



Anhui Expressway Company Limited

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code: 0995

2022 ANNUAL REPORT



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Important Notice

1. **The Board of the Directors, the Supervisory Committee and the directors, supervisors and the senior management of the Company hereby warrant that the contents of the annual report are true, accurate and complete, and that there are no false accounts, misleading statements or significant omissions of information and jointly and severally accept the legal responsibility.**
2. **All the directors of the Company attended the Board meeting.**
3. **Ernst & Young Hua Ming LLP (PRC Auditor) and Ernst & Young (Hong Kong Auditor) have issued standard unqualified audit opinions on the consolidated financial statements of the Company.**
4. **Mr. Xiang Xiaolong, the Chairman, Mr. Tao Wensheng, responsible person for the accountant work and Mr. Huang Yu, manager of the Financial Department of the Company hereby confirm that the financial statements contained in this annual report are true, accurate and complete.**
5. **The profit appropriation plan or conversion to share capital from capital reserves plan for the period under review approved by the Board of Directors:**

The Company's net profit as shown on the 2022 financial statements prepared in accordance with the PRC accounting standards was RMB1,525,975 thousand. The Company's profit as shown on the 2022 financial statements prepared in accordance with the Hong Kong accounting standards was RMB1,514,040 thousand. As the statutory reserve fund has reached over 50% of the total share capital, no appropriation is required this year. Consequently, the profit from year 2022 available for distribution to shareholders was RMB1,525,975 thousand and RMB1,514,040 thousand in accordance with the PRC accounting standards and the Hong Kong accounting standards respectively. Pursuant to the relevant PRC regulations, the lower of the two amounts shall be the basis of distribution. Therefore, the profit available for distribution to shareholders for the year 2022 was RMB1,514,040 thousand. The Company recommended the payment of a final dividend of RMB912,235.50 thousand on the basis of RMB5.50 for every 10 shares (tax included) based on the total issued share capital of 1,658,610,000 shares at the end of 2022. In 2022, no conversions to share capital from capital reserves were made.

6. **The forward-looking risk statement**

The major risks have been concretely described in the report, please refer to Section III "Management Discussion and Analysis". The related future plan, development strategy and other forward-looking descriptions do not constitute commitments to the investors. The investors should invest rationally and pay attention to the investment risk.

Important Notice

7. Was there extraordinary use of funds by the controlling shareholder and its related parties?

No

8. Was there provision of guarantees in violation of specified decision-making procedure?

No

9. Whether more than half of the directors are unable to guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?

No

10. Major Risk Notice

The major risks have been concretely described in the report, please refer to the part of “Discussion and Analysis on Future Development of the Company” in Section III “Management Discussion and Analysis” for the possible risk factors and the corresponding tackling measures as set out in the discussion and analysis in respect of the future development of the Company.

11. Other

Unless otherwise specified, the amounts in this report are denominated in RMB.

In this report, if the sum of the sub-item values is inconsistent with the total number, it is due to rounding.

Section I Definitions

1. DEFINITIONS

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.

Definition of common words

“the Company”	Means	Anhui Expressway Company Limited
“the Group”	Means	Collectively the Company, its subsidiaries and associated companies
“ATHC” or “Anhui Transportation Holding Group”	Means	Anhui Transportation Holding Group Company Limited (formerly known as Anhui Expressway Holding Group Company Limited and Anhui Expressway Holding Corporation)
“Articles of Association”	Means	the articles of association of the Company
“Board”	Means	the board of directors of the Company
“China Merchants Highway”	Means	China Merchants Highway Network Technology Holding Company Limited (formerly known as China Merchants Hua Jian Highway Investment Company Limited)
“Company Law”	Means	the Company Law of the People’s Republic of China
“reporting period” or “Reporting Period”	Means	the year ended 31 December 2022
“SSE”	Means	Shanghai Stock Exchange
“SEHK” or “Hong Kong Stock Exchange”	Means	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Means	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

Section I Definitions

“Corporate Governance Code”	Means	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“SFO”	Means	Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong)
“Supervisor(s)”	Means	supervisor(s) of the Company
“Supervisory Committee”	Means	the supervisory committee of the Company
“Xuanguang Company”	Means	Xuanguang Expressway Company Limited
“Expressway Media”	Means	Anhui Expressway Media Company Limited
“Xin’an Financial”	Means	Anhui Xin’an Financial Group Company Limited
“Xin’an Capital”	Means	Anhui Xin’an Capital Operation Management Company Limited
“Xuancheng Transportation”	Means	Xuancheng Transportation Investment Group Company Limited(formerly known as Xuancheng Transportation Investment Company Limited)
“Ningxuanhang Company”	Means	Anhui Ningxuanhang Expressway Investment Company Limited
“Guangci Company”	Means	Xuancheng City Guangci Expressway Limited Liability Company
“Anqing Bridge Company”	Means	Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company
“Wantong Pawn”	Means	Hefei Wantong Pawn Company Limited
“Wantong Micro Credit”	Means	Hefei Wantong MicroCredit Company Limited
“HK Subsidiary”	Means	Anhui Expressway (H.K.) Limited

Section I Definitions

“Anlian Company”	Means	Anhui Anlian Expressway Company Limited
“Transportation Holding Capital”	Means	Anhui Transportation Holding Capital Investment Management Company Limited
“China Merchants Zhiyuan”	Means	Anhui Transportation China Merchants Zhiyuan Capital Investment Company Limited
“China Merchants Fund”	Means	Anhui Transportation China Merchants Industrial Fund (Limited Partnership)
“China Merchants Fund Management Company”	Means	Anhui Transportation China Merchants Investment Private Fund Management Company Limited
“Jinshi Merger and Acquisition Fund”	Means	Anhui Transportation Jinshi Merger and Acquisition Fund (Limited Partnership)
“Jinshi Equity Investment Fund” or “Jinshi Fund Phase II”	Means	Anhui Transportation Jinshi Equity Investment Fund Partnership (Limited Partnership)
“Jinshi Fund Management Company”	Means	Anhui Transportation Jinshi Private Fund Management Co., Ltd.
“Information Industry Company”	Means	Anhui Transportation Information Industry Company Limited
“Network Company” or “AENO”	Means	Anhui Expressway Network Operations Company Limited
“Guangxuan Company”	Means	Anhui Guangxuan Expressway Company Limited
“Yida Company”	Means	Anhui Province Yida Expressway Service Area Operating Management Company Limited
“Experiment Research Centre”	Means	Anhui Expressway Experiment Research Centre Co., Ltd.
“Design Institute”	Means	Anhui Transport Consulting and Design Institute Company Limited

Section II Corporate Profile and Main Financial Indicators

1. COMPANY INFORMATION

Official Chinese name of the Company	安徽皖通高速公路股份有限公司
Abbreviation (in Chinese)	皖通高速
English name of the Company	Anhui Expressway Company Limited
Abbreviation (in English)	Anhui Expressway
Legal representative of the Company	Xiang Xiaolong

2. CONTACT PERSON AND CONTACT DETAILS

	Secretary to the Board of the Company	Representative of Securities Affairs
Name	Wu Changming	Ding Yu
Contact address	520 Wangjiang West Road, Hefei, Anhui, the PRC	520 Wangjiang West Road, Hefei, Anhui, the PRC
Telephone	0551-65338697	0551-63738923、63738922、63738989
Fax	0551-65338696	0551-65338696
Email Address	wtgs@anhui-expressway.net	wtgs@anhui-expressway.net

3. INTRODUCTION OF BASIC INFORMATION

Registered address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Historical changes of the company's registered address	In 1996, the registered address of the Company was "219 Anqing Road, Hefei, Anhui Province"; In 2001, the registered address of the Company was changed to "669 Changjiang West Road, Hefei City, Anhui Province"; In 2009, the registered address of the Company was changed to "520 Wangjiang West Road, Hefei City, Anhui Province"
Office address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of office address	230088
Website of the Company	http://www.anhui-expressway.net
E-mail address of the Company	wtgs@anhui-expressway.net

Section II Corporate Profile and Main Financial Indicators

4. INFORMATION DISCLOSURE AND ADDRESSES FOR KEEPING REPORT

Newspapers for publishing report	China Securities Journal, Shanghai Securities News
Stock exchange websites for disclosure of annual report	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Addresses designated for keeping annual report	Shanghai Stock Exchange, 528 Pudong South Road, Shanghai Hong Kong Registrars Limited, 46th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong Company's head office at 520 Wangjiang West Road, Hefei, Anhui, the PRC

5. COMPANY STOCK INFORMATION

Stock Category	Stock Exchange	Stock Abbreviations	Stock Code	Stock Abbreviations before alteration
A Shares	Shanghai Stock Exchange	皖通高速	600012	—
H Shares	The Stock Exchange of Hong Kong Limited	ANHUIEXPRESSWAY	0995	—

6. OTHER RELATED INFORMATION

PRC Auditor (domestic)	Name	Ernst & Young Hua Ming LLP
	Office Address	16th Floor, Ernst & Young Building, Oriental Plaza, 1 Chang 'an Street, Dongcheng District, Beijing
Hong Kong Auditor (overseas)	Signing Accountant Name	Zhao Guohao, Zhao Wenjiao
	Name	Ernst & Young
	Office Address	27th Floor, Tower 1, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
PRC Legal Adviser	Signing Accountant Name	Ernst & Young
	Name	Anhui Huishang Lawyer's Office
	Office Address	9th floor, Building C, Zhongqiao Center, 1999 Qianshan Road, Shushan District, Hefei city
Hong Kong Legal Adviser	Name	Gallant
	Office Address	5th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong
Domestic share registrar	Name	China Securities Central Clearing and Registration Corporation, Shanghai Branch
	Office Address	36th Floor, China Insurance Mansion, 166, Lujiazui East Road, Shanghai
Overseas share registrar	Name	Hong Kong Registrars Limited
	Office Address	Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

Section II Corporate Profile and Main Financial Indicators

7. MAIN ACCOUNTING DATA AND FINANCIAL INDICATORS IN RECENT YEARS

Main accounting data and main financial indicators prepared in accordance with accounting principles generally accepted in the PRC (“the PRC Accounting Standards”) over the past three years

(1) Main Accounting Data

Unit: yuan Currency: RMB

Main Accounting Data	2022	2021	Change of the current period over the same period of last year (%)	2020
Revenue	5,206,366,427.90	3,920,958,228.02	32.78	2,933,817,467.59
Net profit attributable to shareholders of the Company	1,445,017,073.40	1,514,167,905.95	-4.57	869,255,860.02
Net profit after extraordinary items attributable to shareholders of the Company	1,424,748,352.88	1,362,706,570.12	4.55	837,680,756.25
Net cash flows from operating activities	1,937,699,977.46	2,097,060,846.01	-7.60	1,706,324,014.32

	As at the end of 2022	As at the end of 2021	Change of the current period over the same period of last year (%)	As at the end of 2020
Net assets attributable to shareholders of the Company	11,924,812,353.80	11,389,109,507.83	4.70	11,503,512,073.17
Total assets	21,303,368,819.17	19,920,862,968.50	6.94	20,762,733,435.38

Section II Corporate Profile and Main Financial Indicators

(2) Main Financial Indicators

Financial indicators	2022	2021	Change of the current period over the same period of last year (%)	2020
Basic earnings per share (RMB/share)	0.8712	0.9129	-4.57	0.5241
Diluted earnings per share (RMB/share)	0.8712	0.9129	-4.57	0.5241
Basic earnings per share after extraordinary items (RMB/share)	0.8590	0.8216	4.55	0.5050
Returns on net assets (weighted average) (%)	12.48	12.58	-0.1	7.74
Returns on net assets after extraordinary items (weighted average) (%)	12.30	11.32	0.98	7.46

Explanation of the company's main accounting data and financial indicators for the three years before the end of the reporting period

Applicable Not applicable

Summary of published results and of assets and liabilities prepared in accordance with accounting principles generally accepted in Hong Kong (“the Hong Kong Accounting Standards” or “HKFRS”) over the past five Years

Summary of Results

For the year ended 31 December

	2022	2021	2020	2019	2018
				Unit: '000	Currency: RMB
Revenue	5,206,366	4,029,476	2,714,269	4,640,431	3,875,803
Profit before income tax	1,977,818	2,116,190	1,245,972	1,550,142	1,537,528
Profit attributable to owners of the Company	1,445,457	1,511,965	916,104	1,089,855	1,115,361
Basic earnings per share (yuan)	0.8715	0.9116	0.5523	0.6571	0.6725

Section II Corporate Profile and Main Financial Indicators

Summary of assets and liabilities

As at 31 December

	Unit: '000 Currency: RMB				
	2022	2021	2020	2019	2018
Total assets	21,345,566	19,965,469	16,286,343	15,970,259	14,829,956
Total liabilities	7,808,394	7,985,646	4,334,693	4,360,855	4,200,849
Total net assets (deducting minority shareholders' interests)	11,958,153	11,424,654	11,314,457	10,778,299	10,118,674
Net assets per share (deducting minority shareholders' interests) (yuan)	7.2097	6.8881	6.8217	6.4984	6.1007

Note: the amounts for 2018 -2021 in the summary of results and summary of assets and liabilities were extracted from the Company's published audited financial statements.

8. MAJOR DIFFERENCE BETWEEN FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

(1) Difference of net profit and net assets attributable to shareholders of the Company between international accounting standards and the PRC Accounting Standards

Applicable Not applicable

(2) Difference of net profit and net assets attributable to shareholders of the Company between the Hong Kong Accounting Standards and the PRC Accounting Standards

	Unit: '000 currency: RMB			
	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount of current period	Amount of Previous period	Amount at the end of period	Amount at the beginning of the period
PRC Accounting Standards	1,445,017	1,514,168	11,924,812	11,389,110
Items and amount adjusted according to Hong Kong Accounting Standards:				
Valuation, depreciation/amortization and related deferred taxes	-2,203	-2,203	33,341	35,544
Withdrawal of security fund	2,643	0.00	0.00	0.00
Hong Kong Accounting Standards	1,445,457	1,511,965	11,958,153	11,424,654

Section II Corporate Profile and Main Financial Indicators

(3) Explanation on the major difference between financial statements prepared in accordance with PRC Accounting Standards and Hong Kong Accounting Standards

- (i) In order to issue and list H shares in Hong Kong, the toll roads, fixed assets and related land use rights were valued by a PRC certified public valuer and an international certified public valuer on 30 April and 15 August 1996 respectively and the results were included in the relevant prescribed statements and the financial statements prepared in accordance with HKFRS. As per the said valuation, the fair value valued by the international certified public valuer is higher than the PRC certified public valuer's result by RMB319,000,000. Such differences have impacts on the business performance (i.e. the depreciation and amortization figures of the highway franchise, fixed assets, and land use rights) and the related deferred tax effect of the Group and the Company, which have resulted in the above adjustments.
- (ii) In accordance with the Accounting Standards Interpretation for Business Enterprises No. 3 issued by the Ministry of Finance on 11 June 2009, the Group will include the safety production expenses drawn in accordance with the state regulations into the operating costs in the current year, while recognizing the special reserve and preparing the financial statements of Chinese accounting standards. There are no relevant items in the financial statements prepared under Hong Kong financial Reporting Standards and therefore there are differences.

9. MAIN FINANCIAL STATISTICS OF 2022 ON A QUARTERLY BASIS (IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

Unit: yuan Currency: RMB

	the first quarter (Jan.-Mar.)	the second quarter (Apr.-Jun.)	the third quarter (Jul.-Sep.)	the fourth quarter (Oct.-Dec.)
Revenue	966,250,859.11	1,850,001,505.14	1,168,872,488.46	1,221,241,575.19
Net profit attributable to shareholders of the Company	406,052,424.41	259,921,103.09	507,311,867.65	271,731,678.25
Net profit after extraordinary items attributable to shareholders of the Company	408,647,217.63	257,506,545.11	491,441,943.72	267,152,646.42
Net cash flows from operating activities	532,774,016.77	551,300,368.14	685,401,729.65	168,223,862.90

Explanation on the difference between quarterly information and information disclosed in regular reports

Applicable Not applicable

Section II Corporate Profile and Main Financial Indicators

10. EXTRAORDINARY ITEMS OF PROFIT/LOSS DEDUCTED AND AMOUNTS INVOLVED (IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

Unit: yuan Currency: RMB

Extraordinary items	Amount of 2022	Note (if applicable)	Amount of 2021	Amount of 2020
Gains and losses from disposals of non-current assets	8,652,365.46	Compensation for land expropriation of Jinzhai Road Rapid Transformation project	-5,565,361.84	-3,138,025.88
Government subsidies charged to the current gains/ losses,(excluding those closely related to the Company's normal operations, subsidized continuously in accordance with the applicable standards and incompliance with the government policies or regulations)	18,038,464.44	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Head quarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the income amount of construction funds subsidies of Hening Expressway and Gaojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) received in 2010 amortised in the reporting period, and governmental subsidies related to the financial subsidies of water supply, electricity supply, heating and property management and the job stabilization subsidies.	7,258,769.76	6,013,651.92
Current net profit and loss of subsidiaries arising from business combination under the same control from the beginning of the period to the merger date	0.00		116,644,437.26	-65,577,971.54
In addition to effective hedging business related to the normal business of the Company, investment returns from trading financial assets,derivative financial assets,profit or loss from changes in the fair value of the trading financial liabilities, derivative financial liabilities,and the disposal of trading financial assets, derivative financial assets, trading financial liabilities,derivative financial liabilities and other debt investments	613,562.50	The main reason is that the Company recognized the fair value change income of fund partnership and obtained the income of floating interest rate structural deposit	42,723,724.58	105,427,349.75
Reversal of impairment reserves of receivables and contract assets subject to independent impairment test	927,959.72		12,035,023.84	3,069,042.70
Other non-operating income and expenditure other than above	938,033.17		-316,248.09	-5,240,102.37
Subtract: Effect of income tax	6,032,986.06		16,362,691.97	9,379,596.16
Effects of minority shareholders' interests(Aftertax)	2,868,678.71		4,956,317.71	-400,755.35
Total	20,268,720.52		151,461,335.83	31,575,103.77

Section II Corporate Profile and Main Financial Indicators

For the non recurring profit and loss items defined by the company according to the definition of “Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public – Non recurring Profit and Loss”, as well as the non recurring profit and loss items listed in “Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public – Non recurring Profit and Loss” which are classified as recurring profit and loss items, the reasons should be explained.

Applicable Not applicable

11. ITEMS IN FAIR-VALUE MEASUREMENT

Unit: yuan Currency: RMB

Items	Amount at the beginning of the period	Amount at the end of the period	Change	Amount affecting profit
Trading financial assets – structured deposits	0.00	0.00	0.00	6,496,094.52
Other equity instrument investments	115,138,026.96	115,508,872.92	370,845.96	0.00
Other non-current financial assets	304,212,566.98	711,599,384.62	407,386,817.64	-5,882,532.02
Total	419,350,593.94	827,108,257.54	407,757,663.60	613,562.50

12. OTHER

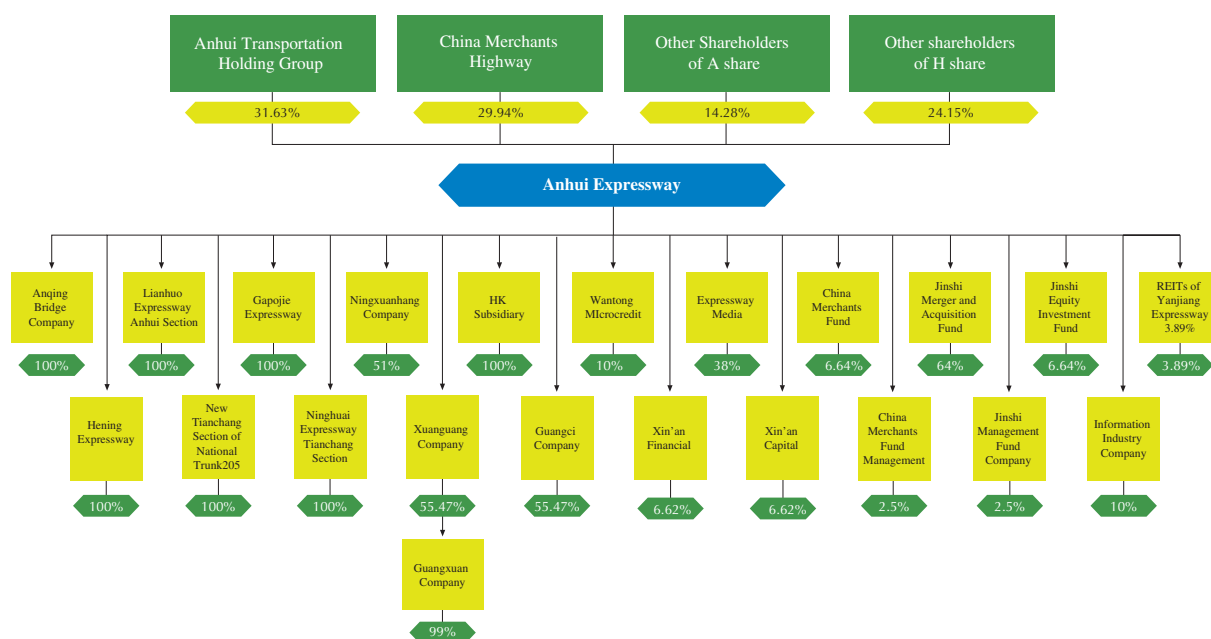
The Company was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People’s Republic of China (the “PRC”). At present, the registered capital of the Company is RMB1,658,610,000.

The Company is principally engaged in the operation and management of toll expressways and relevant business.

Section II Corporate Profile and Main Financial Indicators

The Company is the first PRC highway company listed in Hong Kong. It is also the only listed highway company in Anhui Province. On 13 November 1996, H Shares issued by the Company were listed on The Stock Exchange of Hong Kong Limited (Stock code: 0995). On 7 January 2003, A Shares issued by the Company were listed on Shanghai Stock Exchange (Stock code: 600012).

As of 31 December 2022, the structure of the Company, its subsidiaries and associated companies (the “Group”) is as follows:



Section III Management Discussion and Analysis

I. MANAGEMENT DISCUSSION AND ANALYSIS

During the reporting period, in the face of multiple unexpected factors, new situations, risks, and challenges, as well as the arduous task of reform, development, and stability, the Company conscientiously implemented various decisions and deployments, actively improved internal operating mechanisms, and worked hard with one heart to achieve good results throughout the year.

1. Operation management to achieve new improvement

The Ningxuanhang Expressway connects Anhui, Jiangsu and Anhui and Zhejiang provinces smoothly, and the toll collection of Ninghuai Expressway Tianchang section is transferred back to Anhui network. The PPP project of Xuanguang reconstruction and expansion was implemented smoothly, which effectively improved the Company's sustainable operation ability; Actively participated in the subscription of Anhui Transportation Holding Group Yanjiang Expressway REITs project to further improve the Company's comprehensive profitability; The bridge tolls of small passenger cars in Chizhou and Anqing of Anqing Yangtze River Bridge were reduced through government purchase service, making the public travel more convenient. An integrated AI audit platform has been built to promote intelligent and accurate audit.

