148,759.80</b>	6,438,939,906.05
Ancillary services income	<b>1,061,744,087.72</b>	1,207,129,293.81
Advertising and others income	<b>122,197,253.83</b>	42,446,715.68
Total	<b>6,663,090,101.35</b>	7,688,515,915.54
By timing of transferring goods or services		
Revenue recognized at a point in time	<b>6,540,892,847.52</b>	7,646,069,199.86
Revenue recognized over time	<b>122,197,253.83</b>	42,446,715.68
Total	<b>6,663,090,101.35</b>	7,688,515,915.54

### 6. Investment income

Item	2022	2021
Income from long-term equity investments accounted for using equity method	<b>564,663,110.58</b>	552,035,987.05
Investment income from disposal of long-term equity investments	-	(1,230,578.75)
Income from long-term equity investments accounted for using cost method	<b>105,045,402.05</b>	62,942,229.96
Income from investments in other equity instruments during the holding period	<b>386,593,920.00</b>	234,765,260.00
Investment income from financial assets held for trading during the holding period	<b>100,604,570.80</b>	18,131,533.87
Investment income from disposal of financial assets held for trading	<b>60,096.46</b>	507,756.31
Interest income from loans	<b>73,134,741.72</b>	65,512,413.00
Total	<b>1,230,101,841.61</b>	932,664,601.44

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XVI. EXTRAORDINARY GAINS AND LOSSES IN 2022

Item	Amount	Note
(1) Disposal of non-current assets	25,731,786.68	Note 1
(2) Government grants recognised through profit or loss (excluding those having close relationships with the Group's operation and enjoyed in fixed amount or quantity according to uniform national standard)	31,982,996.77	Note 1
(3) Profit or loss of subsidiaries generated before the acquisition date of a business combination involving entities under common control	125,330,455.92	
(4) Changes in fair value of financial assets and liabilities held for trading and derivative financial assets and liabilities, and disposal of financial assets and liabilities held for trading, derivative financial assets and liabilities and other debt investments, other than those held for effective hedging related to normal operations	144,800,179.62	Note 1
(5) Custody fees received for entrusted operations	32,351,845.35	Note 1
(6) Other items that qualify as extraordinary gains and losses	13,595,265.73	Note 1
(7) Other non-operating income and expenses besides items above	(39,337,791.93)	Note 1
Sub-total	334,454,738.14	
(8) Tax effect	(40,056,503.31)	
(9) Effect on non-controlling interests after taxation	5,888,051.16	
Total	300,286,285.99	

Note 1: Extraordinary gain and loss items listed above are presented in the amount before taxation.

## XVII. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share" (2010 revised) issued by the CSRC and relevant accounting standards, the Group's return on net assets and earnings per share are calculated as follows:

Profit for the Reporting Period	Weighted average return on net assets (%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	11.23	0.7392	0.7392
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	10.33	0.6796	0.6796



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XVII. RETURN ON NET ASSETS AND EARNINGS PER SHARE (CONTINUED)

### 1. Calculation of earnings per share

- (1) Basic earnings per share

For the calculation of basic earnings per share, refer to Note V.56.

- (2) Basic earnings per share excluding extraordinary gains and losses

Basic earnings per share excluding extraordinary gains and losses is calculated by dividing consolidated net profit excluding extraordinary gains and losses attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2022	2021
Consolidated net profit attributable to ordinary shareholders	<b>3,724,115,165.87</b>	4,280,010,033.09
Extraordinary gains and losses attributable to ordinary shareholders of the Company	<b>300,286,285.99</b>	516,677,548.50
Consolidated net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	<b>3,423,828,879.88</b>	3,763,332,484.59
Weighted average number of ordinary shares outstanding	<b>5,037,747,500.00</b>	5,037,747,500.00
Basic earnings per share excluding extraordinary gains and losses (RMB/share)	<b>0.6796</b>	0.7470

- (3) Diluted earnings per share

For calculation of the diluted earnings per share, refer to Note V.56.

- (4) Diluted earnings per share excluding extraordinary gains and losses

During the Reporting Period, the Company does not have dilutive potential ordinary shares. Diluted earnings per share excluding extraordinary gains and losses is the same as basic earnings per share excluding extraordinary gains and losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## XVII. RETURN ON NET ASSETS AND EARNINGS PER SHARE (CONTINUED)

### 2. Calculation of weighted average return on net assets

(1) Weighted average return on net assets

Weighted average return on net assets is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2022	2021
Consolidated net profit attributable to ordinary shareholders	<b>3,724,115,165.87</b>	4,280,010,033.09
Weighted average amount of consolidated net assets	<b>33,156,536,783.37</b>	30,793,498,687.24
Weighted average return on net assets (%)	<b>11.23</b>	13.90

The calculation of the weighted average amount of consolidated net assets is as follows:

	2022	2021
Consolidated net assets at the beginning of the year	<b>32,042,387,869.42</b>	29,874,365,910.98
Effect of consolidated net profit attributable to ordinary shareholders of the Company	<b>3,724,115,165.87</b>	4,280,010,033.09
Effects on changes in fair value of investments in other equity instruments	<b>821,546,512.03</b>	(124,380,630.56)
Effects on cash dividends paid	<b>(2,317,363,850.00)</b>	(2,317,363,850.00)
Weighted average amount of consolidated net assets	<b>33,156,536,783.37</b>	30,793,498,687.24

(2) Weighted average return on net assets excluding extraordinary gains and losses

Weighted average return on net assets excluding extraordinary gains and losses is calculated by dividing consolidated net profit excluding extraordinary gains and losses attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2022	2021
Consolidated net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	<b>3,423,828,879.88</b>	3,763,332,484.59
Weighted average amount of consolidated net assets	<b>33,156,536,783.37</b>	30,793,498,687.24
Weighted average return on net assets excluding extraordinary gains and losses (%)	<b>10.33</b>	12.22



Jiangsu Expressway Company Limited

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