2. Road maintenance has reached a new level

The technical status monitoring of Anhui Region of the national Highway Network in 2022 has been successfully completed. The maintenance and management achievements and highlights have won high evaluation from the monitoring group, and the technical status of the road network has been praised by the Ministry of Transport. We have carried out high-quality ministry and provincial special actions such as "Implementation of the Health Monitoring System for long Highway Bridges", effectively improving the safe operation of highway facilities. Vigorously promoted scientific and technological innovation and green maintenance technology, completed the establishment of typical maintenance demonstration projects; Improved the station park sewage treatment facilities, upgrade or connect to the municipal sewage network, water pollution treatment capacity along the highway has achieved obvious results.

3. New achievements have been made in road network safety management and control

During the reporting period, the standardization of highway operation safety was comprehensively promoted. Prepared emergency contingency plan, form a comprehensive and six special plan system, and complete the review, release and filing; Adhering to the multi-party joint logistics, taking the lead in undertaking comprehensive emergency drills such as the smooth operation of the reconstruction and expansion sections and the disposal of tunnel explosion accidents, the emergency response capability has been significantly enhanced. Complete the management of all kinds of road hidden dangers, and effectively improve the safety and smoothness of the road network.

4. Travel services have advanced to a new level

Successfully released and promoted the travel service system of Beautiful Expressway Network, forming a service pattern of "one system, three supports, five carriers and 100 working methods", and promoting the extension of smiling service from "small window" to "big service". Volunteer service with the theme of "Warm Traffic and Full Journey" has been actively carried out, and the service quality and efficiency have been significantly improved. More and more drivers have praised the "Anhui Expressway".

Section III Management Discussion and Analysis

5. New achievements in corporate governance

During the reporting period, with the “Year of Compliance Management Construction” as the carrier, the “Guidelines for Special Compliance in Key Areas” and other construction achievements were formed. 79 systems such as the Articles of Association, the Rules of Procedures of General Meetings, and the Rules of Procedures of the Board of Directors and the Rules of Procedures of the Supervisory Committee were revised. We completed the revision of the articles of association of four subsidiaries, and gradually improved corporate governance. We completed the revision and update of the “three in one” internal control manual, and issued the “Internal Control System Evaluation and Update Operating Procedures”, and significantly enhanced the ability of risk prevention and resolution. The Company has successfully won the “Top 100 Profitability Index of Listed Companies in China in 2021”, the “Top 100 Best Management and Operation Award in China”, and the “Advanced Rule of Law Work Unit in Highway Industry in 2022”.

6. Reform and optimization to stimulate new vitality

The three-year action tasks of state-owned enterprise reform, such as the regionalization reform of operating units, have been completed. Successfully completed the liquidation and cancellation of Wantong Pawn, and further optimized the Company’s industrial structure; the reform of the three systems continues to deepen, and the tenure system of managers and the high standard of contractual management are fully covered. It signed a strategic cooperation agreement with the Advanced Research Institute of the University of Science and Technology, revitalized the Wantong Science and Technology Park, and opened a new chapter of cooperation between enterprises and institutes with multi-factor integration links and innovation-driven development.

7. Analysis of the current development situation

2023 is the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China and the key year to achieve the strategic objectives of the 14th Five-Year Plan. The Company should bear in mind the “great power of the country”, shoulder the “responsibility of the main business”, implement all decisions and arrangements unambiguously and to the letter, make steady progress, boost confidence, focus on “striving for the economy with all its strength”. Firmly grasp the important strategic opportunity period, steadfastly practice the social responsibility and economic development responsibility of state-owned enterprises, and promote all work to achieve effective improvement in quality and reasonable growth in quantity.

On the one hand, we should make full use of the good opportunities and favorable conditions for the development of the Company. National strategy: the in-depth promotion of the national development strategy of “Yangtze River Delta Integration” will bring new impetus to the development of related industries and provide new opportunities for the development of the Company. Starting the action of value creation for world-class enterprises, state-owned enterprises propose to highlight efficiency and efficiency, focus on indicators such as total labor productivity and return on net assets, and focus on improving quality, efficiency and steady growth, which will help to further stimulate the Company’s endogenous power and vitality. The continuous advancement of financial reform, the orderly opening of financial market access, and the government's measures to increase the development of multi-level capital market for enterprises have opened up the space for capital operation for companies. Industry policies: with the introduction and implementation of a series of policies and measures such as the Outline for Building a Strong Transportation Country and the Action Plan for Promoting the Development of Comprehensive Transportation Big Data (2020–2025), the focus of transportation has been upgraded to intelligent, digital and convenient development, which provides a huge development space for the Company to expand the scale of its main business and promote transformation and upgrading in the

Section III Management Discussion and Analysis

future. Industrial development: a new round of deep integration of industrial technology development and transportation is accelerating the transformation and upgrading of the transportation industry. The rapid development of 5G, artificial intelligence, big data, Internet of Things, blockchain and other technologies has given birth to new business models and application scenarios, accelerated the ecological development of intelligent transportation, automatic driving and other industries, and provided new opportunities for the Company to improve the level of operation and management informatization and develop related industries. In the aspect of deepening reform, the reform of state-owned enterprises achieved remarkable results, effectively consolidated work responsibilities, strengthened follow-up supervision, ensured that all tasks were completed on time and with good quality, and continuously stimulated the development vitality of the Company by improving the mechanism of “horse racing” and incompetent withdrawal.

On the other hand, we should be aware of the problems and challenges facing the Company. In terms of macro environment, the international environment is more turbulent, the global economic growth is expected to further decline, geopolitical conflicts make the contradictions and confrontations among major economies more prominent, and the domestic economic operation is also facing greater pressure. Relevant policies: more than 90% of the operating income of the Company comes from the toll income, which is greatly affected by the policy; the “Toll Road Management Regulations” has not yet been promulgated after years of revision, which brings many uncertainties to the toll period, operation, reconstruction and expansion of expressways. At the same time, the continuous increase of policy relief, the cancellation of provincial border toll stations on expressways, and the opening of the new national road network system have put forward new requirements for the operation of expressways, and the network audit and toll evasion stoppage have posed greater challenges for the Company to control operational risks and achieve high-quality development. Self-development: the Company’s main road production has entered a mature period, the growth of traffic volume has slowed down, and the growth of the main business has slowed down. Although some sections have extended the toll period through reconstruction and expansion, there are still main sections facing the approaching expiry of toll period, and sustainable development is facing major challenges. The Company’s assets are small in scale and the asset structure is relatively single, which limits the Company's performance growth potential and capital operation space, and the internal tapping potential and transformation and upgrading of the main business are facing a test.

II. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

From the perspective of historical development stage, with the maturity and perfection of the road network, the highway in the PRC has entered the stable development period. By the end of 2022, the national highway mileage has reached 177,000 kilometers.

Currently, the expressway industry has progressed beyond the stage of extensive construction and has gradually moved to a stage of quality enhancing and network improving. The expressway construction will focus on intensification of parallel sections, connection of regional expressways, popularization of smart and intelligence traffic and industrialization of traffic information in the future. From the perspective of subject distribution, due to differences in regional economy, passenger and freight source structure, and toll standards, there are differences in the traffic flow and toll income of listed companies on various highways. From the perspective of development level, highway listed companies have basically entered a stage of mature main business operations and stable performance growth. From the perspective of road network structure, the road network in the eastern provinces is currently relatively complete, while there is still room for investment and construction in the central and western provinces. From the perspective of the progress of diversified transformation, all listed companies on highways are facing the problem of decreasing toll terms year by year, but there are significant differences in the strategic development direction of listed companies on highways in different provinces.

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The major listed companies in the same industry and their financial indicators are shown in the following table:

Unit: '00,000,000 Currency: RMB

Stock code	Paper titles	Total assets	Net assets	Asset liability ratio (%)	Revenue	Year-on-year growth of revenue (%)	Net profit	Year-on-year Growth of net profit (%)	Return on net assets (%)	Price earning ratio
600012.SH	Anhui Expressway	215.88	116.51	39.76	39.85	35.97	11.73	-5.21	10.17	7.32
000429.SZ	GPED A	187.86	89.42	39.58	32.88	-17.26	11.92	-14.53	13.30	9.10
000548.SZ	Hunan Investment	31.16	18.49	40.64	2.45	-10.02	0.24	-37.79	1.28	40.41
000755.SZ	Shanxi Road Bridge	128.62	44.63	65.30	12.04	-1.59	3.60	6.81	8.41	18.65
000828.SZ	Dongguan Development	245.56	104.73	42.09	25.31	128.07	7.15	-9.19	7.55	10.27
000885.SZ	City Development Environment	247.18	63.34	70.70	42.33	18.12	8.31	9.82	13.92	7.34
000900.SZ	Modern Investment	577.67	119.97	76.13	95.82	-25.28	4.51	-24.47	3.95	9.44
001965.SZ	China Merchants Highway	1155.26	592.37	42.59	55.16	-7.99	36.44	-9.40	6.20	9.42
600020.SH	Zhongyuan Expressway	496.50	136.73	72.40	63.91	53.03	4.04	-47.56	3.11	8.71
600033.SH	Fujian Expressway	168.37	106.74	22.60	20.54	-7.80	7.32	2.65	6.93	9.00
600035.SH	Chutian Expressway	180.20	74.04	53.65	22.05	-7.10	6.35	1.26	8.81	6.92
600106.SH	Chongqing Road Bridge	68.37	43.95	35.72	0.91	-26.38	1.39	-39.13	3.11	24.17
600269.SH	Ganyue Expressway	352.15	168.06	46.90	44.12	6.44	6.90	14.43	4.17	8.48
600350.SH	Shandong Expressway	1322.61	403.06	61.52	120.89	20.82	22.78	-1.81	5.88	8.59
600368.SH	Wuzhou Traffic	97.36	55.80	43.39	11.07	-20.70	4.59	-21.65	8.42	5.57
600377.SH	Ninghu Expressway	766.77	313.61	51.44	94.85	23.83	31.09	-19.11	10.10	8.67
600548.SH	Shenzhen Expressway	699.52	220.95	60.72	66.46	0.30	20.13	4.55	8.61	6.66
601107.SH	Sichuan Expressway	421.03	176.83	55.41	60.29	-4.48	6.42	-31.33	3.67	6.23
601188.SH	Longjiang Traffic	50.90	45.50	6.70	3.47	-18.73	1.60	-7.34	3.54	22.70
601518.SH	Jilin Expressway	61.31	43.96	22.97	8.31	2.69	3.18	20.50	7.48	10.98
	Arithmetic mean	373.71	146.93	47.51	41.14	7.10	9.99	-10.43	6.93	11.93
	Media	230.72	105.74	45.14	36.37	-3.03	6.66	-8.26	7.20	8.85

Note: Source from Wind, and the information were as at 30 September 2022.

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III. PRINCIPAL BUSINESS ENGAGED BY THE COMPANY DURING THE REPORTING PERIOD

The Company was incorporated in Anhui province, the People's Republic of China on 15 August 1996. It is the first highway company listed in Hong Kong and the only listed highway company in Anhui province. On 13 November 1996, 493.01 million H shares issued by the Company were listed on the Stock Exchange of Hong Kong Limited. On 7 January 2003, 250 million A-shares issued by the Company were listed on the Shanghai Stock Exchange. As of 31 December 2022, the total share capital of the Company is 1,658,610,000 shares with a par value of RMB1 per share.

The principal business of the Company include investment, construction, operation and management of toll roads within Anhui province. The Company acquires operating expressway assets through various means such as investment and construction, acquisition or co-operative operation. The Company provides toll service for vehicles, collects vehicles toll according to the charging standard and maintains, repairs and carries out safety maintenance for the operating expressways. Toll roads are large-scale transportation infrastructures with long payback cycle, the characteristics is capital intensive, the investment return period is long and the income is relatively stable.

The Company owns all or part of the toll road equity in Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section, Lianhuo Highway Anhui Section (G30 Lianhuo Expressway Anhui Section), Ningxuanhang Expressway, Anqing Yangtze River Expressway Bridge and Yuewu Expressway Anhui section etc., all of which are located in Anhui Province. As of 31 December 2022, the Company has 609 kilometers of operating highway with total assets of about RMB21,303,369 thousand. Moreover, the company also provides entrusted management services for Anhui Transportation Holding Group and other highway property rights entities in the province. As of now, the total mileage of highways managed by the company has reached 5,039 kilometers.

IV. ANALYSIS ON CORE COMPETENCY DURING THE REPORTING PERIOD

The Company was founded in 1996, and is the first PRC expressway company listed in Hong Kong, and also the only listed highway company of Anhui province.

1. After nearly 27 years of development, the Company has gradually explored a mature highway management system, forming a series of advantages such as funding, capital structure, and governance system. It has the characteristics of low management costs, good service quality, and high operational efficiency.
2. The transportation infrastructure concession is the core business of the Group. Our operating region is located in Anhui province, having superior geographical location and the geographical advantages. Our road sections are major transit national trunks across Anhui regions. With the implementation of the Yangtze River Delta integration national strategy and the Yangtze River Economic Belt development strategy, the network economic efficiency of the roads managed by the Group shall become more apparent.

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3. The performance of the Group remains outstanding and stable, with high credit rating, low debt to assets ratio and strong solvency. At the same time, the operation of the Group is steady, and the outcomes of management on relations with investors are significant with a higher degree of concern in the capital market, resulting in a sound guarantee for future development by equity financing, continuous improvement in financing structure, and further expansion with the help of capital market.
4. Since its listing, the Company has shown a corporate image of openness and integrity to investors with information disclosure that is sufficient, fair and in compliance with relevant regulations, and has gained a good social response and influence in the PRC and overseas through active investor relationship management. Our persisting long-term high cash dividend ratio policy also gains favor and support from market and investors. The Company has a stable investor foundation and good market image in the domestic and overseas capital market.

V. MAJOR OPERATION STATUS DURING THE REPORTING PERIOD

During the reporting period, in accordance with PRC Accounting Standards, the Group achieved a total operating revenue of RMB5,206,366 thousand (2021: RMB3,920,958 thousand), representing an increase of 32.78% over the corresponding period of the previous year; total profit of RMB1,976,932 thousand (2021: RMB2,119,127 thousand), representing a decrease of 6.71% over the corresponding period of the previous year; net profit attributable to shareholders of the Company of RMB1,445,017 thousand (2021: RMB1,514,168 thousand), representing a decrease of 4.57% over the corresponding period of the previous year; basic earnings per share of RMB0.8712 (2021: RMB0.9129), representing a decrease of 4.57% over the corresponding period of the previous year. The increase in operating revenue was mainly due to the Company's confirmation of a construction service revenue of 1.417 billion yuan for the Xuanguang renovation and expansion PPP project during the reporting period.

During the reporting period, in accordance with the Hong Kong accounting standards, the Group achieved a total revenue of RMB5,206,366 thousand (2021: RMB4,029,476 thousand), representing an increase of 29.21% over the corresponding period of the previous year; The profit before income tax was RMB1,977,818 thousand (2021: 2,116,190 thousand), representing a decrease of 6.54% compared to the same period last year; The profit attributable to equity owners of our company was RMB1,445,457 thousand (2021: RMB1,511,965 thousand), a decrease of 4.40% compared to the same period last year; The basic earnings per share were RMB0.8715 (2021: 0.9116), a decrease of 4.40% compared to the same period last year. The increase in operating revenue was mainly due to the Company's confirmation of a construction service revenue of 1.417 billion yuan for the Xuanguang renovation and expansion PPP project during the reporting period.

Operations of toll highways

During the Reporting Period, affected by uncontrollable factors and the 10% reduction of truck toll in the fourth quarter, the Group achieved a toll income of RMB3,676,379 thousand in total (2021 : RMB3,831,092 thousand), representing a decrease of 4.04% over the corresponding period of the previous year.

Starting from 12 July 2016, truck drivers holding an Anhui transportation card to travel via the expressways in the province would be entitled to 15% discount in toll, which attracted some truck drivers to choose to travel via expressway; In October 2018, Anhui Provincial Department of Transportation issued the “Notice on Adjustment of Preferential Period for Truck Toll”, extending the end date for such preferential policies from 11 July 2019 to the end of 2020.

On 31 December 2020, with the approval of the provincial government, the Anhui Provincial Transport Department, Anhui Provincial Development and Reform Commission and Anhui Provincial Finance Department issued the “Notice on Relevant Matters of Toll Rates of Toll Roads in Anhui Province” (Wan Jiao Lu [2020] No. 162)* (《關於我省收費公路車輛通行費有關事項的通知》(皖交路[2020]162號)), which became effective from 1 January 2021. The term for the preferential policy whereby trucks with Anhui transportation cards could enjoy 15% discount on toll is temporarily extended for another three years (from 1 January 2021 to 31 December 2023).

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During the Reporting Period, with various policies and measures of exemption being implemented continuously, the amounts of exemption totaled RMB639 million, of which:

The amount of exemption in Green Channel was approximately RMB153 million with over 195 thousand vehicles being exempted;

The amount of exemption on holidays was RMB127 million with over 2,960.7 thousand vehicles being exempted;

The amount of ETC discounts for the year was approximately RMB273 million. Among them, the amount of preferential reduction and exemption of Anhui transportation card for trucks was RMB174 million, accounting for 63.74% of the total amount of preferential reduction and exemption of ETC;

Other amounts of exemption amounted to approximately RMB86 million.

Furthermore, the operating performance of toll highways are also affected by other factors, including the changes in competing or collaborative neighboring road networks and renovation and expansion of connected or parallel roads, and the extent of such impact will depend on each single road project.

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		2022	2021	Change (%)	2022	2021	Change (%)
Hening Expressway New Tianchang Section of National Trunk 205	100%	32,653	36,141	-9.65	1,197,057	1,199,593	-0.21
Gaojie Expressway	100%	5,771	6,415	-10.04	71,583	64,281	11.36
Xuanguang Expressway	100%	24,964	23,999	4.02	926,406	892,614	3.79
Xuanguang Expressway Lianhuo Expressway	55.47%	23,929	30,190	-20.74	544,333	676,623	-19.55
Anhui Section	100%	15,731	17,854	-11.89	254,062	260,012	-2.29
Ninghuai Expressway Tianchang Section	100%	35,183	40,823	-13.82	113,021	114,458	-1.26
Guangci Expressway	55.47%	30,878	38,350	-19.48	117,258	141,757	-17.28
Ningxuanhang Expressway	51%	4,068	4,537	-10.34	94,124	114,213	-17.59
Anqing Yangtze River Expressway Bridge	100%	28,534	27,584	3.44	336,807	351,224	-4.10
Yuewu Expressway Anhui Section	100%	7,942	7,698	3.17	133,370	132,475	0.68
Total		/	/	/	3,788,021	3,947,250	-4.03

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Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer per day(RMB)		
		2022	2021	2022	2021	Change(%)
Hening Expressway	100%	67:33	70:30	24,475	24,527	-0.21
New Tianchang Section of National Trunk 205	100%	28:72	36:64	6,537	5,870	11.36
Gaojie Expressway	100%	55:45	54:46	23,074	22,232	3.79
Xuanguang Expressway	55.47%	66:34	68:32	17,754	22,069	-19.55
Lianhuo Expressway Anhui Section	100%	59:41	67:33	12,890	13,192	-2.29
Ninghuai Expressway Tianchang Section	100%	76:24	80:20	22,118	22,399	-1.26
Guangci Expressway	55.47%	65:35	69:31	22,947	27,741	-17.28
Ningxuanhang Expressway	51%	73:27	75:25	2,204	2,674	-17.59
Anqing Yangtze River Expressway Bridge	100%	63:37	62:38	153,793	160,376	-4.10
Yuewu Expressway Anhui Section	100%	62:38	64:36	7,943	7,890	0.68

Notes:

1. The above traffic volume does not include the data of small passenger cars in non-ETC lanes on major holidays, except for the New Tianchang Section of National Trunk 205 and the Tianchang section of the Ninghuai Expressway.
2. The toll income data above are tax included, of which the data of Anqing Yangtze River Expressway Bridge during the Reporting Period include the portion of government financial subsidies received.
3. The traffic data mentioned above are provided by Anhui Expressway Network Operations Company Limited.

During the Reporting Period, due to uncontrollable factors and various relief policies, except for Gaojie Expressway, New Tianchang Section of National Trunk 205, and Anhui Section of Yuewu Expressway, the toll revenue of other road sections of the Company decreased as compared to last year, the details are as follows:

Hening Expressway

During the Reporting Period, due to the construction of Jinzhai Road municipal crossing, the Jinzhai Road toll station was closed for construction from May 2022 until the end of 2022, which had an impact on the decline in the benefits of Hening Expressway. After the entire line of Chuhe River Bridge was opened to traffic at the end of June 2022, it brought certain benefits to the growth of traffic flow.

New Tianchang Section of National Trunk 205

During the Reporting Period, due to the revenue growth of National Trunk 205 in the second half of the year, the annual revenue showed a growth trend. At the end of June 2022, the County Road X101 (the kilometer sign is now X129) parallel to National Trunk 205 was closed for construction. After the completion of the construction, the local town government reopened the height limit gantry at the end of August to prohibit the passage of large trucks and buses. Such vehicles returned to National Trunk 205, resulting in a significant increase in single vehicle revenue. In the second half of the year, revenue increased by 48% year-on-year, which is the main reason for the annual revenue growth.

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Tianchang Section of Ninghuai Expressway

During the Reporting Period, the proportion of trucks in Tianchang Section of Ninghuai Expressway increased compared to 2021, resulting in a slight decrease in revenue in 2022 compared to 2021. In addition, the closure for construction of Tianchang toll station for 20 days in November and the opening of Chutian Expressway in December have had a certain impact on the revenue of Ninghuai Expressway.

Anhui Section of Lianhuo Expressway

During the Reporting Period, after the opening of National Highway 310 and National Highway 311 in 2020 and 2021, they were parallel to Lianhuo Road, which had a significant impact on the traffic flow in Lianhuo. In addition, Provincial Highway 101 (Huaibei Xuzhou section) was constructed and transformed into Xuhuai Express Passage. By July 2022, it was ready for traffic with good road conditions, which had a diversion impact.

Gaojie Expressway

As a component of the national road network G50 Shanghai-Chongqing Expressway, Gaojie Expressway is an important east-west transit passage in our province. During the 2022 Spring Festival, the number of migrant workers returning home from Jiangsu, Zhejiang, and Shanghai increased significantly, resulting in a sustained increase in passenger traffic, which led to the improvement of the overall benefits of this section. Since May 2022, the maintenance of the Qianshan Taihu Lake section of National Highway 105 has started, which has led to the change of vehicles passing through the national highway to high-speed traffic, with a small increase in the flow of motor vehicles.

Xuanguang Expressway and Guangci Expressway

Xuanguang Expressway and Guangci Expressway are part of the national highway network G50 Shanghai-Chongqing Expressway. Due to factors such as the completion of the reconstruction and maintenance of part of the pavement of County Highway 018 (formerly National Highway 318), the reconstruction and expansion of upstream Wuhe Expressway, and the maintenance of important bridges, they have promoted the multi-path traffic selection of vehicles, resulting in a decrease in the traffic volume of Xuanguang Expressway and Guangci Expressway.

Ningxuanhang Expressway

Affected by the implementation of yellow label truck prohibition measures on National Highway 329, which is connected to the Ningqian Section of the Ningxuanhang Expressway, it has a negative impact on the traffic flow and efficiency of the Ningxuanhang Expressway. Affected by the opening of the entire Anhui Jiangsu section of the Ningxuanhang Expressway on September 10th, the traffic volume and benefits of the Lixuan section have steadily increased.

Anqing Yangtze River Highway Bridge

During the Reporting Period, due to the impact of the reconstruction and expansion of the Mayan Junction to Tongcheng South Section of the He'an Expressway, some vehicles heading towards Anqing chose to use the national highway. In addition, the phased preferential policies for trucks implemented in the fourth quarter had a significant impact on the bridge section where truck toll income accounted for a relatively high proportion.

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Anhui Section of Yuewu Expressway

Yuewu Expressway, as a component of the national road network G4221 Shanghai-Wuhan Expressway, is an important east-west transit channel in our province. During the 2022 Spring Festival, the return of migrant workers led to a steady increase in passenger traffic, and freight logistics also showed a certain growth trend along with the economic recovery of cities along the line.

(I) Analysis of Principal Business (in accordance with the PRC Accounting Standards)

1. Analysis of changes in certain items in the consolidated income statement and the consolidated cashflow statement

Unit: yuan Currency: RMB

Item	Amount for the reporting period	same period last year	Increase/decrease (%)
Operating revenue	5,206,366,427.90	3,920,958,228.02	32.78
Operating cost	2,954,908,113.88	1,580,675,885.96	86.94
Administration cost	164,245,692.57	136,788,616.01	20.07
Finance cost	144,266,040.81	170,616,569.58	-15.44
Net cash flows from operating activities	1,937,699,977.46	2,097,060,846.01	-7.60
Net cash flows from investing activities	-2,477,041,910.04	200,183,936.09	N/A
Net cash flows from financing activities	83,272,264.97	-911,044,888.59	N/A

Reason for the change of operating revenue: due to the fact that the Group's inclusion of the construction service revenue of Xuanguang Expressway reconstruction and expansion PPP project into the revenue during the Reporting Period and the decrease in toll income during the Reporting Period;

Reason for the change of operating cost: due to the fact that the Group's inclusion of the construction service cost of Xuanguang Expressway reconstruction and expansion PPP project into the operating cost during the Reporting Period;

Reason for the change of administration cost: due to the change of the number of managerial positions and the adjustment of the social security base ;

Reason for the change of finance cost: due to the consolidation of Anqing Bridge Company into the Group, which resulted in the decrease in interest expenses outside the Group;

Reason for the change of net cash flows from investing activities: due to the Group's capital expenditure for the construction service revenue of Xuanguang Expressway reconstruction and expansion PPP project during the Reporting Period.

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Reason for the change of net cash flows from financing activities: due to a decrease in the payment for the purchase of share capital of Anqing Bridge Company compared to the same period of last year.

Detailed explanation of major changes in the company's business type, profit composition or profit source during the current period

Applicable Not applicable

2. Analysis on Revenue and Costs

(1) Principal businesses in terms of industries, products and regions

Unit: yuan Currency: RMB

In terms of industries	Operating revenue	Operating cost	Principal businesses in terms of industries			
			Gross profit rate (%)	Change in operating revenue (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year)
Expressway business	3,719,922,926.67	1,512,778,563.28	59.33	-3.78	-2.42	A decrease of 0.57 percent point
Construction period revenue/cost	1,417,554,294.72	1,417,554,294.72	0.00	N/A	N/A	N/A
In terms of products	Operating revenue	Operating cost	Principal businesses in terms of products			
			Gross profit rate (%)	Change in operating revenue (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year)
Hening Expressway	1,179,195,915.58	464,254,035.50	60.63	-0.26	0.74	A decrease of 0.38 percent point
Gaojie Expressway	910,203,163.41	189,768,937.15	79.15	3.68	-3.53	An increase of 1.56 percent point
Lianhuo Expressway Anhui Section	248,813,982.90	127,189,131.55	48.88	-2.29	-15.20	An increase of 7.78 percent point
Ninghuai Expressway Tianchang Section	111,971,309.59	48,290,897.86	56.87	-1.30	-4.44	An increase of 1.42 percent point
New Tianchang Section of National Trunk 205	68,173,921.30	38,174,935.93	44.00	11.36	-9.11	An increase of 12.61 percent point
Xuanguang Expressway	528,478,868.66	140,831,519.88	73.35	-19.55	-1.29	A decrease of 4.93 percent point
Guangci Expressway	115,557,269.28	21,338,094.05	81.53	-16.04	12.59	A decrease of 4.70 percent point
Ningxuanhang Expressway	99,553,146.87	274,853,457.97	-176.09	-10.22	5.29	A decrease of 40.67 percent point
Anqing Bridge	326,997,686.66	63,742,294.50	80.51	-4.10	7.08	A decrease of 2.03 percent point
Yuewu Expressway Anhui section	130,977,662.42	144,335,258.88	-10.20	0.67	-14.11	An increase of 18.95 percent point
Construction period revenue/cost	1,417,554,294.72	1,417,554,294.72	0.00	N/A	N/A	N/A

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In terms of regions	Operating revenue	Operating cost	Principal businesses in terms of regions			
			Gross profit rate (%)	Change in operating revenue (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year)
Anhui Province	5,137,477,221.39	2,930,332,858.00	42.96	32.87	89.02	A decrease of 16.94 percent point

(2) Analysis of production and sales

Applicable Not applicable

(3) Performance of major purchase contracts and major sales contracts

Applicable Not applicable

(4) Cost analysis statement

Unit: yuan

Industry	Cost structure items	Amount of current period	In terms of industries			
			Percentage of amount of current period over the total cost (%)	Amount of the same period of the previous year	Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period compared with the same period over the last year (%)
Toll highways business	Depreciation and amortization	937,507,444.36	31.73	922,654,630.23	58.37	1.61
	Roads repairing expenses	193,705,133.76	6.56	253,895,849.89	16.06	-23.71
	Other costs	406,141,241.05	13.74	404,125,405.84	25.57	0.50
	Subtotal	1,537,353,819.17	52.03	1,580,675,885.96	100.00	-2.74
Construction period cost	N/A	1,417,554,294.72	47.97	0.00	0.00	N/A

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Product	Cost structure items	Amount of current period	In terms of products		Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period compared with the same period over the last year (%)
			Percentage of amount of current Period over the total cost (%)	Amount of the same period of the previous year		
Toll highways business	Depreciation and amortization	937,507,444.36	31.73	922,654,630.23	58.37	1.61
	Roads repairing expenses	193,705,133.76	6.56	253,895,849.89	16.06	-23.71
	Other costs	406,141,241.05	13.74	404,125,405.84	25.57	0.50
	Subtotal	1,537,353,819.17	52.03	1,580,675,885.96	100.00	-2.74
Construction period cost	N/A	1,417,554,294.72	47.97	0.00	0.00	N/A

(5) Changes in consolidation scope caused by changes in equity of major subsidiaries during the reporting period

Applicable Not applicable

(6) Major changes or adjustments in the company's business, products or services during the reporting period

Applicable Not applicable

(7) Major customers and major suppliers

Applicable Not applicable

A. Main sales customers of the company

Applicable Not applicable

The proportion of sales to a single customer exceeds 50% of the total amount or there are new customers among the top five customers or heavily dependence on a few customers during the reporting period.

Applicable Not applicable

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B. Major suppliers of the company

Applicable Not applicable

The proportion of purchase from a single supplier exceeds 50% of the total amount or there are new suppliers among the top five suppliers or heavily dependence on a few suppliers during the reporting period.

Applicable Not applicable

3. Expenses

Finance costs

During the Reporting Period, the Group's finance costs were RMB144,266,040.81 (corresponding period in 2021: RMB170,616,569.58), representing a decrease of 15.44% as compared to the same period last year. The decrease was mainly because the Group merged Anqing Bridge Company, and its interest expense to outside the group decreased.

Gain from fair value changes

During the Reporting Period, gain from fair value changes of the Group was RMB613,562.50 (corresponding period in 2021: RMB42,723,724.58), representing a decrease of 98.56% as compared to the same period last year. The decrease in gain from fair value changes was mainly caused by decrease in the fair value offunds held during the Reporting Period.

Income tax

During the year, except for HK Subsidiary, the applicable income tax rate of the Company, the Company's subsidiaries and affiliates was 25% (HK Subsidiary: 16.5%).

In 2022, the Group's income tax expenses were RMB562,927,963.06, representing a decrease of 1.90% (2021: RMB573,811,533.76). The decrease of income tax expense is mainly caused by the decrease in profit of the Company during the reporting period.

Value-Added Tax

Since 1 May 2016, the Group has fully implemented the levying of value-added tax in lieu of business tax. In addition to New Tianchang Section of National Trunk 205 of the Company applicable 5% simple value-added tax rate, The Company's other highway sections, Xuanguang Company, Ningxuanhang Company and Guangci Company levied the value-added tax by 3% and 5% of the toll revenue by simple approach; 0% tax rate is applied to compensation income due to road damage; the sales tax rate of road assistance service income, entrusted expressway management income, and operating income of service areas was 6%; value-added tax was levied by simple approach based on 5% of the rental income.

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4. Research input

(1) Research input statement

Applicable Not applicable

(2) Research personnel

Applicable Not applicable

(3) Presentation of Condition

Applicable Not applicable

(4) Reasons for major changes in the composition of research personnel and their impact on the future development of the company

Applicable Not applicable

5. Cash flows

In 2022, the Group's net cash inflows from operating activities were RMB1,937,699,977.46 (the same period in 2021:RMB2,097,060,846.01), representing a decrease of 7.60% in the same period last year. The decrease was mainly due to a decrease in toll income compared with the same period of last year;

In 2022, the Group's net cash flows from investing activities were RMB-2,477,041,910.04 (thesame period in 2021: RMB200,183,936.09), this is mainly due to the fact that the Group's inclusion of the construction service cost of Xuanguang Expressway reconstruction and expansion PPP project into the operating cost during the Reporting Period;

In 2022, the Group's net cash flows from financing activities were RMB83,272,264.97 (the same period in 2021: -911,044,888.59), this is mainly due to a decrease in the payment for the purchase of share capital of Anqing Bridge Company compared to the same period last year.

During the reporting period, the aggregated sum of external borrowings obtained by the Group was RMB1,993 million. At the end of the reporting period, there was still outstanding bank borrowings of RMB6,643 million, all of them were long-term borrowings, with annual interest rates ranging from 1.2% to 4.9% which mainly comprised floating rate bank borrowings for the construction of Ningxuanhang Expressway, the long-term borrowing of RMB380 million for the road widening construction work of Hening Expressway (the principal will be repaid between 2023 and 2027), the long-term borrowing of RMB2,250 million for the acquisition of Anqing Bridge Company (the principal will be repaid between 2023 and 2028) and of RMB700 million for the project for the reconstruction and expansion of Xuanguang Expressway(the principal will be repaid between 2025 and 2052).

The Group was awarded with good credit ratings. On 31 December 2022, the total credit facilities granted was RMB16,423 million, and the facilities not yet utilized amounted to RMB10,179 million.

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(II) Presentation of major changes in profits caused by non-core business

Applicable Not applicable

(III) Analysis of assets and liabilities

1. Assets and Liabilities

Unit: yuan Currency: RMB

Item	Amount at the end of the period	Amount as a percentage of the total assets at the end of the period (%)	Amount at the end of last period	Amount as a percentage of the total assets at the end of last period (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)
Monetary Fund	4,731,499,274.61	22.21	4,318,206,161.01	21.68	9.57
Other receivables	472,071,525.95	2.22	143,907,275.45	0.72	228.04
Other payables	92,790,029.18	0.44	1,222,564,860.63	6.14	-92.41
long-term borrowing	6,201,985,925.82	29.11	4,726,408,251.50	23.73	31.22
Long-term payables	77,559,700.00	0.36	294,500,000.00	1.48	-73.66

Other explanations

The increase in monetary funds was mainly due to the operating accumulation of this year;

The increase in other receivables was mainly due to the recognition of the receivables of RMB300 million for the construction of Xuanguang Expressway reconstruction and expansion PPP project from Xuancheng City Transportation Bureau;

The decrease in other payables is mainly due to a decrease in the payment for the purchase of share capital of Anqing Bridge Company;

The increase in long-term borrowings is mainly due to the acquirement of the long-term borrowing of RMB700 million for the project for the reconstruction and expansion of Xuanguang Expressway and of RMB663 million for the acquisition of Anqing Bridge Company;

The decrease in long-term payables is mainly due to the conversion of debt into capital reserve of Ningxuanhang Company.

2. Overseas assets

(1) Asset scale

Among them: overseas assets of RMB2,013,534.79, accounting for 0.01% of the total assets.

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(2) Relevant description of high proportion of overseas assets

Applicable Not applicable

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

Applicable Not applicable

4. Other Explanation

Applicable Not applicable

(IV) Analysis of operation information of the industry

1. The development space of the industry is broad, and the policy orientation is increasingly obvious

The report of the 20th National Congress of the Communist Party of China points out that “high-quality development is the primary task of building a socialist modern country in an all-round way”, which highlights China’s pursuit of “gold content” in economic development. In recent years, geopolitical conflicts have intensified, global economic growth has been weak, and the risk of recession has increased. Faced with the complex and severe domestic and international situation and the impact of multiple unexpected factors, China has achieved stable economic operation, steadily improved the quality of development, and maintained social stability. Economic growth is the key factor determining the growth of traffic demand, and the space and opportunities for the future development of the highway industry are still broad: From the perspective of social benefits, transportation is still an important support for the development of the national economy, and there will be no major changes in the national policy on the construction of transportation infrastructure. From the perspective of investment efficiency, it is expected that the investment in highway infrastructure will continue to maintain a relatively ideal growth trend in the future, and the pulling effect on economic growth will be further revealed. From the perspective of road network structure, with the integration of the Yangtze River Delta and the strategy of building a strong transportation country, there is still a large space for investment and construction of road network in Anhui Province.

2. The return on investment is gradually decreasing, and innovation and development are imminent

Toll road industry will still face a series of challenges, first, affected by the slowdown in economic growth, the growth space of toll revenue is limited; Secondly, the cost of land acquisition, demolition and labor is rising, and the construction cost of toll roads is increasing (at present, the average cost of domestic expressways is about RMB100 million per kilometer). At the same time, the standards of safety monitoring facilities, environmental protection and road conditions are constantly improving, which leads to the rising cost of operation and maintenance. Thirdly, most of the road sections have been open to traffic for a long time and the cost of road maintenance has increased, while the new road sections have a long cultivation period and poor road network effect, which affects the Company’s performance due to depreciation and amortization and interest expensing. Fourthly, the amount of various policy exemptions continues to rise, while the management costs for the implementation of the Green Pass policy and the free policy for major holidays are increasing. Fifthly, the changes of transportation modes such as “expressway to railway” and “expressway to shipping” and the adjustment of road network structure have a persistent impact on the diversion of vehicles on road sections.

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Under the traditional investment and financing mode, the return on investment of toll road industry, especially new toll road projects, is declining. In the acquisition of mature road property, the road property resources with good performance are scarce, and the evaluation value-added is large, the premium rate is high, and the return on investment is low.

3. The controlling shareholder has abundant strength and huge space for the reform of state-owned enterprises

Most of the controlling shareholders of expressway listed companies are large provincial enterprises, which have advantages in terms of asset size, capital strength, profitability and core competitiveness. Most shareholders and controlling listed companies have the characteristics of “large groups, small companies”.

The report of the 20th National Congress of the Communist Party of China emphasizes that we should deepen the reform of state-owned enterprises, speed up the optimization of the layout and structural adjustment of state-owned economy, promote state-owned capital and state-owned enterprises to become stronger, better and bigger, enhance the core competitiveness of enterprises, improve the modern enterprise system with Chinese characteristics, promote entrepreneurship and speed up the construction of world-class enterprises. In recent years, the pace of capital market reform and innovation in China has accelerated significantly, the multi-level capital market system has initially taken shape, the depth and breadth of serving the real economy have been expanding, and the reform of state-owned enterprises is in a better period of policy and market opportunities. In this context, most local state-owned enterprises have made it clear that highway listed companies and their controlling shareholders will carry out a series of development measures such as equity incentives, asset securitization, transformation and upgrading. The provincial government of Anhui Provincial Party Committee requires provincial enterprises to further deepen the reform of state-owned enterprises, actively introduce strategic investors, improve the corporate governance structure, and constantly enhance the vitality of enterprise development in the form of promoting overall listing, merger and reorganization. The above measures provide policy guarantee for further deepening reform and innovative development of highway listed enterprises.

4. The degree of informatization is strengthened, and new technologies are deeply integrated with the transportation industry

In recent years, the degree of expressway informatization in China has been continuously strengthened. The deep integration of information technology, artificial intelligence, new materials, new energy and other technologies with the transportation industry has put forward higher requirements for the transformation and development of transportation. The key and breakthrough points for the next development of expressway informatization lie in adhering to wisdom guidance, accelerating the integration of transportation infrastructure network, transportation service network and information network, expanding the scope of resource sharing, improving the experience of humanized service and the efficiency of organizational collaboration, enhancing the interaction and collaboration of governance, and constantly promoting the implementation of enabling capacity expansion and momentum increase, so as to realize the transformation from traditional factor-driven to innovation-driven development.

Section III Management Discussion and Analysis

(V) Investment Analysis

Overall analysis of external equity investment

In 2022, the Company complied with the development trend of the highway industry, seize major strategic opportunities such as “Yangtze River Delta integration”, continued to optimize and expand the main highway business, and steadily made progress in foreign investment. The Xuanguang Expressway expansion PPP project was successfully implemented, and the Company’s asset scale further improved; The Company actively participated in subscribing to the REITs project of Anhui Transportation Holding Group’s Yanjiang Expressway, further enhancing the overall competitiveness and profitability of the Company; Ningxuanhang Company has completed the conversion of debt into capital reserve, improving its financing capacity, reducing credit risk, and facilitating the implementation of its overall development strategy.

(1) Material equity investment

Unit: yuan Currency: RMB

Name of invested company	Main business	Whether the target is mainly investment		Amount of investment	Shareholding ratio	Whether to Report		Source of funds	Partner (if applicable)	Investment period (if any)	Progress as of the balance sheet date	Estimated income (if any)	Current profit and loss impact	Whether lawsuit is involved	Disclosure date (if any)	Disclosure index (if any)
		business	mode			consolidate the table	account (if applicable)									
Xuanguang Company	Expressway enterprises; The business scope covers expressway construction, management, and operation. Currently, it mainly constructs, manages, and operates Xuanguang Expressway	yes	capital increase	599,158,940.00	55.47%	yes	Long-term equity investment	Self-owned funds	Xuancheng traffic investment	long-term	The capital increase has been completed			no		
Ningxuanhang Company	Expressway enterprises; The business scope covers expressway construction, management, and operation. Currently, it mainly constructs, manages, and operates Ningxuanhang Expressway (Anhui Section)	yes	other	238,052,700.00	51%	yes	Long-term equity investment	Self-owned funds			The capital increase has been completed			no		
total	/	/	/	837,211,640.00	/	/	/	/	/	/	/	/	/	/	/	/

(2) Significant non equity investments

- a. During the Reporting Period, the Company completed an investment amount of RMB 1,417.55 million in the PPP project of Xuanguang Expressway reconstruction and expansion.

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- b. The Company held the 24th Meeting of the Ninth Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2022 on September 21, 2022 and October 19, 2022, respectively, and reviewed and approved the Resolution in relation to the Subscription of REITs of Anhui Transportation Holding Yanjiang Expressway by the Company and Related Party Transaction** (《關於參與認購安徽交控沿江高速公募REITs暨關聯交易的議案》), and agreed that the Company will subscribe to the CICC Anhui Transportation Expressway Closed Infrastructure Securities Investment Fund (hereinafter referred to as “ATHC Yanjiang Expressway Public REITs”) for an amount not exceeding RMB500 million. The Company signed the Strategic Investor Placing Agreement of CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund with CICC Fund Management Co., Ltd., the fund manager, to subscribe for the fund shares of the infrastructure fund at a proportion of 3.89% of the total issued shares. On 12 November 2022, CICC Fund Management Co., Ltd. issued the “Announcement on the Effectiveness of the Contract of CICC Anhui Transportation Holding Group Expressway Closed Infrastructure Securities Investment Fund”. According to the effective announcement, it was finally confirmed that the company had successfully subscribed to the Anhui Transportation Holding Group Expressway Public REITs Fund, with a subscription amount of RMB 42323.2 million. Please refer to Section 6 "Important Matters" of this report for details.

(3) Financial assets measured at fair value

Unit: yuan Currency: RMB

Item	Opening balance	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value recognized in equity	Current purchase amount	Current sale/redemption amount	Ending balance
Trading financial assets-structured deposits	0.00	6,496,094.52	0.00	850,000,000.00	856,496,094.52	0.00
Equity instruments – shares of unlisted companies						
– Xin'an Financial	71,943,039.61	0.00	-68,384,774.96	0.00	0.00	57,443,039.61
– Xin'an Capital	24,610,529.94	0.00	-35,061,655.49	0.00	0.00	39,110,529.94
– Wantong MicroCredit	15,000,000.00	0.00	0.00	0.00	0.00	15,000,000.00
– China Merchants Fund Management Company	1,302,156.93	0.00	730,617.50	0.00	0.00	1,105,617.50
– Jinshi Fund Management Company	2,282,300.48	0.00	2,474,685.87	0.00	0.00	2,849,685.87
Other non-current financial assets – fund investments						
– China Merchants Fund	131,291,915.82	-14,188,539.26	0.00	0.00	13,283,333.67	103,820,042.89
– Jinshi Merger and Acquisition Fund	139,910,461.01	18,920,731.36	0.00	0.00	29,887,650.00	128,943,542.37
– Jinshi Equity Investment Fund	33,010,190.15	4,206,175.88	0.00	33,208,333.33	0.00	70,424,699.36
CICC Anhui Traffic Control Expressway Closed Infrastructure Securities Investment Fund	0.00	-14,820,900.00	0.00	423,232,000.00	0.00	408,411,100.00
Total	419,350,593.94	613,562.50	-100,241,127.08	1,306,440,333.33	899,667,078.19	827,108,257.54

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In 2022, the Company confirmed and received equity dividends of RMB279,042,500, including RMB200,764,000 from Xuanguang Company, RMB49,927,200 from Guangci Company, RMB7,845,100 from Expressway Media, RMB13,283,300 China Merchants Fund, RMB6,641,700 from Anhui Transportation Jinshi Fund, RMB425,000 from China Merchants Fund Management Company, and RMB159,800 from Information Industry Company.

Securities investment situation

Applicable Not applicable

Private fund investment situation

Applicable Not applicable

Investment in derivatives

Applicable Not applicable

(4) Specific progress of major asset restructuring and integration during the reporting period

Applicable Not applicable

(VI) Sale of substantial assets and equity interest

Applicable Not applicable

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(VII) Analysis of principal subsidiaries and associates

Unit: '000 Currency: RMB

Name of company	Equity capital the Group possesses	Registered Capital	On 31 December 2022		2022		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	111,760	3,102,640	2,354,528	1,949,164	266,082	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	4,170,714	222,362	100,788	-368,788	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	277,579	263,345	115,557	71,261	The construction, management and operation of Guangci Expressway
Anqing Bridge Company	100%	150,000	3,107,271	1,374,951	458,678	131,484	Construction, management and operation of Anqing Yangtze River Expressway Bridge and Yuewu Expressway
Expressway Media	38%	50,000	496,541	364,229	146,672	43,709	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	-	-	-	-	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	2,754,438	1,172,674	167,000	-181,671	Internet financial services, network information services, pawn business, etc.
Wantong MicroCredit	10%	150,000	123,126	122,161	5,936	3,189	Distributing petty loans, small size enterprises management consulting and financial advisory
HK Subsidiary	100%	1,817	1,813	1,717	0	76	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin
China Merchants Fund	6.64%	3,000,000	1,593,598	1,563,133	1,805	-13,659	Investment in energy conservation and environmental protection in transportation services
Jinshi Merger and Acquisition Fund	6.64%	3,000,000	2,189,468	1,941,434	89,018	95,492	Equity investment, asset management, enterprise management consulting
China Merchants Fund Management Company	2.5%	30,000	46,648	44,225	12,265	8,930	Daily management and investment consultation of China Merchants Fund
Jinshi Fund Management Company	2.5%	30,000	120,160	113,987	8,898	6,480	Daily management and investment consultation of Jinshi Merger and Acquisition Fund
Jinshi Equity Fund	6.64%	1,500,000	1,060,347	1,060,347	3,528	-464	Equity investment, asset management, enterprise management consulting
Anhui Transportation Information Industry Company	10%	60,000	222,404	81,587	158,681	10,643	Construction, operation and service of traffic charging system; Computer software development; Information system integration services, etc.

Note: The specific data of Xin'an Finance are detailed in its subsequent disclosed annual report; and the data of Xin'an Capital have not been audited.

Section III Management Discussion and Analysis

(VIII) Information on Structured Entities controlled by the Company

Applicable Not applicable

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry landscape and development trend

1. Competition landscape of the industry

Expressways are quasi-public products, the toll road industry is characterized by regionalized operations, clear influence of policies, large scale of investments, long payback period of investments and government guidance, these characteristics will directly determine the competitive landscape and the future development trend of the expressway industry.

(1) Relatively high barrier of entry for the industry

The expressway industry is a capital-intensive industry, with long construction period, large and relatively concentrated initial investment, long payback period and poor liquidity of assets, which to a certain extent determine the relatively high barrier of competition for the expressway industry from the perspective of the market. The industry has economies of scale and clear effect of highway network, while its quasi-public nature determines most of its construction and operating entities to be large local State-owned enterprises.

(2) Industry competition is mainly competition with other modes of transportation

With the rapid advancement of national railway network construction, high-speed railway, locomotive and intercity rail transit will greatly shorten the transit time between places, and have certain impact on expressway passenger transport. However, the impact of railway and other modes of transportation on expressway transportation is mainly reflected in passenger traffic and the operating revenue from passenger cars accounts for an insignificant proportion in toll revenue, expressway passenger transport still maintains its advantages in price and flexibility, thus the Company believes that high-speed railway and other modes of transportation will not cause great fluctuations in highway transport.

2. Development trends of the industry

The Company believes that future development of the expressway industry will mainly have the following trends and characteristics: 1) despite the slowdown in investment growth, the scale of overall investment is still large, there is room for growth in construction investments in the central and western regions, optimized connection and structural synergy and adjustment will be the focus of highway networks in future; 2) reforms of the investment and financing systems for the expressway industry will deepen continuously, expressway operating entities will emphasize more on attracting social capital for joint investments in the construction of new road sections and increase in reserves of highway projects, with bank loan, corporate bond and other market-based borrowing methods under the PPP model becoming market hot spots; 3) the growth in revenue and freight volume of expressway companies are consistent with economic growth, and will be less affected by economic fluctuations in general; and 4) under the existing policies and economic environment, transformation is the development direction of the industry, with development of internal potential and external expansion being the two key development trends.

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In summary, development of the expressway industry and performance of the Group are mainly affected positively or negatively by the following factors: 1) the development of national and regional economies; 2) the change in monetary policies and the level of interest rates; 3) the effects of adjustment and upgrade of industrial structures on the composition of passenger and freight sources; 4) the change in growth of car ownership; 5) the direction of future industry policies; 6) the effect of road network improvement on attraction or diversion of traffic flows; and 7) the competition from railway and air transport with road transport.

(II) Development strategy of the Company

The Company will strive to build an industry-leading and domestic first-class expressway operation and management platform and capital operation platform. During the “14th Five-Year Plan” period, the Company will focus on building a unified expressway operation and management platform, actively adapt to the new situation of national “one network” operation and management, accelerate the upgrading of the Company from traditional operation mode to innovation-driven, build a high-level operation and management platform, and create a new benchmark of expressway operation and management. At the same time, we shall actively carry out capital operation, enlarge the main business scale, optimize the industrial structure, and strive to become a domestic first-class capital operation platform as a listed company.

(III) Business plan

The following business plan does not constitute the Company’s performance commitment to investors. Investors are invited to pay attention to investment risks.

Annual business plan

Based on the expectation of a stable and positive operating environment, the Group sets an overall toll revenue target of about RMB3,978 million in 2023 (after-tax) (actual in 2022: RMB3,676 million). Total operating costs were slightly higher than the previous year.

Plan and Measures:

1. *Focus on core business and strive to build a good toll collection order*

Increase the inspection efforts within the province, as well as the joint inspections between regions and between provinces, fully leverage the provincial-level AI inspection integration platform and green channel platform, and improve the level of technology-based, intelligent, and precise inspections. Strengthen the operation and maintenance management of the networked toll collection system, enhance the key indicators of ETC gantry system and lane operation, and ensure the safe and stable operation of the system.

2. *Demand-driven improvement of the quality of passage services*

Promote the implementation of the “Beautiful Anhui” Expressways network travel service standard system, establish a long-term mechanism, and further regulate the service processes of the five major service carriers. Focus on key areas such as road surface, median strip, and interchange hubs, build a linkage mechanism for rectification and improvement, strictly inspect and evaluate management, and regularly carry out road environment rectification and improvement. Increase the efforts for road preventive maintenance and green maintenance, and implement preventive maintenance measures such as thin-layer surface coating.

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3. *Multiple measures to enhance safety management and control capabilities*

Improve and complete the safety production management system, carry out hazard investigation, “one road, three parties” joint logistics and linkage, emergency drills, and other work, and carry out special activities such as "safety production month". Continue to promote the construction of a standardized safety system, build a dual prevention mechanism for safety risks and hazards, and establish a road network monitoring and control dispatch service system that integrates “monitoring, dispatching, management, emergency response, and service”. Carry out special actions such as “precise upgrading of traffic safety facilities”.

4. *Comply with laws and regulations and improve corporate governance*

Carry out a special activity of “institutional construction and standardization year,” adhere to problem-oriented approach, establish and improve the system management system, and further perfect the corporate governance structure. Carry out the “compliance management improvement year” action, identify risks, plug loopholes, rectify and improve, summarize systematically, and effectively promote the deep integration of compliance management and operational management. Strengthen risk investigation, promote tracking audits, and continuously improve risk prevention and resolution capabilities.

(IV) Possible risks

In the future strategic development, the Company will pay close attention to the following risk issues and actively take effective responding measures :

Policy risk

1. *Industry policy risk*

The Company’s profits mainly come from the investment and operation of toll roads. According to Highway Law and other relevant provisions, highway companies do not have the independent pricing power of the toll standard, and the determination and adjustment of the toll standard must be submitted to the provincial transportation department in conjunction with the price department at the same level for examination and approval. Highway companies must implement the new highway toll policy issued by the government. The Regulations on the Administration of Toll Roads (Revised) have not been published after many years of revision, which brings a lot of uncertainty to toll, operation and maintenance of toll road after its expiration; Policies such as the removal of toll stations at boundary between provinces, accelerating the development of ETC and the use of the national Internet toll collection system, etc., put forward higher requirements for the company’s operation and management level, and the cost investment continues to increase; The continuous introduction of various exemption policies, the adjustment of toll charging methods and charging standards will have a certain impact on the Company’s business performance.

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2. *Risk of franchise expiration*

According to the Regulations on the Administration of Toll Roads, the time limit for toll roads shall be examined and approved by the people's governments in provinces, autonomous regions and municipalities in accordance with the relevant standards. The maximum time limit for commercial highway tolls determined by the State in the central and western provinces, autonomous regions and municipalities shall not exceed 30 years.

At present, the Company's major road resources have entered a mature period, if the Company's existing highway toll collection period expires and no other newly built or acquired operational highway projects are replenished in time, it will have a negative impact on the sustainable development of the Company.

Countermeasures: Comply with relevant industrial policies, deeply integrate into the Yangtze River Delta integrated development and the construction of the Yangtze River economic belt, expand the scale of major road manufacturers, strive to build a high-quality modern comprehensive transportation system, promote industrial chain reengineering and value chain improvement, and form new competitive advantages; carefully analyze the characteristics of the changes in the traffic flow and vehicle structure of the road network, improve the emergency toll management model, increase traffic capacity, and reduce the management cost of policy implementation through fine management. We will focus on connotative development, make good use of our own resources by tapping the internal growth potential. We should timely increase investment, optimize fund and equity investment, appropriately participate in investment opportunities in emerging industries and actively cultivate new profit growth points.

Market risk

1. *Risk of macroeconomic fluctuations*

The toll road industry is sensitive to macroeconomic changes and road traffic volume and turnover are highly related to GDP. Macroeconomic fluctuations will lead to changes in the requirements of economic activities on transport capacity, that is, changes in highway traffic flow and the total amount of tolls, which will directly affect the operating performance of highway companies.

At present, the international political and economic environment is still complicated, with various conflicts by geopolitics. The domestic economic environment shows a remarkable recovery trend, but it still faces downward pressure. The foundation for China's sustained economic recovery is not stable, and the uncertain factors have increased significantly. During the "14th Five-Year Plan" period, the national economy will shift from the stage of high-speed growth to the stage of high-quality development, the economic structure will be further optimized, the reform of the transportation industry and the increasing market competition, the construction cost will continue to push up, and the rigid constraints of resources, environment and other development factors will be strengthened, which may have adverse effects on the Company.

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2. *Risk of road network change*

According to the Revision of Anhui Expressway Network Planning (2020–2035), by 2035, the total planned mileage of expressways in the province will reach 10,165 kilometers (including prospect lines). The overall layout of the road network consists of 5 vertical lines, 10 horizontal lines and 54 connecting lines, forming a “five vertical and ten horizontal” high-speed highway network, basically realizing “ring lines in cities, double lines in counties and districts, full coverage of key towns, full connectivity of key nodes and full expansion of main channels”, The service capacity of the expressway channel connecting Shanghai, Jiangsu and Zhejiang in the East and Hubei, Henan and Jiangxi in the West has been effectively improved to fully support the construction of a transportation power and the regional integration development of the Yangtze River Delta. This round of planning shows the characteristics of significantly increased density, wider coverage and more efficient connectivity. The new mileage is about 2,235 kilometers and the road network density reaches 7.26 kilometers/100 square kilometers.

With the further perfected intensification of highway networks, parallel routes and alternative routes will continue to increase, and network diversion will have a certain impact on the growth of toll revenue of the Company. Anhui Province is in the first tier of provinces with the most high-speed rail mileage, coupled with the development of the integration of private cars and urban and rural passenger transportation, the diversion of road passenger transportation is serious; The adjustment of the macro-policy of “convert road freight to rail freight and water freight” for bulk cargoes will affect the growth rate of road freight volume to some extent. These factors will have an impact on the operating performance of the Group’s toll road projects.

Countermeasures: In view of the market risk, the Company will continue to track and analyze the impact of the macroeconomic environment, national policies and the regional economy where the Company’s road assets are located on the Company’s business operation and formulate corresponding countermeasures; at the same time, the Company will strengthen communication with the government and major shareholders to keep abreast of road network planning, project construction progress and other information. We will conduct a special analysis of the road network in advance and reasonably predict the impact of related projects on the traffic flow of our existing projects. We will make full use of Anhui’s area traffic advantages, improve road signs, expand routing publicity and promotion, change passivity into initiative, and actively use informationalization to carry out road section marketing.

(V) Other

Applicable Not applicable

VII. FAILURE OF THE COMPANY TO DISCLOSE ACCORDING TO REQUIREMENT DUE TO INAPPLICABLE STANDARDS, NATIONAL SECRETS, BUSINESS SECRETS OR OTHER SPECIAL REASONS

Applicable Not applicable

Section III Management Discussion and Analysis

VIII. NAMES OF THE DIRECTORS DURING THE REPORTING PERIOD

Names	Independent directors or not	Notes
Xiang Xiaolong	No	Appointed on 17 August 2020
Yang Xiaoguang	No	Appointed on 17 August 2020
Tao Wensheng	No	Appointed on 16 July 2021
Chen Jiping	No	Appointed on 16 July 2021
Yang Xudong	No	Appointed on 17 August 2020
Du Jian	No	Appointed on 17 August 2020
Liu Hao	Yes	Appointed on 17 August 2020
Zhang Jianping	Yes	Appointed on 17 August 2020
Fang Fang	Yes	Appointed on 17 August 2020

IX. FIXED ASSETS

Details of the change in the fixed assets of the Group during the year are set out in Note 15 to Section IX “Independent Auditor’s Report and Consolidated Financial Statements”.

X. CONTROLLING SHAREHOLDERS’ INTERESTS IN CONTRACTS

Save as disclosed in the part “XIV. Significant connected/related party transactions” in Section VI “Major Events” of this Annual Report, the Company or its subsidiaries and the parent company of the Company or its subsidiaries has not entered into any contract of significance which subsisted during the reporting period or at the end of the reporting period.

XI. RESERVES

The figure and the details of any significant change in the reserves of the Company during the reporting period are set out in Note 26 to Section IX “Independent Auditor’s Report and Consolidated Financial Statements”. The Company’s retained earnings as at 31 December 2022 calculated in accordance with HKFRS amounted to RMB9,865,178 thousand (2021: RMB9,263,334 thousand), and the Company’s undistributed profits as at 31 December 2022 calculated in accordance with the PRC Accounting Standards amounted to RMB10,323,407 thousand (2021: RMB9,709,667 thousand).

XII. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the reporting period, the Group obtained loans with a total amount of RMB1,993 million (RMB3,778 million in 2021) from banks, and by the end of the reporting period, the bank loan balance was RMB6,644 million (RMB5,075 million in 2021), all of them were long-term borrowings.

At the end of the reporting period, RMB380 million (2021: RMB460 million) of bank loans were at a fixed interest rate at an annual interest rate range of 1.2% (2021: 1.2%); The rest of the loan is at a floating rate with an annual interest rate range of 3.05% to 4.90% (2021:3.35% to 4.90%).

The currency composition of bank loans is detailed in the Independent Auditor’s Report and Note 29 to the Consolidated Financial Statements in Section IX. The currency composition of cash and cash equivalents is detailed in the Independent Auditor’s Report and Note 24 to the Consolidated Financial Statements in Section IX.

Section III Management Discussion and Analysis

At the end of the reporting period, the Group had a number of long-term payables, of which the interest-bearing portion was charged at a floating rate ranging from 4.75% to 4.90% (2021: 4.75% to 4.90%), as detailed in the Independent Auditor's Report and Note 28 to the Consolidated Financial Statements in Section IX. Such long-term payables have no specified repayment period.

As at 31 Dec 2022, the debt-to-capital ratio (net debt (total borrowings minus cash and cash equivalents) divided by total capital) was 22.08% (2021:14.96%) (according to HKAS).

The Group's capital management policy is to ensure that the Group continues to operate and deliver returns to its shareholders and other stakeholders. The Group will adjust its capital structure and make necessary adjustments in response to changes in the external economic environment. In order to adjust the capital structure, the Group may reduce the debt ratio by issuing new shares or controlling capex if necessary.

The Group's strategy for 2022 remained unchanged compared to 2021, with a sustained capital-to-debt ratio of less than 30% and a good credit rating.

XIII. CHARGE OF ASSETS AND CONTINGENT LIABILITIES

On 31 December 2022, bank borrowings in the approximate amount of RMB380 million was secured by a pledge of the Group's toll revenue after the completion of the proposed Hening Expressway Reconstruction and Extension Project (2021: RMB460 million).

The bank borrowings in the approximate amount of RMB764 million was secured by a pledge of the Group's share of toll revenue Liqiao to Xuancheng section of Ningxuanhang Expressway (Anhui section) (2021: RMB870 million).

The bank borrowings in the approximate amount of RMB1,734 million was secured by a pledge of the Group's share of toll revenue Xuancheng to Ningguo section of Ningxuanhang Expressway (Anhui section) (2021: RMB1,528 million).

The bank borrowings in the approximate amount of RMB566 million was secured by a pledge of the Group's share of toll revenue Ningguo to Qianqiuguan section of Ningxuanhang Expressway (Anhui section) (2021: RMB458 million).

The Group had no contingent liabilities as at 31 December 2022 (2021: none).

XIV. RISKS OF CURRENCY AND INTEREST RATE

As the Group's revenue and expenses are mainly denominated in RMB, the Group does not expect its operating activities will lead to material currency risk. During the reporting period, the Group did not use any financial instrument for hedging purpose.

Details of the financial risks and management of such risks are disclosed in Note 40 to Section IX "Independent Auditor's Report and Consolidated Financial Statements".

XV. STAFF MEMBERS

Details of the Group's staff members (including the number, remuneration policy and details of training) are disclosed in Section IV "Corporate Governance" of this annual report.

Section III Management Discussion and Analysis

XVI. PRINCIPAL CUSTOMERS AND SUPPLIERS

During the reporting period, the five largest customers and five largest suppliers of the Group accounted for less than 30% of revenue and purchases of the Group respectively.

XVII. LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS/PERMITTED INDEMNITY PROVISION

In accordance with the Listing Rules, since 2012, the Company has make proper insurance arrangement for the legal actions possibly faced by the Company's management staff by purchasing liability insurance annually for directors, supervisors and senior management of the Company. The Company's shareholders, at general meeting, had authorized the executive directors of the Company or the secretary of the Board of Directors to handle subsequent annual renewal of insurance on the basis that there is no significant adjustment of liability limits and premiums budget, etc.

XVIII. THE PROFIT APPROPRIATION PLAN OR PLAN FOR CONVERSION TO SHARE CAPITAL FROM CAPITAL RESERVES

Please refer to the disclosures in Section IV "Corporate Governance"

XIX. CHARITABLE DONATIONS

During the year ended 31 December 2022, the Group made charitable donations of approximately RMB44.9 thousand (2021: RMB50 thousand).

XX. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS AND ARRANGEMENT FOR PURCHASE OF SHARES OR DEBENTURES

Please refer to the disclosures in Section IV "Corporate Governance".

XXI. MANAGEMENT CONTRACTS

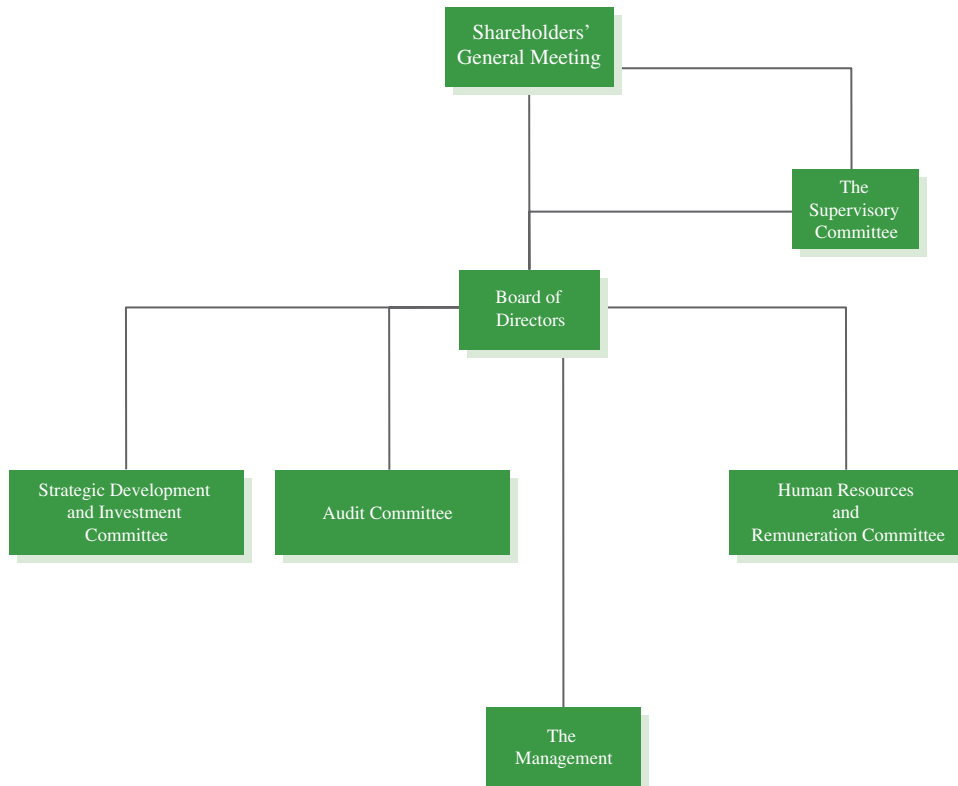
Save as disclosed in Section IV "Corporate Governance", no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into by the Group or existed during the year.

Section IV Corporate Governance

I. INFORMATION ON CORPORATE GOVERNANCE

Good corporate governance is not only for meeting the basic requirements of regulatory authorities on listed companies but, more importantly, meeting the inherent needs for the development of the Company. A scientific and standardized system, mutually balanced supervisory regime and effective enforcement are essential to the healthy and sustainable development of the Company and will improve the image of the Company in the industry and capital market, winning recognition and confidence in the Company from all parties. The Company has always been committed to completing the corporate governance structure, establishing complete operation regulations, and constantly improving the effectiveness of corporate governance.

Currently, the Company has established a corporate governance structure composed of the general meeting of shareholders, the board of directors, the Supervisory Committee and the management, and has formulated multi-level governance rules based on the Company's articles of association, and clarified the responsibilities, authorities and codes of conduct of each party. The general meeting of shareholders, the board of directors, the special committees and the Supervisory Committee shall, in accordance with laws and regulations and governance rules, perform their respective duties in a balanced, orderly and coordinated manner, and continuously improve the level of corporate governance and decision-making efficiency of the Company. The current governance structure of the Company is shown as follows:



Section IV Corporate Governance

Since its establishment, the Company has strictly complied with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Guidelines for the Articles of Association of Listed Companies and other laws, regulations and normative documents, continuously standardized its operation and continuously improved its corporate governance level. During the reporting period, according to the work deployment of the regulatory authorities and the latest regulations and systems, the company continued to improve the relevant systems and operational processes of the company.

During the reporting period, in order to further improve the corporate governance structure and enhance the level of corporate governance, in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies (Revised in 2022) and the Listing Rules of Shanghai Stock Exchange (Revised in January 2022). Based on the actual situation, the Company revised 12 systems, including the Articles of Association and its appendices, the Rules of Procedures of General Meetings, the Rules of Procedures of the Board of Directors, the Rules of Procedures of the Supervisory Committee, the Information Disclosure Management System and the Related Party Transaction Management System. At the same time, in order to promote the standardized authorization of the board of directors and the management to perform their duties in accordance with the law, the company formulated the Management Measures for the Authorization of the Board of Directors and the Management Measures for the Reporting of Managers to the Board of Directors, which further improved the operation level of the board of directors.

During the Reporting Period, the actual corporate governance of the Company was not different from the requirements of the Code of Corporate Governance for Listed Companies issued by the CSRC and the relevant laws and regulations, and the Company has fully adopted all the code provisions of the Corporate Governance Code.

(I) Shareholders and General Meeting of Shareholders

The Company convenes and holds the general meeting in strict compliance with the provisions and requirements of the Company Law and other laws and regulations as well as the Articles of Association and the Rules of Procedure for Shareholders' General Meetings, so as to ensure that shareholders can fully express their opinions and effectively exercise their voting rights at the general meeting. The Company ensures that all shareholders enjoy equal status and guarantee the rights and obligations of all shareholders.

Anhui Transportation Holding Group Co., Ltd. and China Merchants Highway Network Technology Holdings Co., Ltd. are the substantial shareholders of the Company. The Company is completely separated from the controlling shareholder in terms of business, personnel, assets, institutions and finance, and operates independently. The two companies exercise shareholders' rights strictly in accordance with the relevant provisions of the Company Law and the Articles of Association, and there is no direct or indirect interference in the Company's decision-making and production and operation beyond the shareholders' meeting.

Section IV Corporate Governance

(II) Directors and Board of Directors

The board of directors of the Company represents the interests of all shareholders and is accountable to the shareholders' general meeting. The main responsibility of the Board is to exercise management decision-making power in accordance with the authorization of the shareholders' general meeting in respect of the Company's development strategy, management structure, investment and financing, planning, financial management and human resources. The power of the Board in the development strategy and management of the Company, as well as the supervision and inspection power of the Board of Directors on the development and operation of the Company has been set out in detail in the Articles of Association, the Rules of Procedures of the Board of Directors and the terms of reference of the Board Committees.

In order to assist the Board to perform its duties and promote effective operation, the Board has established three professional committees, namely the Strategic Development and Investment Committee, the Audit Committee and the Human Resources and Remuneration Committee. When considering matters such as corporate strategy, financial reporting, accounting policies, project investment, candidates for directors and senior management and remuneration plans, the Company will submit proposals to the Committee for study and discussion in advance, while the relevant committees will review relevant matters and make recommendations to the Board of Directors in accordance with their terms of reference. To contribute to improving the efficiency and level of decision-making of the board of directors.

Currently, the Board of Directors of the Company consists of 9 directors, and the current session of the Board is the ninth session of the Board of Directors of the Company, including 4 executive directors, 2 non-executive directors and 3 independent directors.

The members of the current Board have industry background or professional skills in highway industry, engineering construction, investment strategy, enterprise management, financial accounting, financial securities and other aspects. Among them, there are three independent directors and one independent director is an accounting professional. Independent directors have extensive professional knowledge and management experience in corporate management, financial securities, financial management and legal practice, and hold important positions in the special committees of the Board of Directors. Independent directors account for the majority of the Audit Committee and the Human Resources and Remuneration Committee, and an independent director serves as the chairman of the two committees. The composition of the Board and the professional committees meets the requirements of the Guiding Opinions on the Establishment of Independent Director System in Listed Companies.

Section IV Corporate Governance

(III) Supervisors and the Supervisory Committee

At present, the Supervisory Committee of the Company consists of three members, including one employee representative Supervisor. The composition of the Supervisory Committee complies with the requirements of the Company Law and other laws and regulations. In accordance with the provisions of the Articles of Association and the Rules of Procedures of the Supervisory Committee, the Supervisory Committee can conscientiously exercise the supervisory power of the Company, take financial supervision as the core in specific work, supervise the due diligence of directors and senior management of the Company, and safeguard the legitimate rights and interests of the company and shareholders.

During the reporting period, the Supervisory Committee held a total of eight meetings, and all Supervisors attended the meetings to supervise the legality and compliance of the Company's financial affairs and the performance of duties by directors and senior management on behalf of shareholders, and attended all meetings of the Board to conscientiously perform the duties of the Supervisory Committee.

(IV) Information disclosure

Since listing, the Company has faithfully performed the statutory information disclosure business, strictly implemented the Information Disclosure Management System, ensured that the Company's information disclosure is true, accurate, timely and complete, treated all shareholders fairly, and ensured that they enjoy equal right to know. When the Hong Kong Stock Exchange and the Shanghai Stock Exchange have different requirements, the company compiles documents and discloses information in accordance with the principle of more content, strict requirements and lenient requirements. The secretary of the Board is the executor of information disclosure.

During the reporting period, the Company strictly followed the principles of truthfulness, accuracy, completeness, timeliness and fairness to ensure that all shareholders enjoyed equal access to relevant information of the Company, and continuously improved the pertinence, effectiveness and transparency of information disclosure of the Company. Strictly implement the Information Disclosure Management System, publish announcements simultaneously at home and abroad in accordance with statutory disclosure requirements, and complete the disclosure of 4 periodic reports, 46 ad hoc announcements of a shares, 35 ad hoc announcements of H shares and related information. It objectively and detailedly discloses the Company's performance and financial information, dividend distribution, related party transactions, shareholders' meeting, the operation of the Board and the Supervisory Committee.

During the reporting period, the contents and procedures of all information disclosure of the Company strictly complied with the listing rules of the two stock exchanges and the relevant provisions of information disclosure, and met the requirements of information disclosure in both places. Details of the announcements have been disclosed in China Securities Journal, Shanghai Securities News and the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Company.

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(V) Management of inside information

During the reporting period, the Company strictly complied with the requirements of the Information Disclosure Management System, the Insider Management Registration System and the Management Measures for the Company's Reception of Specific Objects, Research and Interviews and Other Related Activities to keep financial and other information confidential. The relevant personnel, matters, time and use of the Company's insider information are registered and filed in detail, and the relevant personnel are required to make commitments and promptly remind them to fulfill the obligation of information confidentiality in order to prevent information leakage and insider trading. After self-inspection, it is not found that holders of the Company's insider information used insider information to buy and sell the Company's shares before the disclosure of material sensitive information affecting the Company's share price in 2022.

(VI) Occupation of funds and related transactions

During the reporting period, the Company continued to strengthen the self-inspection on the occupation of funds and related party transactions to ensure that all major events are subject to the necessary statutory approval procedures, strictly control the risks of various violations, and further enhance the standard operation level of the Company. In terms of specific operation, the Company focuses on related party fund transactions and strictly controls the occurrence of related party fund occupation. At the same time, the related party transactions strictly comply with the necessary review procedures and statutory disclosure procedures required by the two exchanges, prevent the transfer of benefits and falsification of performance through improper related party transactions, and ensure that the related party transactions have no negative impact on the Company, are fair and reasonable, and are in line with the interests of the Company and all shareholders.

(VII) Investor relations management

The management of the Company has always attached great importance to active investor relations management, and improved investor relations management from the management structure and internal system of the Company through the Investor Relations Management System. The Company makes full use of telephone, network and media to introduce the Company's development strategy, corporate culture and business situation to investors, receives research and interviews from investors and institutions, ensures the right of small and medium investors to know, and continuously enhances the openness and transparency of the Company's operation. During the reporting period, the Company's investor relations activities were mainly carried out in the following ways:

- ◇ Respond to investors' inquiries in a timely manner through the E interactive platform of the Shanghai Stock Exchange, investor hotline, Company website and e-mail.
- ◇ Daily reception of investors and analysts to the Company's on-site research.
- ◇ Use the network to carry out promotional activities. During the period of epidemic prevention and control, the Company adopted the online promotion mode, used the "Shanghai Stock Exchange e-Interaction" platform to promote its performance network, and held an annual performance investor presentation meeting in April 2022 to fully communicate with investors on the Company's operating conditions, investor protection, sustainable development and other issues. It is convenient for investors to have a more comprehensive and in-depth understanding of the Company's situation and has achieved good publicity results.

Section IV Corporate Governance

- ◇ Actively participate in investment and education activities, including “May 15 National Investor Protection Publicity Day”, “Prevention of Illegal Securities and Futures Publicity Month”, “2022 China Fair Competition Policy Publicity Week” and “2022 Investor Collective Reception Day for Listed Companies in Anhui Jurisdiction”.

(VIII) Return mechanism for investors

The Company has formulated a positive and stable dividend policy in the Articles of Association. Since its listing, the Company has continuously distributed cash dividends for 26 consecutive years. The Company has distributed a cumulative cash dividend of approximately RMB7.503 billion and a cumulative dividend per share of RMB4.5575, enabling the shareholders of the Company to receive good returns from the development of the enterprise.

This year, the Company proposed to distribute a cash dividend of RMB0.55 per share, representing a dividend payout ratio of 63.13%.

(IX) Internal audit and internal control management

The Company attaches great importance to internal audit and internal control, focusing on promoting the development of the company, improving management, improving efficiency and strengthening internal control to prevent risks. At the same time, for daily risk monitoring, the Company regularly collects information and analyzes operating conditions, and constantly adjusts risk management measures according to internal and external trends.

During the reporting period, the Company earnestly carried out special audits, continuous internal control evaluation and defect rectification to ensure the integrity and effectiveness of the internal control system. In order to meet the regulatory requirements, on the basis of completing the optimization and construction of the “three in one” internal control system by the end of 2021, the Company completed the trial operation of internal control in 2022, adjusted and updated the internal control manual in combination with the actual situation, and issued the results of internal control construction in 2022. In the form of risk questionnaires, the Company extensively collects the views of managers at all levels on the risks existing in the company’s operation and their preferences for risks, and carries out annual risk assessment. The Company continuously collects information on risk changes in its daily work, and regularly summarizes the information on risk changes (including new risks) or risk events. Summarize and analyze all kinds of risk response measures and monitoring and handling of risk events on a quarterly basis, and prepare quarterly risk investigation reports. In 2022, the Company’s risk management and control was in good condition.

Section IV Corporate Governance

(X) About social responsibility

As a transportation infrastructure listed company, the Company actively abides by the laws and regulations of the PRC, strictly complies with the Articles of Association and the relevant corporate governance requirements of the Shanghai Stock Exchange and the Stock Exchange, conscientiously bases itself on the industry, fulfills the basic social responsibilities of social transportation demand and promoting social and economic development, and continuously creates good investment returns for shareholders. Strive to create benefits for stakeholders such as employees, customers and business partners.

During the reporting period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company and assumed multi-dimensional social responsibilities, including the corresponding responsibilities for stakeholders such as shareholders, employees, consumers and the community environment. For details, please refer to the Company's 2022 Environmental, Social and Governance Report, the full text of which has been published on the websites of the Shanghai Stock Exchange, the Stock Exchange and the Company.

Whether there is any significant difference between the corporate governance and the laws, administrative regulations and the provisions of the CSRC on corporate governance of listed companies; If there are significant differences, the reasons shall be explained.

Applicable Not applicable

II. THE SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, INSTITUTIONS AND BUSINESS, AS WELL AS THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS ADOPTED TO AFFECT THE COMPANY'S INDEPENDENCE.

Applicable Not applicable

The situation of the controlling shareholders, actual controllers and other entities under their control engaging in the same or similar business as the Company, as well as the impact of horizontal competition or significant changes in horizontal competition on the Company, the measures taken to solve the problem, the progress of the solution and the subsequent solution plan

Applicable Not applicable

Section IV Corporate Governance

III. BRIEF INTRODUCTION TO THE GENERAL MEETING OF SHAREHOLDERS

Session	Date of convening	Query index of the designated website where the resolution is published	Disclosure date of the publication of the resolution	Resolution of the meeting
First Extraordinary General Meeting of Shareholders in 2022	2022-02-25	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2022-02-26	Consideration and approval of the Proposal on the Connected Transaction of the Company's Controlled Subsidiaries and Related Parties Forming a Consortium to Participate in PPP Project Investment and Jointly Establish a Project Company
2021 Annual General Meeting	2022-05-20	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2022-05-21	Consideration and approval of the 2021 Work Report of the Board of Directors, 2021 Work Report of the Supervisory Committee, 2021 Audited Financial Report, 2021 Profit Distribution Plan and Proposal on the Appointment of the Company's Auditor for 2022 and Authorizing the Board of Directors to Determine its Remuneration
2022 Second Extraordinary General Meeting	2022-10-19	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2022-10-20	Consideration and approval of the "Resolution on the Company's Participation in the Subscription of Anhui Transportation Yanjiang Expressway REITs and Connected Transaction" and the "Resolution on the Conversion of Ningxuanhang Company's Debt into Capital Reserve and Related Party Transaction"

Section IV Corporate Governance

Session	Date of convening	Query index of the designated website where the resolution is published	Disclosure date of the publication of the resolution	Resolution of the meeting
2022 Third Extraordinary General Meeting of Shareholders	2022-12-08	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2022-12-09	The “Resolution on the Amendments to the Articles of Association”, the “Resolution on the Amendments to the Rules of Procedures of General Meeting”, the “Resolution on Amendments to the Rules of Procedure of the Board of Directors” and the “Resolutions on Amendments to Rules of Procedure of the Supervisory Committee” were considered and approved.

The holders of preference shares with restored voting rights request to convene an extraordinary general meeting.

Applicable Not applicable

Description of the General Meeting of Shareholders

- On February 25, 2022, the Company held the first extraordinary general meeting of shareholders in 2022. The Meeting was convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the board of directors. The directors, supervisors and company secretary of the Company attended the Meeting, and other senior management, lawyers and accountants were also present at the meeting. The meeting adopted a combination of on-site voting and online voting. The convening, holding and voting of the meeting were in compliance with the relevant requirements of the Company Law and the Articles of Association. A total of 9 shareholders and proxies attended the meeting, holding a total of 547,403,325 shares with voting rights, representing 48.27% of the total voting shares of the Company. The “Resolution on the Connected Transaction in Relation to the Formation of a Consortium by a Subsidiary Controlled by the Company and a Related Party to Participate in PPP Project Investment and Jointly Establish a Project Company” was considered at the Meeting. Anhui Transportation Holding Group, a connected shareholder, has abstained from voting, and the resolution was duly passed as an ordinary resolution as more than half of the votes were cast in favour of it. No proposal was added or changed at the meeting.

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2. On May 20, 2022, the Company held the annual general meeting of shareholders for the year 2021. The meeting was convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the board of directors. The directors, supervisors and company secretary of the Company attended the meeting, and other senior management, lawyers and accountants were also present at the meeting. The meeting adopted a combination of on-site voting and online voting. The convening, holding and voting of the meeting were in compliance with the relevant requirements of the Company Law and the Articles of Association. A total of 12 shareholders and proxies attended the meeting, holding a total of 1,098,295,418 shares with voting rights, representing 66.22% of the total voting shares of the Company. A total of five resolutions were considered at the meeting, of which resolutions 4 and 5 were counted separately for small and medium investors. Resolutions 1 to 5 were duly passed as ordinary resolutions as more than half of the votes were cast in favour of them. No proposal was added or changed at the meeting.
3. On October 19, 2022, the Company held the second extraordinary general meeting of shareholders in 2022. The meeting was convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the board of directors of the Company. Directors, supervisors and the secretary to the board attended the meeting, and other senior management, lawyers and accountants were also present at the meeting. The meeting adopted a combination of on-site voting and online voting. The convening, holding and voting of the meeting were in compliance with the relevant requirements of the Company Law and the Articles of Association. A total of 12 shareholders and proxies attended the meeting, holding a total of 652,019,942 shares with voting rights, representing 57.50% of the total voting shares of the Company. A total of two resolutions were considered at the meeting, both of which were related party transaction resolutions, and the votes of small and medium investors were counted separately. Anhui Transportation Holding Group, a related shareholder, has abstained from voting. Resolutions 1 and 2 were duly passed as ordinary resolutions with more than half of the votes in favour. No proposal was added or changed at the meeting.
4. On December 8, 2022, the company held the third extraordinary general meeting of shareholders in 2022. The meeting was convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the board of directors of the Company. Directors, supervisors and the secretary to the board attended the meeting, and other senior management, lawyers and accountants were also present at the meeting. The meeting adopted a combination of on-site voting and online voting. The convening, holding and voting of the meeting were in compliance with the relevant requirements of the Company Law and the Articles of Association. A total of 9 shareholders and proxies attended the meeting, holding a total of 1,180,387,939 shares with voting rights, representing 71.17% of the total voting shares of the Company. A total of four proposals were considered at the meeting, all of which were counted separately for small and medium investors. As more than two-thirds of the votes were cast in favour of Resolutions 1 to 4, they were duly passed as special resolutions. No proposal was added or changed at the meeting.

Section IV Corporate Governance

IV. INFORMATION ABOUT THE DIRECTORS, SUPERVISORS AND SENIOR MANAGERS

(I) Changes in shareholding and remuneration of current and outgoing directors, supervisors and senior managers during the reporting period

Name	Position	Gender	Age	Term of office commencement date	Term of office expiry date	Total pre-tax remuneration received from the Company during the reporting period RMB0,000	Whether to receive remuneration from related parties of the Company
Xiang Xiaolong	Chairman	Male	59	2020-08-17	2023-08-16	0	Yes
Yang Xiaoguang	Vice Chairman	Male	60	2020-08-17	2023-08-16	0	Yes
Tao Wensheng	Director	Male	53	2021-07-16	2023-08-16	40.54	No
	General manager			2021-06-11	2023-08-16		
Chen Jiping	Director	Male	52	2021-07-16	2023-08-16	50.57	No
Yang Xudong	Director	Male	50	2020-08-17	2023-08-16	0	Yes
Du Jian	Director	Male	52	2020-08-17	2023-08-16	0	Yes
Liu Hao	Independent director	Male	45	2020-08-17	2023-08-16	8.00	No
Zhang Jianping	Independent director	Male	55	2020-08-17	2023-08-16	8.00	No
Fang Fang	Independent director	Female	49	2020-08-17	2023-08-16	12.00	No
Cheng Xijie	Chairman of the Supervisory Board	Male	59	2021-05-21	2023-08-16	0	Yes
Li Huairu	Employee representative supervisor	Female	52	2022-01-05	2023-08-16	25.2	No
Jiang Yue	Supervisor	Male	41	2020-08-17	2023-08-16	0	Yes
Ling Lang	Deputy General Manager	Male	51	2022-08-11	2023-08-16	12.6	No
Wu Changming	Deputy General Manager	Male	52	2022-01-12	2023-08-16	50.57	No
	Secretary of the Board of Directors			2022-06-30	2023-08-16		
	Employee Representative Supervisor (Departure)			2021-06-17	2022-01-05		
Deng Ping	Deputy General Manager	Female	53	2020-08-17	2023-08-16	51.19	No
Huang Yu	Chief Financial Officer	Male	47	2021-01-22	2023-08-16	51.36	No
Zhang Xianxiang	General Counsel	Male	49	2021-04-28	2023-08-16	43.15	No
Xie Xinyu	Company Secretary (Outgoing)	Male	56	2020-08-17	2022-06-30	0	Yes
Li Huimin	Deputy General Manager (Outgoing)	Male	59	2020-08-17	2022-08-11	50.57	No
Dong Huihui	Secretary of the Board of Directors (outgoing)	Female	55	2020-08-17	2022-06-30	52.32	No
Totally	/	/	/	/	/	456.07	/

None of the directors, supervisors and senior management of the Company held or traded any securities of the Company during the Reporting Period.

Section IV Corporate Governance

Name	Main work experience
Xiang Xiaolong	<p>Born in 1964, Master of Business Administration, Anhui Institute of Business Administration. He served as secretary and deputy director of Anhui Provincial Supply and Marketing Cooperative Office, deputy general manager of Anhui Agricultural Materials Company, director of Anhui Provincial Supply and Marketing Cooperative Office, assistant mayor of Anqing Municipal Government, director of Municipal Development and Reform Commission, Secretary-General of Municipal Government, director of Municipal Administrative Service Center, deputy mayor of Anqing Municipal Government, standing committee member and deputy mayor of Anqing Municipal Committee. Deputy Director and Member of the Party Committee of the State-owned Assets Supervision and Administration Commission of the Anhui Provincial Government, Deputy Director and Deputy Secretary of the Party Committee of the State-owned Assets Supervision and Administration Commission of the Anhui Provincial Government. He is currently the party secretary and chairman of Anhui Communications Holding Group Co., Ltd. He became the chairman of the Company on 4 February 2020.</p>
Yang Xiaoguang	<p>Born in 1963, bachelor degree, bachelor of engineering, senior engineer. He has successively served as the chief staff member of the Science and Technology Department of Anhui Communications Department, the director of Hefei Car Repair Factory in Anhui Province, and the director, deputy general manager and member of the Party Committee of Anhui Communications Investment Group Co., Ltd. He is currently a member of the Party Committee and deputy general manager of Anhui Communications Holding Group Co., Ltd. He has been appointed as the Vice Chairman of the Company since 17 August 2020.</p>

Section IV Corporate Governance

Name	Main work experience
Tao Wensheng	<p>Born in 1970, graduate degree, senior engineer. He was the assistant engineer of Hefei Meiling Refrigerator General Factory, the deputy manager of the comprehensive bidding department, the deputy director of the comprehensive department and the deputy director of the consulting and supervision department of Anhui Machinery and Equipment Complete Bureau. Deputy Director of Anhui Tendering Center; Member of the Party Committee and Deputy General Manager of Anhui High Speed Real Estate Group Co., Ltd. Member of the General Party Branch, Executive Director, General Manager and Director and Chairman of Anhui Yida Expressway Service Area Management Co., Ltd. Deputy Party Secretary, Executive Director and General Manager of Anhui Yida Expressway Service Area Operation and Management Co., Ltd.; Chairman and Deputy Party Secretary of Anhui Expressway Real Estate Group Co., Ltd. from September 2017 to June 2020; From June 2020 to June 2021, he served as the party secretary and chairman of Anhui High Speed Real Estate Group Co., Ltd. He has been the secretary of the Party Committee and the general manager of the Company since June 2021, and has been the secretary of the Party Committee, an executive Director and the general manager of the Company since July 2021. He is also the chairman of Anhui Ningxuanhang Expressway Investment Co., Ltd. and the director of Anhui Expressway (Hong Kong) Co., Ltd.</p>
Chen Jiping	<p>Born in 1971, Master of Business Administration, Senior Engineer. He served as Deputy Director of Personnel Department, Director of Office and Director of Operation Management Department of Anhui Communications Investment Group Co., Ltd., Member of the Party Committee and Deputy General Manager of Anhui Communications Control Operation Management Co., Ltd. He served as a member of the Party Committee and a deputy general manager of the Company from August 2016 to June 2020, a deputy secretary of the Party Committee of the Company from June 2020 (during which, he served as an employee representative supervisor of the company from 17 August 2020 to 17 June 2021), and a deputy secretary of the party committee and an executive director of the company from July 2021.</p>

Section IV Corporate Governance

Name	Main work experience
Yang Xudong	<p>Born in 1973, doctoral candidate, senior engineer. He has been the project manager of the domestic project department of China Merchants International Co., Ltd., the assistant to the general manager and the general manager of the investment and development department of China Merchants Highway Network Technology Holdings Co., Ltd., a member of the party committee and the deputy general manager. He is currently the deputy party secretary and general manager of China Merchants Highway Network Technology Holdings Co. He is also a director of Guangxi Wuzhou Communications Co., Ltd. and Zhejiang Huhangyong Expressway Co., Ltd. He has been a director of the Company since 17 August 2017.</p>
Du Jian	<p>Born in 1971, doctoral candidate, senior engineer. He was the president of Sino-Canadian Beijing Tongshang Jiatai Consulting Co., Ltd., the deputy general manager of Lujie Company of China Highway Engineering Consulting and Supervision Corporation, and the general manager of Strategic Development Department of China Merchants Highway Network Technology Holding Co., Ltd. He was also a director of Shandong High Speed Co., Ltd. He is currently the party secretary and chairman of China Merchants Xinzhi Technology Co., Ltd. He is also the chairman of China Merchants HuaSoft Information Co., Ltd. He has been a director of the Company since 20 May 2016.</p>
Liu Hao	<p>Born in 1978, Doctor of Accounting. He is currently a professor and doctoral supervisor of the School of Accounting of Shanghai University of Finance and Economics, an advisory member of the Third Advisory Committee on Enterprise Accounting Standards of the Ministry of Finance, and the third national accounting leader (academic) talent of the Ministry of Finance. He is also an independent director of Shanghai Xuerong Biotechnology Co., Ltd., Shanghai Zhaomin New Material Technology Co., Ltd., Hubei Huitian New Material Co., Ltd. and Shanghai Zhizhen New Energy Co. He has been an independent director of the Company since 17 August 2017.</p>

Section IV Corporate Governance

Name	Main work experience
Zhang Jianping	Born in 1968, postgraduate degree, master of law. He was the chief staff member of Anhui Supply and Marketing Cooperative Union, the partner lawyer of Hefei Jun'an Law Firm and the partner lawyer of Anhui Century Tianyuan Law Firm. He is currently the chief lawyer of Anhui Zhuotai Law Firm. He has been an independent director of the Company since 17 August 2020 and an independent director of Anhui Natural Gas Development Co., Ltd. since April 2022.
Fang Fang	Born in 1974, he holds a postgraduate degree and a master's degree in MBA. He was the managing director of Tybourn Capital Management and a partner and fund manager of Far Eastern Capital Management Co., Ltd. He has been a partner and fund manager of Tairen Capital since June 2018. He has been an independent director of the Company since 17 August 2020.
Cheng Xijie	Born in 1964, with a university degree from the Central Party School. He has successively served as deputy secretary and deputy director of the Party Group of the Public Security Bureau of Yuexi County, Anhui Province, chief procurator of the Procuratorate of Yuexi County, Anhui Province, member of the Standing Committee of the Party Committee and Secretary of the County Discipline Inspection Commission of Yuexi County, member of the Standing Committee of the Discipline Inspection Commission of Anqing City, Anhui Province (at the county level), deputy secretary of the Anqing Discipline Inspection Commission, and deputy secretary of the Discipline Inspection Committee of Anhui Communications Holding Group Co., Ltd. He has been the chairman of the supervisory committee of the Company since May 2021.
Li Huairu	Born in 1971, Master, Senior Accountant. He was the director, director and party committee member of the Finance Department of Anhui Xunjie Logistics Co., Ltd., the party committee member, finance manager, director and chief accountant of Anhui Huanyu Highway Construction and Development Co., Ltd., and the deputy director of the Finance Department of Anhui Communications Investment Group Co. From March 2015 to December 2021, he served as Deputy Director of Finance Department of Anhui Communications Holding Group Co., Ltd. Member of the Party Committee and Secretary of the Discipline Inspection Committee of the Company since December 2021. He was appointed as an employee representative supervisor of the Company on 5 January 2022.

Section IV Corporate Governance

Name	Main work experience
Jiang Yue	<p>Born in 1982, Master of Management, Chinese Certified Public Accountant (non-practicing), American Chartered Financial Analyst, Financial Risk Manager. He has been working in China Merchants Highway Network Technology Holdings Co., Ltd. since July 2009, and served as the project manager of Equity Management Department I and Enterprise Management Department, supervisor of Henan Zhongyuan Expressway Co., Ltd., supervisor of Heilongjiang Communications Development Co., Ltd., supervisor of Shandong Expressway Co. Ltd. and supervisor of North China Expressway Company Limited. He is currently an assistant to the general manager of the capital operation department and a supervisor of Jilin Expressway Company Limited. He has been a Supervisor of the Company since May 20, 2016.</p>
Ling Lang	<p>Born in 1972, graduate degree, engineer. He has successively served as Chief of Security Section and Chief of Propaganda and Education Section of Personnel Department of Anhui Expressway Corporation, and Assistant Director of Anhui Expressway Test and Research Center. Member, Deputy Director, Deputy Secretary, Deputy Director, Secretary and Director of the General Party Branch of Hean Highway Management Office of Anhui Expressway Corporation; Secretary and Director of the General Party Branch of Hean Highway Management Office of Anhui Expressway Holding Group Co., Ltd. Secretary and Director of the General Party Branch of Quanjiao Management Office of the Company; From September 2006 to May 2010, he concurrently served as the executive deputy general manager (presiding over the work) of Anhui Anqing Changjiang Highway Bridge Co., Ltd. From May 2010 to April 2011, he concurrently served as the chairman and general manager of Anhui Anqing Changjiang Highway Bridge Co., Ltd. Since August 2015, he has been the secretary of the general Party branch and director of Hefei Management Office of the Company. He has been a member of the Party Committee and deputy general manager of the Company since August 2022.</p>

Section IV Corporate Governance

Name	Main work experience
Wu Changming	<p>Born in 1971, master's degree candidate, first-class legal adviser, senior economist, company lawyer. He served as the deputy director of the investment planning department of Anhui Communications Investment Group Co., Ltd., the vice president of Anhui Communications Survey and Design Institute, the deputy director of the road property management department, the deputy director and director of legal affairs department of Anhui Communications Investment Group Co., Ltd. From March 2015 to June 2020, he served as the director of legal affairs department of Member of the Party Committee and Secretary of the Discipline Inspection Committee of the Company from June 2020 to December 2021. He served as an employee representative supervisor of the Company from June 2021 to January 2022, a member of the Party Committee and the deputy general manager of the Company from 12 January 2022, and a member of the Party Committee, the deputy general manager and the secretary to the Board of the Company since June 2022. He is also the director of Anhui Expressway Media Co., Ltd. and Anhui Ningxuanhang Expressway Investment Co., Ltd. and the chairman of Anhui Communications Holding Group (Hong Kong) Co., Ltd.</p>
Deng Ping	<p>Born in 1970, college degree, engineer. He has successively served as Deputy Chief and Chief of Maintenance Section of Hefei Management Office of Anhui Expressway Corporation, Deputy Chief of Hefei Management Office, Deputy Director of Toll Management Department of Anhui Expressway Holding Group Co., Ltd., and Deputy Director of Toll Management Department of Anhui Traffic Control Operation Management Co., Ltd. (Highway Operation Department). From August 2016 to June 2020, he served as the deputy director of the operation management department of Anhui Communications Holding Group Co., Ltd. He has been the deputy general manager of the Company since 24 June 2020 and is currently a member of the Party Committee and the deputy general manager of the Company. He is also a director of Anhui Ningxuanhang Expressway Investment Co., Ltd.</p>

Section IV Corporate Governance

Name	Main work experience
Huang Yu	<p>Born in 1976, bachelor degree, Chinese Certified Public Accountant, Australian Public Accountant, British Financial Accountant and American Certified Management Accountant. He started his career in August 1998 and has successively served as the audit manager of PricewaterhouseCoopers Beijing Zhangchen Accounting Firm, the chief financial officer of Beijing Jiangsheng Real Estate Investment and Development Co., Ltd., the chief financial officer of Ruihuan Education Investment Co., Ltd., the general manager, assistant to the president and vice president of the financial department of Jiangsu Fangyang Group Company Limited, and the chief financial officers of Jiangsu New Century Jiangnan Environmental Protection Company Limited. He has been the chief financial officer of the Company since 22 January 2021. He is also a director of Anhui Xin'an Financial Group Co., Ltd., Anhui Xin'an Capital Operation Management Co., Ltd. and Anhui Jiaotong Capital Investment Management Co., Ltd.</p>
Zhang Xianxiang	<p>Born in 1974, Master of Business Administration, Master of Business Administration, Political Engineer, Corporate Lawyer, Anhui University. He has successively served as the executive deputy stationmaster and director of personnel department of Tongling South Toll Station of Qingyang Expressway Management Co., Ltd. of Anhui Communications Investment Group, deputy director of legal affairs department of Anhui Communications Investment Group Co., Ltd., deputy director of legal affairs department of Anhui Communications Holding Group Co., Ltd., and Deputy Director of Legal Compliance Department of Anhui Communication Holding Group Company Limited. He has been the general counsel of the Company since 28 April 2021.</p>

Section IV Corporate Governance

Name	Main work experience
Xie Xinyu	<p>Born in 1967, postgraduate degree, master of engineering, senior engineer, fellow member of the Hong Kong Institute of Chartered Secretaries, and fellow member of the Institute of Chartered Secretaries and Administrators. He served as the deputy general manager and the secretary to the board of directors of the Company from 1996 to 1999, the director, deputy general manager and the secretary to the board of directors of the Company from 1999 to 2002, and has served as the deputy general manager and the secretary in August 2002. He has been a Director, Deputy General Manager and Company Secretary of the Company since 17 August 2014, a Director, Executive Deputy General Manager and Company Secretary of the Company from August 2020 to June 2021, and a Company Secretary from June 2021 to June 2022.</p>
Li Huimin	<p>Born in 1964, in-service postgraduate degree, economist. He has successively served as the deputy director of Wuzhuang Toll Collection Office of Quanjiao Management Office of Anhui Expressway Corporation, the deputy general manager and deputy general manager of Xuanguang Expressway Co., Ltd., the director and general secretary of the Party branch of Mawu Highway Management Office of Anhui Expressway Holding Group Co., Ltd., and the director and general secretary of the Party branch of Ma'anshan Management Office. He served as the deputy general manager of the Company from December 2015 to August 2022.</p>

Section IV Corporate Governance

Name	Main work experience
Dong Huihui	Born in 1968, Bachelor of Economics, Zhejiang University, Senior Economist. He served as the Deputy Chief of the Planning and Finance Section of the Operation Division and the Chief of the Development Planning Section of the Enterprise Planning Division of Anhui Provincial Expressway Corporation, the Deputy Director of the Enterprise Planning Division, the Deputy Director of the Investment Development Department and the Director of Asset Center of Anhui Transportation Holding Group Co., Ltd., and the Deputy director of the Investment Development Department of Anhui Transportation Holding Group Co., Ltd. From September 2017 to June 2020, he served as the head of the secretarial office of the Board and the head of the securities department of the Company. Secretary to the Board of the Company from March 2017 to June 2022.

Description of other circumstances

Applicable Not applicable

(II) Positions held by current directors, supervisors and senior managers and those who left their posts during the reporting period

1. Positions held in shareholders entities

Name of position holder	Name of shareholder entity	Positions held in the shareholder unit	Term start date	Term End Date
Xiang Xiaolong	Anhui Transportation Holding Group Co., Ltd.	Secretary of the Party Committee and Chairman of the Board	October 2019	
Yang Xiaoguang	Anhui Transportation Holding Group Co., Ltd.	Party Committee member and deputy general manager	December 2014	
Yang Xudong	China Merchants Highway Network Technology Holdings Co., Ltd	Deputy Secretary of the Party Committee and General Manager	November 2022	
Jiang Yue	China Merchants Highway Network Technology Holdings Co., Ltd	Assistant to General Manager of Capital Operation Department	July 2019	

Description of employment in the shareholder unit

Section IV Corporate Governance

2. Positions held in other entities

Name of position holder	Name	Positions held	Term start date	Term End Date
Tao Wensheng	Anhui Communications Holding Group (Hong Kong) Co., Ltd.	Chairman	August 2021	December 2022
	Anhui Expressway (H.K.) Limited	Director	August 2021	
	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Chairman	July 2021	
	Anhui Provincial Expressway Network Toll Management Center	Director	June 2021	
Yang Xudong	Guangxi Wuzhou Communications Co., Ltd.	Director	June 2014	
	China Merchants Railway Holdings Co., Ltd.	Chairman	July 2020	
	Zhejiang Huhangyong Expressway Co., Ltd.	Director	December 2022	
Du Jian	Merchants Xinzhi Technology Co., Ltd.	Chairman	July 2017	
	China Merchants Huaruan Information Co., Ltd.	Chairman	January 2019	
Liu Hao	Shanghai University of Finance and Economics	Professor of Accounting and Doctoral Tutor	July 2014	
	Shanghai Shenergy Company Limited	Independent director	May 2016	May 2022
	Shanghai Xuerong Biotechnology Co., Ltd.	Independent director	August 2017	
	Shanghai Zhaomin New Material Technology Co., Ltd.	Independent director	May 2019	
	Hubei Huitian New Material Co Ltd	Independent director	April 2021	
	Shanghai Zhizhen New Energy Co., Ltd	Independent director	November 2021	
	Zhang Jianping	Anhui Zhuotai Law Firm	Chief counsel	May 2007
Fang Fang	Anhui Natural Gas Development Co., Ltd	Independent director	April 2022	
	Tairen Capital Co. Ltd	Partner and fund manager	June 2018	
Li Huairu	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Chairman of the Supervisory Board	February 2022	
Jiang Yue	Jilin Expressway Company Limited	Supervisor	April 2016	
Wu Changming	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Chairman of the Supervisory Board	September 2020	February 2022
	Anhui High Speed Media Co., Ltd.	Director	August 2022	
	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Director	August 2022	
	Anhui Communications Holding Group (Hong Kong) Co., Ltd.	Chairman	December 2022	
Deng Ping	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Director	September 2020	
Huang Yu	Anhui Xin'an Financial Group Co., Ltd.	Director	July 2021	
	Anhui Xin'an Capital Operation Management Co., Ltd.	Director	July 2021	
	Anhui Jiaotong Capital Investment Management Co., Ltd.	Director	March 2022	
Li Huimin	Anhui High Speed Media Co., Ltd.	Director	August 2017	August 2022
	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Director	September 2020	August 2022
Description of employment in other entities				

Section IV Corporate Governance

(III) Remuneration of directors, supervisors and senior managers

Decision-making procedures for the remuneration of directors, supervisors and senior managers	It shall be submitted to the general meeting of shareholders for approval after being reviewed by the board of directors and the board of supervisors respectively.
Basis for determining the remuneration of directors, supervisors and senior managers	It is determined in accordance with the relevant policies or regulations of the PRC and taking into account the market level and the actual situation of the Company (including the operating results of the Company, its responsibilities and the current remuneration standards paid by the Company to its directors, supervisors and senior management).
Actual payment of remunerations to directors, supervisors and senior managers	RMB4.5607 million
Total remuneration actually received by all directors, supervisors and senior management at the end of the reporting period	RMB4.5607 million

(IV) Changes in Directors, Supervisors and Senior Management of the Company

Name	Position held	Change situation	Reason for change
Li Huairu	Employee representative supervisor	Election	Job demand
Ling Lang	Deputy General Manager	Appointment	Job demand
Wu Changming	Deputy General Manager and Secretary of the Board of Directors	Appointment	Job demand
Xie Xinyu	Company Secretary	Resignation	Job change
Li Huimin	Deputy General Manager	Resignation	Job change
Dong Huihui	Secretary of the Board of Directors	Resignation	Job change

Due to the change of position, Mr. Wu Changming applied to resign from the position of employee representative Supervisor. The Company held an employee representative meeting on 5 January 2022 and elected Ms. Li Huairu as the employee representative Supervisor of the ninth session of the Supervisory Committee of the Company, with the term of office commencing from the date of approval by the employee representative meeting and ending on the expiry date of the term of office of the current session of the Supervisory Committee of the Company.

The Company convened the sixteenth meeting of the ninth session of the Board on 12 January 2022, at which Mr. Wu Changming was appointed as the deputy general manager of the Company, with a term of office commencing from the date of approval by the Board and ending on the expiry date of the term of office of members of the current session of the Board.

Section IV Corporate Governance

Due to the change of the job, Mr. Xie Xinyu applied to resign from the positions of the Company Secretary, the authorized representative of the Company (the “Authorized Representative”) as set out in Rule 3.05 of the Listing Rules and the secretary to the Audit Committee of the Board, and Ms. Dong Huihui applied to resign from the positions of the secretary to the Board and the secretary to Strategic Development and Investment Committee of the Board. The Company convened the twenty-first meeting of the ninth session of the Board of Directors on 30 June 2022, and appointed Mr. Wu Changming, the deputy general manager of the Company, as the secretary of the Board of Directors, the secretary of the Strategic Development and Investment Committee and the secretary to the Audit Committee. Mr. Lee Chung Shing was appointed as the secretary and authorized representative of the Company. Their terms of office shall commence from the date on which the resolution of this session of the Board of Directors is passed and end on the date on which the term of office of the members of this session of the Board of Directors expires.

Due to job change, Mr. Li Huimin applied to resign from the position of deputy general manager of the Company. The Company convened the twenty-second meeting of the ninth session of the Board on 11 August 2022 and appointed Mr. Ling Lang as the deputy general manager of the Company, with a term of office commencing from the date of approval by the Board and ending on the expiry date of the term of office of the members of the current session of the Board.

(V) Explanation for punishment by securities regulator in the latest three years

Applicable Not applicable

(VI) Other

Applicable Not applicable

V. RELEVANT INFORMATION ON THE MEETINGS OF THE BOARD OF DIRECTORS HELD DURING THE REPORTING PERIOD

Session	Date of convening	Resolution of the meeting
The Sixteenth Meeting of the Ninth Board of Directors	January 22, 2022	Considered and approved the Proposal on the Appointment of the Deputy General Manager of the Company and the Proposal on the Formal Appointment of the Chief Financial Officer of the Company upon the Expiration of Probation Period, totaling 2 proposals.
Seventeenth Meeting of the Ninth Board of Directors	January 27, 2022	Considered and approved the “Resolution on the Termination of the Connected Transaction of the Acquisition of Overseas Assets by the Company and the Parties to the Consortium”.
Eighteenth Meeting of the Ninth Board of Directors	March 10, 2022	The Proposal on Participating in the Second Phase Investment of Anhui Transportation China Merchant Industrial Fund and Signing Supplementary Agreement was considered and approved.

Section IV Corporate Governance

Session	Date of convening	Resolution of the meeting
Nineteenth Meeting of the Ninth Board of Directors	March 26, 2022	Considered and approved the “2021 Financial Report of the Company”, “2021 Annual Report of the Company” (A Shares and H Shares), the 2021 Annual Results Announcement and the Summary of the Annual Report prepared by the Company in accordance with the PRC and Hong Kong Accounting Standards. The 2021 Profit Distribution Plan, the 2021 Report of the Board of Directors, 2021 Work Report of Independent Directors, the 2021 Performance Report of the Audit Committee, and the 2021 Internal Control Evaluation Report of the Board of Directors, The Internal Control Audit Report and the 2021 Internal Control System Work Report, Major Risk Assessment Report of the Company in 2022, Environment, Social and Governance Report of the Company in 2021, Completion of the Company’s 2021 Plan and Revenue and Expenditure Plan for 2022, Proposal on Projected Daily Connected Transactions in 2022, Proposal on Change of Accounting Firm and Proposal on Convening the 2021 Annual General Meeting of Shareholders of the Company, totaling 16 proposals.
The Twentieth Meeting of the Ninth Board of Directors	April 29, 2022	The First Quarterly Report of the Company for 2022 was reviewed and approved.
Twenty-first Meeting of the Ninth Board of Directors	June 30, 2022	Considered and approved the “Resolution on the Change of the Secretary to the Board of Directors of the Company”, “Resolution on the Change of the Secretary to the Board of Directors of the Company”, “Resolution on Formulating the Work Plan for Implementing the Functions and Powers of the Board,” “Resolution on Formulating the Interim Measures for the Administration of Authorizations of the Board,” “Measures for the Administration of Remuneration of Members at the Management Level, Management Measures for Total Wages, External Donation The Resolution on the Establishment of Chuzhou Expressway Management Center of the Company, the Resolution on the Reduction and Exemption of Rent of the Service Area of the Company, the Resolution on Relevant Conditions of Contractual Management of Management Members of the Company in 2022 and the Resolution on Application by the Company to Banks for Comprehensive Credit Line in 2022, totaling 9 proposals.

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Session	Date of convening	Resolution of the meeting
Twenty-second Meeting of the Ninth Board of Directors	August 11, 2022	Consideration and approval of the “Resolution on the Change of Senior Management of the Company” and the “Resolution on the Tenure System and Contractual Management of Management Members of the Company”, a total of 2 resolutions.
Twenty-third Meeting of the Ninth Board of Directors	August 26, 2022	Considered and approved the “2022 Interim Financial Report of the Company”, “2022 Interim Report of the Company” and their summaries and the 2022 Interim Results Announcement prepared by the Company in accordance with the PRC and Hong Kong Accounting Standards. There are 7 proposals in the Proposal on Ningxuanhang Company’s Debt Transfer to Capital Reserve and Related Transactions, the Proposal on Authorized Purchase of Entrusted Financing and the Proposal on the Disposal of Fixed Assets in 2022, a total of 7 resolutions.
Twenty-fourth Meeting of the Ninth Board of Directors	September 21, 2022	Considered and approved the “Resolution on the Company’s Participation in the Subscription of Anhui Transportation Yanjiang Expressway REITs and Connected Transactions”.
Twenty-fifth Meeting of the Ninth Board of Directors	October 28, 2022	Considered and approved the “2022 Third Quarterly Report of the Company” and the “Resolution on the Amendments to 12 Systems Including the Information Disclosure Management System of the Company” Proposal on Revising the Basic Tendering and Bidding Management System of the Company The “Resolution on the Amendments to the Contract Management Measures of the Company” and the “Resolution on the Tenure System and Contractual Management of the Management Members of the Company”, a total of 5 resolutions.

Section IV Corporate Governance

Session	Date of convening	Resolution of the meeting
Twenty-sixth Meeting of the Ninth Board of Directors	November 9, 2022	<p>Consideration and approval of the “Resolution on the Amendments to the Articles of Association, the Rules of Procedure for the Shareholders’ General Meeting and the Working Regulations for the Board of Directors of the Company”, the “Administrative Measures on Formulating the Authorization of the Board of Directors, the Administrative Measures on the Management’s Reporting to the Board, the Administrative Measures on System Construction, the Rules of Procedure for the General Manager’s Office Meeting, the Debt Management Measures and the Administration Measures on the Election of Management Members” The Proposal on Revising the Measures for the Implementation of the “Three-fold and One-big” Decision-making of the Company, the Basic System for Strategic Planning Management, the Basic System for Investment Management, the Fund Management System, the Guarantee Management Measures, the Debt Financing Management Measures, the Asset Evaluation Management Measures and the Internal Control Management Measures Management Measures, Comprehensive Risk Management Measures, Implementation Measures for Accountability for Illegal Operation and Investment, Internal Audit Management Measures and Detailed Rules for the Implementation of Compliance Management There are 5 resolutions in the “14th Five-Year Development Plan of the Company” and the “Resolution on the 2021 Annual Assessment and Distribution of the Headquarters of the Company”.</p>
Twenty-seventh Meeting of the Ninth Board of Directors	December 30, 2022	<p>Consideration and approval of the “Resolution on the New Daily Connected Transactions of the Company in 2022”, the “Resolution on the Connected Transactions in Relation to the Renewal of Lease of Gas Stations Owned by the Company”, the “Resolutions on the Changes in Accounting Estimates of the Company” and the “Resolutions on Matters Related to Remuneration Distribution of the Headquarters and Management Units of the Company”. The Report on Compliance Risk and Compliance Management in 2022 and the Proposal on the Post-evaluation Plan of the Company’s Investment Projects in 2023.</p>

Section IV Corporate Governance

VI. DIRECTORS' PERFORMANCE OF DUTIES

(I) Directors' participation in the board of directors and shareholders' meetings

Director Name	Independent director or not	Number of board meetings to be attended in the current year	Participation in the Board of Directors			Attendance at General Meeting of Shareholders		
			Number of personal attendance	Number of times of participation by correspondence	Delegated attendance	Absent Times	Whether failed to attend two consecutive meetings in person	Attendance at general meetings
Xiang Xiaolong	No	12	12	0	0	0	No	4
Yang Xiaoguang	No	12	12	0	0	0	No	4
Tao Wensheng	No	12	12	0	0	0	No	4
Chen Jiping	No	12	12	0	0	0	No	4
Yang Xudong	No	12	12	12	0	0	No	4
Du Jian	No	12	12	10	0	0	No	4
Zhang Jianping	Yes	12	12	0	0	0	No	4
Liu Hao	Yes	12	12	12	0	0	No	4
Fang Fang	Yes	12	12	12	0	0	No	4

Explanation of failure to attend two consecutive meetings of the Board of Directors in person

Applicable Not applicable

Number of Board meetings held during the year	12
Including: number of on-site meetings	12
Number of meetings held by means of communication	0
Number of meetings held on site by means of communication	12

(II) Any objection raised by the directors to the relevant matters of the Company

Applicable Not applicable

(III) Other

Applicable Not applicable

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

Please refer to the relevant disclosures in the Corporate Governance Report in this section.

VIII. DESCRIPTION ON THE IDENTIFICATION OF RISKS BY THE SUPERVISORY COMMITTEE

Applicable Not applicable

The Supervisory Committee had no objection to the matters under supervision during the reporting period.

IX. OTHER INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGERS

(I) Service contracts of directors and supervisors

All executive directors and supervisors have entered into service contracts with the Company for a term of three years from the date of their appointment. The details of the Contract are identical in all material respects and are as follows:

- Each service contract is for a term of three years commencing from 17 August 2020.
- No director's fee is fixed and paid additionally to directors who receive remuneration in shareholder units.
- No director's remuneration will be fixed and paid additionally to directors who already hold managerial positions in the Company. The remuneration received by such directors from the Company will be calculated, approved and paid according to their specific positions in the Company and in accordance with the Company's remuneration policy.
- The director's remuneration for domestic independent directors is RMB80,000 per annum.
- The director's remuneration for overseas independent directors is RMB120,000 per annum.
- No remuneration shall be determined and paid to the supervisors who are recommended by the shareholder units and hold office in the shareholder units.
- No remuneration will be determined and paid to supervisors who hold office in the Company. The remuneration received by the Supervisors from the Company will be calculated, approved and paid according to their specific positions in the Company and in accordance with the remuneration and welfare policies of the Company.

Save as aforesaid, there is no existing or proposed service contract between the Company and any Director or Supervisor which is subject to termination within one year and payment of compensation (other than normal statutory compensation).

Section IV Corporate Governance

(II) Contractual rights and interests of directors and supervisors

No Director or Supervisor or entity connected with him or her had a material interest, whether directly or indirectly, in a transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries, the Company's parent or any parent's subsidiary was a party at any time in 2022 or at the end of 2022.

(III) Interests of directors and supervisors in competitive business

During the Reporting Period, as required by the Listing Rules of the Hong Kong Stock Exchange, none of the directors, supervisors and senior management of the Company held any interest in any business which competes or may compete with the business of the Group.

(IV) Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules of the Hong Kong Stock Exchange as the code for securities transactions by directors and supervisors. Having made specific enquiry of all directors and supervisors, the Company confirmed that the directors and supervisors of the Company had complied with the relevant standards set out in the Code during the Reporting Period.

(V) During the reporting period, the Group did not directly or indirectly provide loans or loan guarantees to the directors, supervisors and senior management of the Company and its controlling shareholders or their associates.

(VI) Disclosure of Rights and Interests

On December 31, 2022, None of the directors, supervisors or senior management of the Company has any interest in any shares of the Company or any associated corporation (within the meaning of Part XV of the SFO), Has or is deemed to have any interests or short positions in the underlying Shares and debentures which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he has or is deemed to have pursuant to such provisions of the SFO); Or in the register referred to in section 352 of the Securities and Futures Ordinance; Or to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and disclosed in this annual report.

(VII) Arrangements for the purchase of shares or debentures

At no time during 2022 or at the end of 2022 was the Company, any of its subsidiaries, the Company's parent or any of the parent's subsidiaries a party to any arrangements to enable the Directors or Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Section IV Corporate Governance

X. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

(I) Staff situation

Number of active employees of the parent company	1,362
Number of active employees in major subsidiaries	610
Total number of active employees	1,972
Number of retired employees whose expenses are to be borne by the parent company and its major subsidiaries	154

Professional composition

Professional composition category	Number of professionals
Production personnel	1,292
Salesperson	0
Technicians	179
Financial personnel	43
Administrative staff	458
Totally	1,972

Education level

Educational attainment categories	Quantity (person)
Graduate degree	81
Bachelor degree	560
Junior college	862
Technical Secondary School	172
High school and below	297
Totally	1,972

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(II) Remuneration policy

The Company sets up four post sequences according to the nature of the post, including management post, professional and technical post, charging post and service guarantee post. Each employee determines the salary grade according to his position and his own conditions. At the same time, the company deepens the reform of distribution system, insists on the inclination of salary distribution to key positions and core backbone, optimizes the structure of personal income distribution, and reasonably sets the proportion of fixed and floating wages. Improve the assessment system, link the assessment results with salary distribution, and realize that the income of employees can rise or fall.

The Company strictly implements the national and local social insurance laws and regulations to protect the legitimate rights and interests of employees. It has handled “four insurances and one housing fund” for all employees, namely, endowment insurance, unemployment insurance, medical insurance, work-related injury insurance and housing provident fund, and has paid the relevant fees in full and on time. According to the unified requirements of the national social security department, medical insurance and maternity insurance have been combined. The original “five insurances” are integrated into “four insurances”. In 2022, a total of RMB59.6 million was paid for the above four social insurances, and a total of RMB29.23 million was paid for the housing provident fund.

In addition, in order to motivate employees and to retain talents, mobilize their work enthusiasm and provide talent guarantee for the development of the company, the company has established an enterprise annuity plan in accordance with the relevant regulations and policies of enterprise annuity management and in combination with the actual situation, and employees participate in it on a voluntary basis. The enterprise annuity paid in 2022 is RMB19.19 million.

(III) Training plan

The company continuously optimizes the training system and strengthens staff education and training. At the beginning of the year, according to the requirements of relevant systems, the Company formulated the Employee Training Plan for 2022 in a targeted and focused manner at different levels, carried out various kinds of training in an orderly manner according to the training plan, implemented the training work at different levels, further improved the training process and standardized the training operation. In 2022, the “First Lesson of the New Year” of Wantong Lecture Hall was successfully held, and special training was conducted around the construction of a clean and honest Party conduct and capital operation. Carry out rotation training courses for toll station managers of operating units to improve the theoretical and management level of managers; Each department has carried out various business training such as operation management according to the actual work needs and business functions of the department, which has effectively improved the management, skills and professional knowledge level of the staff. In addition, we should actively use online education tools, explore online education resources, and encourage employees to increase online learning exchanges focusing on autonomous learning on platforms such as “Learning Power” and online business schools.

(IV) Outsourcing of labor services

Applicable Not applicable

Section IV Corporate Governance

XI. PLAN FOR PROFIT DISTRIBUTION OR CAPITAL ACCUMULATION FUND TRANSFER

(I) Formulation, implementation or adjustment of cash dividend policy

Since its listing, the Company has been insisting on returning to shareholders and has distributed cash dividends continuously for 26 consecutive years.

In 2012, in accordance with the relevant requirements of the regulatory authorities and in combination with the actual situation of the Company, the Company revised the Articles of Association, further improved the cash dividend policy of the Company in the Articles of Association, and standardized the decision-making mechanism and procedures of the profit distribution plan of the Company. The decision-making procedures and mechanisms of the revised profit distribution plan mainly include: when formulating the Company's profit distribution plan, the Board should attach importance to reasonable investment returns to investors and take into account the sustainable development of the Company, and comprehensively analyze the Company's business development, shareholders' wishes, social capital costs, external financing environment and other factors. The profit distribution plan of the Company shall be prepared by the secretary of the Board and the chief financial officer, and shall be submitted to the Board for consideration after being approved by more than two-thirds of the independent directors. The Board shall fully discuss the rationality of the profit distribution plan and submit the resolution to the shareholders' meeting for approval.

In 2018, in accordance with the relevant provisions of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016) and the Guidelines for the Articles of Association of Listed Companies (Revised in 2016), the Company further clarified the priority order of cash dividends in the Articles of Association. The amendments to the Articles of Association have been considered and approved at the 2017 Annual General Meeting.

In 2021, in order to respond to and implement the relevant requirements of the regulatory authorities for improving the level of shareholder returns, shape the scope of medium and long-term value investment, realize the sharing of development benefits between the company and shareholders, and effectively safeguard the rights and interests of shareholders, especially small and medium-sized investors. In accordance with the Notice on Further Implementation of Cash Dividends Distribution of Listed Companies issued by the CSRC, the Guidelines for the Supervision of Listed Companies No.3-Cash Dividends Distribution of Listed Companies and other relevant documents and the relevant provisions of the Articles of Association, the Company has formulated the Shareholders' Return Plan of Anhui Expressway Co., Ltd (2021-2023). It was approved by the fourteenth meeting of the ninth Board of Directors and the second extraordinary general meeting in 2021. According to the plan, the Company's profit distributed in cash in the next three years would not be less than 60% of the net profit attributable to the owner of the parent company in the consolidated statement realized in that year, which effectively improved the level of cash dividends and effectively improved the Company's market image.

The profit distribution plan of the Company for 2021 has been implemented in July 2022, with a total dividend of RMB912,235,500 distributed.

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(II) Special description of the cash dividend policy

- Whether it complies with the provisions of the articles of association or the requirements of the resolution of the general meeting of shareholders Yes No
- Is the standard and proportion of dividends clear and clear? Yes No
- Whether the relevant decision-making procedures and mechanisms are complete Yes No
- Whether the independent directors have fulfilled their duties and played their due roles Yes No
- Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected Yes No

(III) If the Company is profitable during the reporting period and the profit of the parent company available for distribution to shareholders is positive, but no cash profit distribution plan is proposed, the Company shall disclose in detail the reasons and the purpose and use plan of the undistributed profit

Applicable Not applicable

(IV) Profit distribution and conversion of capital reserve into share capital during the reporting period

Unit: yuan Currency: RMB

Number of bonus shares for every 10 shares (shares)	0
Number of dividends per 10 shares (RMB) (tax included)	5.50
Number of shares increased per 10 shares (shares)	0
Cash dividend amount (including tax)	912,235,500.00
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement of the dividend year	1,445,017,073.40
Percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	63.13
Amount of shares repurchased in cash included in cash dividends	0
Total dividend amount (tax included)	0
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	63.13

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XII. THE COMPANY'S EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACT

(I) The relevant incentive matters have been disclosed in the interim announcement and there is no progress or change in the subsequent implementation.

Applicable Not applicable

(II) Incentives not disclosed in the interim announcement or with subsequent progress

Equity incentive

Applicable Not applicable

Other instructions

Applicable Not applicable

Employee Stock Ownership Plan

Applicable Not applicable

Other incentives

Applicable Not applicable

(III) Equity incentives granted to directors and senior managers during the reporting period

Applicable Not applicable

(IV) Evaluation mechanism for senior management and establishment and implementation of incentive mechanism during the reporting period

Applicable Not applicable

Section IV Corporate Governance

XIII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

According to the relevant requirements and the actual situation of the Company, the company revised five relevant internal control management systems, including the Internal Control Management Measures and the Comprehensive Risk Management Measures. In 2022, the headquarters of the Company revised and added 116 rules and regulations. By the end of the year, the Company had 191 effective systems, basically covering all management processes, further standardizing the work and further improving the management level.

Explanation of material defects in the internal control during the reporting period

Applicable Not applicable

XIV. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

Company name	Integration plan	Progress	Problems encountered	Measures taken to solve the problem	Progress in resolution	Follow-up resolution plan
Hefei Wantong Pawn Co., Ltd.	Liquidate and dissolve Wantong Pawn	The cancellation of industrial and commercial registration has been completed	None	None	None	None

XV. EXPLANATION OF RELEVANT INFORMATION OF INTERNAL CONTROL AUDIT REPORT

Ernst & Young Hua Ming LLP audited the internal control of the Company in 2022 and issued a standard and unqualified Internal Control Audit Report, considering that the Company has maintained effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.

Please refer to the www.sse.com.cn on the website of the Shanghai Stock Exchange for details of the Internal Control Audit Report.

Whether to disclose the internal control audit report: Yes

Internal control audit report opinion type: standard unqualified opinion

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XVI. RECTIFICATION OF SELF-INSPECTION PROBLEMS OF SPECIAL ACTIONS FOR CORPORATE GOVERNANCE OF LISTED COMPANIES

After self-inspection, the Company has maintained effective control and governance in all major aspects of corporate governance, and no major violations of laws and regulations or violations of the interests of listed companies have been found, and no violations of laws and regulations affecting the level of corporate governance have been found.

XVII. CORPORATE GOVERNANCE REPORT

A. Corporate Governance Code

The Board confirms that, during the Reporting Period, save and except that both the duties of the remuneration committee and the nomination committee were performed by the Company's human resources and remuneration committee (as the Company considers the long established arrangement of human resources and remuneration committee has so far been effective and suits the needs of the Company better, and the majority of the members of the human resources and remuneration committee are independent non-executive directors or directors who do not hold operational or managerial positions within the Company, which can ensure the protection of the interests of shareholders of the Company), the Company has always complied with the Corporate Governance Code and is committed to maintaining a high standard of corporate governance mechanism to enhance corporate transparency and safeguard the interests of the shareholders of the Company.

During the reporting period, the Company strictly complied with the requirements of the Company Law, the Securities Law and the relevant laws, regulations and normative documents of the CSRC, continuously improved its corporate governance structure, actively promoted the construction of internal control standards, conscientiously fulfilled its information disclosure obligations, strengthened investor relations management and improved the standard operation level of the Company. During the Reporting Period, the Board performed the following duties in respect of corporate governance:

- (A) to review the Company's policies and practices on corporate governance;
- (B) to review and monitor the training and continuous professional development of directors and senior management;
- (C) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (D) review and monitor the code of conduct and compliance manual for employees and directors; And
- (E) To review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

Section IV Corporate Governance

B. Directors and Board of Directors

1. Board of Directors

As of December 31, 2022, the board of directors of the Company consists of nine directors, and the current board of directors is the ninth board of directors of the Company.

These include:

Executive Director:

Xiang Xiaolong

Yang Xiaoguang

Tao Wensheng (*General Manager*)

Chen Jiping

Non-Executive Directors:

Yang Xudong

Du Jian

Independent Non-Executive Directors:

Liu Hao

Zhang Jianping

Fang Fang

According to the articles of association of the Company, all Directors shall be elected by the general meeting and shall serve a term of 3 years. A retiring Director is entitled to be re-elected to serve a consecutive term. Please refer to the disclosures in the section “IV Corporate Governance – IV. INFORMATION ABOUT THE DIRECTORS, SUPERVISORS AND SENIOR MANAGERS” of this annual report for the terms of the current members of the Board (including non-executive Directors).

None of the Directors has any relationship (including financial, business, family or other significant/related relationships) with each other. Please refer to Part “Directors, Supervisors and Senior Management” of this annual report for the biographical details of the directors this section.

During the reporting period, Mr. Xiang Xiaolong (appointed on February 4, 2020) served as the chairman of the Company, and Mr. Tao Wensheng (appointed on June 11, 2021) served as the general manager of the Company. The division of responsibilities between the chairman and the general manager of the Company has been clearly defined and detailed in the Articles of Association, the Regulations on the Work of the Board of Directors and the Regulations on the Work of the General Manager, so as to ensure that the rights and authorizations are evenly distributed, that the decision-making of the board of directors is independent, and that the management is independent in its daily operation and management activities. The chairman presides over and coordinates the work of the board of directors, is responsible for leading the board of directors to formulate the overall development strategy and direction of the group, and to achieve the objectives of the group, to ensure the effective operation of the board, and to ensure that the company has good corporate governance practices and procedures. With the support and assistance of the board of directors and other senior management of the company, the general manager is responsible for coordinating and managing the business and operation of the group, implementing the strategies formulated by the board of directors and making daily decisions.

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During the reporting period, the board of directors of the Company earnestly implemented the resolutions of the general meeting of shareholders, and carried out the corresponding review procedures for major matters within the scope of authority in strict accordance with the provisions. The professional committees of the board of directors held their respective meetings to put forward opinions and suggestions on the Company's development strategy and capital operation, which effectively promoted the standardized operation and scientific decision-making of the board of directors.

The management of the Company shall be responsible for providing the relevant data and information required for the board of directors and the special committees to consider various proposals, and shall respond or provide further data as soon as possible after the directors have made reasonable inquiries, and shall arrange for the senior management to report on various work when the board of directors convenes. The board of directors and the special committees of the board of directors of the Company shall have the right to engage independent professional institutions to serve them and provide independent professional advice according to the needs of exercising their powers, performing their duties or business, and the reasonable expenses incurred therefrom shall be borne by the Company. (During the year, no director requested the Company to seek independent professional advice on the relevant matters.)

2. Independent non-executive directors and their independence

The Company has appointed a sufficient number of independent non-executive Directors. The Board has received confirmation from all the independent non-executive Directors in respect of their independence in accordance with Rule 3.13 of the Listing Rules of the Hong Kong Stock Exchange and is of the view that the current independent non-executive Directors meet the relevant guidelines set out in Rule 3.13 of the Listing Rules of the Hong Kong Stock Exchange and remain independent.

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3. Directors' performance support

All directors of the Company have access to relevant information and updates on statutory, regulatory and other continuing obligations that directors of listed companies are required to comply with in a timely manner through the secretary to the board of directors during their term of office. The Directors are committed to complying with the provisions of C.1.4 of the CG Code regarding the training of Directors to ensure that they make an informed and relevant Corporate Governance contribution to the Board. During the reporting period, the Company organized some directors to attend training courses or seminars held by Shanghai Stock Exchange and China and Anhui Association of Listed Companies, and provided relevant training records to the Company. In 2022, the details of the Company's directors participating in the training are as follows:

Name of Director	Corporate governance, laws and regulations update		Accounting/finance/management and other professional skills	
	Material reading	Training	Material reading	Training
Xiang Xiaolong	✓		✓	
Yang Xiaoguang	✓		✓	
Tao Wensheng	✓	✓	✓	✓
Chen Jiping	✓	✓	✓	✓
Yang Xudong	✓	✓	✓	✓
Du Jian	✓		✓	
Liu Hao	✓	✓	✓	✓
Zhang Jianping	✓	✓	✓	✓
Fang Fang	✓	✓	✓	✓

4. Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules of the Hong Kong Stock Exchange as the code for securities transactions by Directors and Supervisors. Having made specific enquiry of all Directors and Supervisors, the Company confirmed that the directors and supervisors of the Company had complied with the relevant standards set out in the above code during the Reporting Period.

5. Directors' attendance at meetings

During the reporting period, the Company held a total of 12 Board meetings and 4 general meetings, all of which were attended by all Directors; the Strategic Development and Investment Committee, the Audit Committee and the Human Resources and Remuneration Committee held 2 meetings, 5 meetings and 5 meetings respectively, all of which were attended by all members of the relevant committee.

Please refer to the disclosures in the section "IV Corporate Governance – VI. DIRECTORS' PERFORMANCE OF DUTIES" of this annual report for attendance of each Director at the Board and general meetings. For details of meetings of special committees under the Board held during the reporting period, please refer to the section "C. Special committees under the board of directors" in this corporate governance report.

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C. Special committees under the board of directors

1. Strategic Development and Investment Committee

The main duties of the Committee as set out in the terms of reference include: determining the strategic development direction of the Company, formulating the strategic planning of the Company, monitoring the implementation of the strategy, adjusting the corporate strategy and governance structure in a timely manner, organizing and reviewing the projects to be invested by the Company and providing suggestions for the decision-making of the Board.

In 2022, the members of the Strategic Development and Investment Committee of the Company include:

- Xiang Xiaolong (Chairman of the Committee and Executive Director, appointed on 4 February 2020)
- Yang Xiaoguang (Executive Director, appointed on 17 August 2020)
- Tao Wensheng (Executive Director, appointed on 16 July 2021)
- Yang Xudong (Non-Executive Director)
- Zhang Jianping (independent non-executive director, appointed on 17 August 2020)

In 2022, the Strategic Development and Investment Committee held 2 meetings, both of which were attended by all members (Mr. Xiang Xiaolong, Mr. Yang Xiaoguang, Mr. Tao Wensheng, Mr. Yang Xudong and Mr. Zhang Jianping). Details of each meeting of the Strategic Development and Investment Committee are as follows:

Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
March 22, 2022	Review the Environmental, Social and Governance Report of the Company for 2021.	The Environmental, Social and Governance Report of the Company for 2021 was reviewed and approved and agreed to be submitted to the Board of Directors for review.	
November 1, 2022	Review the 14th Five-Year Development Plan of the Company.	The 14th Five-Year Development Plan of the Company was reviewed and approved and agreed to be submitted to the Board of Directors for review.	

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2. Audit Committee

The main duties of the committee as set out in its terms of reference include: to be responsible for supervising the establishment and implementation of the company's internal audit system; to review the Company's financial information and its disclosure; to review the establishment of the Company's internal control system and supervise and inspect its implementation, including the review of major related party transactions and the communication, supervision and verification of the Company's internal and external audit.

In 2022, the audit committee of the Company consists of Mr. Liu Hao (the chairman of the committee and an independent non-executive director), Mr. Du Jian (a non-executive director) and Mr. Zhang Jianping (an independent non-executive director appointed on 17 August 2020).

In 2022, the Audit Committee held a total of 5 meetings, all of which were attended by all members (Mr. Liu Hao, Mr. Du Jian and Mr. Zhang Jianping). Details of each meeting of the Audit Committee are as follows:

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
March 25, 2022	<ol style="list-style-type: none"> 1. Review the financial report of the Company for the year 2021 (prepared in accordance with domestic accounting standards); 2. Review the financial report of the Company for the year 2021 (prepared in accordance with the Hong Kong Accounting Standards); 3. To review the profit distribution plan of the Company for 2021; 4. Consideration of the proposal on the expected daily related transactions in 2022; 5. Review the internal control assessment report of the Company for 2021; 6. To review the Company's work plan for internal control assessment for 2022; 7. Review the summary of the Company's internal audit work in 2021; 8. To review the internal audit work plan of the Company for 2022; 9. Review the internal audit report of the Company for 2021; 10. Review the summary of the Company's post-investment evaluation work in 2021; 	<ol style="list-style-type: none"> 1. Consideration and approval of the audited "Audited Financial Report of the Company for the Year 2021 (" PRC Financial Reporting Standards")" and the "Audited Financial Report of the Company for the Year 2021 ("Hong Kong Financial Reporting Standards")", the "2021 Profit Distribution Plan of the Company", the "Resolution on Projected Continuing Connected Transactions in 2022" and the "Proposal on Projected Continuing Connected Transactions in 2022". Internal Control Assessment Report, 2021 Internal Control System Work Report, 2022 Major Risk Assessment Report, 2022 Proposal on Change of Accounting Firm, 2021 Audit Committee Performance Report and 2021 Internal Control Audit Report of the Company, and agreed to submit the above proposals to the Board of Directors for consideration. 	

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
	<ol style="list-style-type: none"> 11. To review the Company's post-investment evaluation work plan for 2022; 12. Review the Internal Control System Work Report of the Company for 2021; 13. To review the 2022 material risk assessment report of the Company; 14. Discuss the proposal on the change of accounting firm in 2022; 15. Discuss the performance report of the Audit Committee for 2021; 16. Review the report of Pricewaterhouse Coopers on the Audit Committee of the Company for 2021; 17. Review the internal control audit report of the Company for 2021; 18. Review three new internal audit systems in 2021. 	<ol style="list-style-type: none"> 2. The Company's 2022 Internal Control Evaluation Work Plan, 2021 Internal Audit Work Summary, 2022 Internal Audit Work Plan, 2021 Internal Audit Report, 2021 Post-Investment Evaluation Work Summary, 2022 Post-Investment Evaluation Work Plan, the Company's 2021 Annual Audit Report of PricewaterhouseCoopers, and the Report of the Audit Committee and Three New Internal Audit Work Systems in 2021 were reviewed and approved. 	
April 28, 2022	To review the financial statements of the Company for the first quarter of 2022 prepared in accordance with PRC accounting standards.	Considered and approved the Accounting Statements for the First Quarter of 2022 Prepared in accordance with the Domestic Accounting Standards, and agreed to submit this proposal to the Board of Directors for consideration.	
August 26, 2022	<ol style="list-style-type: none"> 1. To review the financial report of the Company for the interim period of 2022 prepared in accordance with the PRC accounting standards; 2. To review the interim financial report of the Company for the year 2022 prepared in accordance with the Hong Kong Accounting Standards; 3. Discuss the communication of Ernst & Young Hua Ming LLP on the audit of the Company in the second quarter of 2022 	<ol style="list-style-type: none"> 1. Having listened to the Audit Communication Matters of Ernst & Young Hua Ming LLP on Anhui Expressway in the Second Quarter of 2022 and agreed to carry out the audit work according to this plan; <p>Considered and approved the "2022 Interim Financial Report Prepared in Accordance with the PRC Accounting Standards" and the "2022 Interim Financial Report Prepared in Accordance with the Hong Kong Accounting Standards", and agreed to submit the above resolutions to the Board for consideration.</p>	

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
October 27, 2022	To review the financial report of the Company for the third quarter of 2022 prepared in accordance with PRC accounting standards.	The Financial Report for the Third Quarter of 2022 Prepared in accordance with the Domestic Accounting Standards was considered and approved, and it was agreed to submit this proposal to the Board of Directors for consideration.	
December 29, 2022	To review the post-investment evaluation plan for the investment projects of the Company in 2023.	The "Post-investment Evaluation Plan for Investment Projects in 2023" of the Company was considered and approved, and it was agreed to submit this resolution to the Board for consideration.	

3. Human Resources and Remuneration Committee

The main duties of the Human Resources and Remuneration Committee are: to be responsible for the formulation of the Company's human resources development strategies and plans, the research and formulation of remuneration policies and incentive mechanisms, and the performance evaluation, appointment and removal recommendations of the Company's directors, general manager and other senior management.

According to the terms of reference, the Human Resources and Remuneration Committee plays an advisory role on matters relating to the remuneration of directors and senior management of the Company, while the Board retains the ultimate authority to approve the remuneration of directors and senior management.

In 2022, the members of the Human Resources and Remuneration Committee of the Company include Mr. Zhang Jianping (chairman of the committee and independent non-executive director, appointed on 17 August 2020), Mr. Yang Xudong (non-executive director) and Ms. Fang Fang (independent non-executive director, appointed on 17 August 2020).

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In 2022, the Human Resources and Remuneration Committee held a total of 5 meetings, which were attended by all members (Mr. Zhang Jianping, Mr. Yang Xudong and Ms. Fang Fang). Details of each meeting of the Human Resources and Remuneration Committee are as follows:

Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
January 16, 2022	Review the qualification of the deputy general manager to be appointed by the Company.	The “Resolution on the Review of the Proposed Appointment of Senior Management” was considered and approved, and it was unanimously agreed that the qualifications of Mr. Wu Changming were in compliance with the requirements, and it was agreed to submit the “Resolution on the Appointment of the Deputy General Manager of the Company” to the Board for consideration.	
June 22, 2022	<ol style="list-style-type: none"> 1. Review the qualifications of the Secretary of the Board of Directors and the Secretary of the Company to be appointed by the Company; 2. To review the “Resolution on the Contractual Management of the Management Members of the Company in 2022”. 	<ol style="list-style-type: none"> 1. The “Resolution on the Review of the Proposed Appointment of Senior Management” was considered and approved, and it was unanimously agreed that the qualifications of Mr. Wu Changming and Mr. Lee Chung Shing were in compliance with the requirements, and it was agreed to submit the “Resolution on the Change of Secretary to the Board of Directors” and “Resolution on Change of Secretary to the Company” to the Board of Directors for consideration. 2. The “Resolution on the Contractual Management of the Management Members of the Company in 2022” was considered and approved, and it was considered that the assessment indicators of the management members and the “Two Letters and One Agreement” * (兩書一協議) were in compliance with the relevant requirements and fully considered the actual situation of the Company, and it was agreed to submit them to the Board for consideration. 	

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
August 8, 2022	<ol style="list-style-type: none"> 1. Review the qualification of the deputy general manager to be appointed by the Company; 2. Review the Proposal on the Tenure System and Contractual Management of the Company's Management Members. 	<ol style="list-style-type: none"> 1. The "Resolution on the Review of the Proposed Appointment of Senior Management" was considered and approved, and it was unanimously agreed that the qualifications of Mr. Ling Lang were in compliance with the requirements, and it was agreed to submit the "Resolution on the Appointment of the Deputy General Manager of the Company" to the Board for consideration. 2. Consideration and adoption of the Bill on the Tenure System and Contractual Management of Company Managers, which considers that the assessment results of five company managers under the tenure system and contractual management in 2021 are in line with the relevant requirements, and that the assessment objectives of six managers under the tenure system and contractual management in 2022 are in line with the work plan. Agree to submit to the board of directors for consideration. 	
November 7, 2022	Review the proposal on the assessment and distribution of the company's headquarters in 2021.	Consideration and approval of the proposal on the assessment and distribution of the company's headquarters in 2021, and agreed to submit it to the board of directors for consideration.	
December 22, 2022	Review the matters related to the salary distribution of the company's headquarters and each management unit.	Consideration and approval of the resolution on matters related to remuneration distribution of the Company's headquarters and management units, and approval of submission to the board of directors for consideration.	

Section IV Corporate Governance

D. Diversity

Pursuant to the amendments to the Listing Rules and its Corporate Governance Code of the Hong Kong Stock Exchange, the Board has approved the amendments to the Board Diversity Policy on 22 March 2019.

The purpose of the policy is to set out the approach adopted by the Board of Directors of the Company to achieve diversity in its membership. The Company recognizes and believes in the benefits of diversity on the Board. The Human Resources and Remuneration Committee is committed to ensuring that the Board has appropriate skills, experience and diverse perspectives relevant to the business of the Company. All appointments to the Board are made on the basis of merit and objective criteria, taking into account the benefits of diversity on the Board when considering candidates. The selection of candidates for the Board will be based on a range of diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The final decision will be based on the merits of the candidate and the contribution he or she can make to the Board.

The Human Resources and Remuneration Committee monitors the implementation of this policy on an annual basis. And to review the policy as appropriate to ensure its effectiveness. Other than the review, the Human Resources and Remuneration Committee has not yet set specific quantifiable targets for achieving diversity during the year.

The Company appointed Ms. Fang Fang as an independent non-executive Director on 17 August 2020, achieving gender diversity in respect of the current Board. Currently, the Company has not yet set any numerical targets and timelines for achieving gender diversity on the Board.

As at the end of the reporting period, the Company had a total of 1,972 employees, 52.64% of whom were male employees and 47.36% of whom were female employees. In the recruitment process and daily employee management, the Company prohibits any discrimination based on age, gender, origin and other aspects. The Company currently has not set any plans or measurable objectives for achieving gender diversity across its workforce.

E. Statement of Directors' Responsibility for the Financial Statements

The purpose of this statement is to provide shareholders with a clear distinction between the respective responsibilities of the Company's directors and auditors for the financial statements, and should be read in conjunction with the auditors' statement set out in the auditors' report in Section XI of this Annual Report.

The Board is of the view that the Company has sufficient resources to continue its business in the foreseeable future and therefore the financial statements have been prepared on a going concern basis. In preparing the financial statements, the Company has used appropriate accounting policies. These policies have been consistently applied, supported by reasonable and prudent judgements and estimates, and in accordance with all accounting standards that the Board considers applicable. The directors are responsible for ensuring that the accounts and records prepared by the Company reflect reasonably and accurately the financial position of the Company and that the financial statements are in compliance with the relevant accounting standards.

Section IV Corporate Governance

F. Domestic and overseas auditors

Unit: '0,000 yuan Currency: RMB

	Previous auditors PricewaterhouseCoopers Zhong Tian LLP	Current auditors Ernst & Young Hua Ming LLP
Name of domestic accounting firm		
Remuneration of domestic accounting firm	115	138
Audit period of domestic accounting firm	20	1
Name of Certified Public Accountant of Domestic Accounting Firm	/	Zhao Guohao, Zhao Wenjiao
Number of consecutive years of audit services provided by certified public accountants of domestic accounting firms	/	Zhao Guohao (2022), Zhao Wenjiao (2022)
Name of overseas accounting firm	PricewaterhouseCoopers	Ernst & Young
Remuneration of overseas accounting firms	70	30
Audit period of overseas accounting firm	20	1
	Name	Remuneration
Internal control audit accounting firm	Ernst & Young Hua Ming LLP	30

Section IV Corporate Governance

Description of the appointment and dismissal of the accounting firm

As of 2021, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers have provided audit services for the Company for 20 years, and replaced the signing certified public accountants in 2006, 2011, 2012, 2015, 2017 and 2018.

Since 2022, PricewaterhouseCoopers has ceased to be the external auditor of the Company's audit services. At the nineteenth meeting of the ninth Board of Directors held on March 28, 2022 and the annual general meeting of shareholders held on May 20, 2021, the Company considered and approved the Proposal on the Change of Accounting Firms and the Proposal on the Appointment of Auditors of the Company for 2022 and Authorizing the Board of Directors to Determine Their Remuneration, respectively. Ernst & Young Hua Ming LLP was appointed as the financial auditor and internal control auditor of the Company for the year 2022.

Description of the change of accounting firm during the audit period

Applicable Not applicable

G. Remuneration of directors, supervisors and senior management personnel

During the reporting period, the total remuneration of directors, supervisors and senior managers is within the following range:

	Number of people
Nil to HK\$1,000,000 (equivalent to RMB835,900)	9

H. Risk management and internal control

In accordance with the provisions of the Basic Standards for Enterprise Internal Control and its supporting guidelines and other internal control regulatory requirements (hereinafter referred to as the Standard System for Enterprise Internal Control), the Company has established, improved and effectively implemented the risk management and internal control system. The objectives of the Company's risk management and internal control system are to reasonably ensure the legality and compliance of operation and management, the safety of assets, the authenticity and integrity of financial reports and related information, improve operational efficiency and effectiveness, and promote the realization of development strategies. Risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Section IV Corporate Governance

1. Main features of risk management and internal control

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness. The board of supervisors shall supervise the establishment and implementation of internal control by the board of directors. Managers are responsible for organizing and leading the daily operation of internal control of enterprises.

Scope of responsibility:

Board of directors

- Be responsible for the risk management and internal control system and continuously review its effectiveness to ensure that the Group establishes and maintains an effective risk management and internal control system;
- to review the Group's risk management and internal control systems at least annually and to ensure that the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting function are adequate during each review, and if there is an issue to be reported on an ad hoc basis, the chairman of the Board determines whether it should be reported to the Board;
- Oversee management's design, implementation and monitoring of risk management and internal control systems.

Board of Auditors

- to review the Group's risk management and internal control systems;
- Evaluate the results of risk management and internal control evaluation and audit, and supervise the rectification of risk management and internal control defects;
- Discuss risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- To consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to such findings.

Section IV Corporate Governance

Management

- The management is responsible for the risk management and internal control, and manages the related work;
- To provide feedback to the Board and the Audit Committee on the progress of risk management and internal control.

The risk management and internal control department of the Group reports on the risk management and internal control of the Group to the Audit Committee and the Board at the annual meeting held every year, so that the Board can make judgments on the control of the Group and the effectiveness of risk management.

The Group has adopted relevant policies and procedures to review the effectiveness of the risk management and internal control systems and address serious internal control deficiencies, including requiring the management of the Group to regularly assess and keep abreast of relevant information. At the same time, the Group has established a complete set of integrity system to provide institutional guarantee for anti-corruption, prosecution and supervision.

2. Specific procedures used by the Company to identify, assess and manage material risks

(1) Risk identification

Determine risk measures and identify risks that may have a potential impact on the Group.

(2) Risk assessment

Evaluate the identified risks and classify them according to the degree of risk.

(3) Risk response

Select coping strategies according to the risk level, and the risk control department shall follow up whether the relevant coping strategies are effective; At the same time, relevant countermeasures should be formulated to avoid the recurrence of risks or reduce related risks.

Section IV Corporate Governance

(4) Risk monitoring

Continuously and regularly monitor relevant risks, revise risk management and internal control procedures in a timely manner, and ensure that relevant monitoring procedures are appropriate and effective; Report the results of risk monitoring to the management and the Board on a regular basis.

In order to cope with changes in the external environment and continuously ensure the profitability of the Company, the Company optimizes business processes and implements business and management mode transformation through management innovation and business reform, and carries out work in the formulation of the Group's medium- and long-term vision, the promotion of cost reduction, organizational and process optimization, and capacity improvement to ensure the implementation of the Group's strategies and annual policies.

3. Specific procedures used by the Company to review system effectiveness and address serious internal control deficiencies

(1) Internal control effectiveness test procedure

1. Purpose of internal control effectiveness test

To evaluate the effectiveness of the operation of internal control, the following aspects should be considered:

- (1) How the relevant controls operate during the evaluation period;
- (2) Whether the relevant control has been operated consistently;
- (3) Whether the personnel implementing the control have the necessary authority and ability.

2. Frequency of internal control effectiveness testing

From January to March 2023, the internal control working group tested the effectiveness of the internal control operation in 2022. For some sub-processes with high risks, determine whether to increase the test frequency according to actual needs

3. Identification of critical control points and determination of test draft template

The company has determined the key control points to be tested in the process of internal control evaluation, and unified the working papers used in the test, requiring that the testers can not change at will in the process of testing.

Before the implementation of the test, the tester shall obtain the process documents, risk control matrix, test working paper and main rules and regulations of the test process, and understand the control objectives, control risks and main contents of corresponding critical control points of the whole process.

Section IV Corporate Governance

4. *Internal control effectiveness test method*

The Company uses a combination of four methods to conduct internal control effectiveness testing, including inquiry (optional), observation (optional), review, inspection (required) and re-execution (optional).

The company's internal control working group will select appropriate test methods from the above methods based on the evaluation results of risk factors related to control.

5. *Test sample selection and test conclusion*

Independently select samples for each critical control point, and the samples shall cover the tested critical control point, and shall not cover other non-critical control activities in the process; It must be selected randomly, and the method of statistical sampling shall be adopted if conditions permit.

There are two types of results of testing the critical control points after selecting samples:

- Control is effective. After testing, if a key control is effectively implemented in all samples, the test result is valid;
- Test differences. If the implementation of the sample is inconsistent with the description of the critical control point, it indicates that the control designed reasonably is not effectively implemented as expected, which belongs to the test difference. For test differences, the tester should communicate with the process owner to clarify the reasons for the differences.

6. *Internal control effectiveness test sample records*

Sample records shall be made using a uniform control test document template; Comprises the following steps of: truly filling in all characteristics (including abnormal parts) of each sample according to the contents listed in the template; It is necessary to briefly describe the cause of the sample exception in the draft; And form a test conclusion (valid control or invalid control) on each draft.

7. *Identification of internal control defects*

The Company's identification of internal control defects is based on daily supervision and special supervision, combined with the results of annual internal control evaluation, and the internal control working group conducts comprehensive analysis and puts forward identification opinions, which are reviewed in accordance with the prescribed authority and procedures. Material defects are finally determined by the board of directors.

Section IV Corporate Governance

In accordance with the provisions of the Guidelines for the Evaluation of Enterprise Internal Control, the Company distinguishes internal control defects in financial reports and internal control defects in non-financial reports according to the specific manifestations of the impact of internal control defects on the realization of financial reporting objectives and other internal control objectives.

(2) *Specific procedures to address serious internal control deficiencies*

1. Formulate defect rectification plan

The internal control working group of the Company is responsible for supervising the person in charge of the rectification of each control defect to formulate the corresponding defect rectification plan according to the nature of the identified defect and the actual situation of the company. The rectification plan shall include the following contents: department/individual responsible for rectification, rectification steps, rectification schedule, etc. The rectification plan shall not be implemented until it is approved by the management of the appraised object.

2. Defect rectification method

For the internal control design defects that have been confirmed and need to be rectified, it is necessary to supplement relevant provisions or modify the original provisions in the existing internal control management system, and approve the supplement or modification in accordance with the company's established management system approval procedures; For the internal control execution defects that have been confirmed to be rectified, it is necessary to strengthen the enforcement of internal control and require the control executors to strictly comply with the relevant provisions.

Section IV Corporate Governance

The corresponding relationship among the severity of internal control defects, identification institutions and corrective measures is shown in the following table:

Influence degree of defects	Coping style	Accreditation body	Responsible for correcting the deviation	Countermeasures	
General defects	Slight	Concern	Internal control evaluation department (manager level)	Internal Control Evaluation Department	Give regular attention or adjust the current situation to an acceptable level.
	Lighter	Follow and test			
	Medium	To make amends or corrections			
Major defects		Amendment	Management (Board of Directors)	Managers	Managers should take action or urge relevant departments to take action to solve existing problems and prevent the occurrence of events that have a greater negative impact on control objectives; If the defect belongs to the design link, the internal control system should be revised while taking corrective measures.
Major defects		Amendment	Board of directors	Board of directors	The board of directors shall pay attention to it and urge the relevant departments to immediately analyze the causes and take corrective actions; If the defect belongs to the design link, the internal control system should be revised while taking corrective measures.

3. *Monitoring of defect rectification progress*

The internal control working group of the Company is responsible for supervising the rectification of defects and coordinating the solution of problems arising in the rectification process. The monitoring method is mainly to regularly review the rectification progress reports reported by the persons in charge of rectification.

Section IV Corporate Governance

4. *Report on the progress of defect rectification*

In the process of defect rectification, the Company's internal control working group is responsible for regularly reporting the progress of defect rectification to the management. Major rectification matters shall be reported to the Board of Directors (Audit Committee) in a timely manner. In the report, the measures taken for rectification and the completion of rectification steps shall be briefly described, and the problems arising in the rectification process that need the attention of the management (such as difficulties, matters that need to be coordinated with other departments, etc.) shall be listed and explained.

The Board has completed the annual review of the risk management and internal control system of the Group in accordance with the requirements of the enterprise internal control standard system, in combination with the internal control system and evaluation methods of the Company, and on the basis of daily supervision and special supervision of internal control: on January 2022 the Company collected the risk information and its subordinate units from both qualitative and quantitative aspects, analyzed the causes of risks and assessed their impact on the Company through various ways and means such as issuing risk questionnaires, preparing internal control risk identification forms for business processes, and combining with the internal control evaluation results and internal audit findings of the Company in this year. From January to March 2023, the company tested the effectiveness of internal control operation in 2022. The Board confirms that the risk management and internal control systems of the Group are effective and adequate for the year ending 31 December 2022, and no material control errors or material control weaknesses were identified during the reporting period. The Board is of the view that, for the year ending 31 December 2022, the internal control system of the Group has been operating effectively, and has played a good management and control role in all key aspects of the operation and management of the Group, which can provide protection for the healthy operation of various business and the control of operational risks of the Group. Be able to reasonably ensure the reliability of financial reports, the legitimacy of business operations, and the efficiency and effectiveness of operations; The resources, qualifications and experience of the staff of the Group's accounting, internal audit and financial reporting function, as well as the training courses and budget received by the staff are adequate. In addition, the Group's procedures in relation to financial reporting and compliance with the requirements of the Listing Rules are effective..

4. **Internal audit function**

The internal audit department is responsible for the internal audit work of the Group and reports directly to the Audit Committee. The internal audit department plays an important role in assessing the effectiveness of the Group's risk management and internal control systems and is responsible for reporting directly to the Audit Committee on a regular basis.

Section IV Corporate Governance

I. Company secretary

Mr. Xie Xinyu, the secretary of the Company (resigned in June 2022), is a fellow of the Hong Kong Institute of Chartered Secretaries (“HKICS”). During the reporting period, Mr. Xie Xinyu attended 1 series of lectures about strengthening the continuing professional development held by HKICS (the total hours: 16 hours), the content of which covered: analysis of the latest policies governing information disclosure, analysis of cases on information disclosure, enhanced accountability and accountability of directors and executives of the SFC; latest amendments and practice notes on the “ESG Report” by the Stock Exchange; Value management of market value of listed companies, etc.

Mr. Lee Chung Shing (李忠成), was appointed as the company secretary of the Company on 30 June 2022. Mr. Lee Chung Shing is an assistant vice president in the Governance Services Department of Computershare Hong Kong Investor Services Limited. Mr. Lee was admitted as an associate of the Hong Kong Institute of Certified Public Accountants in March 1999 and a fellow member of the Association of Chartered Certified Accountants in July 2003. During the reporting period, the Company Secretary’s primary corporate contact person is Mr. Wu Changming, secretary to the board of directors of the Company. With the assistance of Mr. Wu, the Company Secretary provided assistance to the Board and the Directors had access to the advice and services of the Company Secretary on corporate governance and board practices and matters.

During the year ended 31 December 2022, Mr. Lee Chung Shing received no less than 15 hours of relevant professional training to refresh his skills and knowledge.

J. The manner in which a general meeting, an extraordinary general meeting convened by the shareholders and proposals put forward at a general meeting

Pursuant to Article 89 of the Articles of Association, if more than half of the independent directors, shareholders individually or jointly holding more than 10% of the total voting rights of the Company (the “Proposing Shareholders”) or the supervisory committee request the Board of Directors to convene an extraordinary general meeting or a class meeting, the following procedures shall be followed:

- (1) Where more than half of the independent directors propose to convene an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative regulations and the articles of association of the company, give a written feedback on whether or not to convene an extraordinary general meeting within 10 days after receiving the proposal.

If the board of directors agrees to convene an extraordinary general meeting of shareholders, the notice of convening the general meeting of shareholders shall be issued within 5 days after the resolution of the board of directors is made; If the board of directors does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement.

- (2) The proposing shareholders or the board of supervisors may sign one or more written requests in the same form and content (including the agenda of the meeting and the proposals with complete contents, and the proposing shareholders or the board of supervisors shall ensure that the contents of the proposals comply with the provisions of laws, regulations and the articles of association of the company) to request the board of directors to convene an extraordinary shareholders’ general meeting or a class shareholders’ meeting, and state the agenda of the meeting.

Section IV Corporate Governance

- (3) The board of directors shall, within 15 days after receiving the aforesaid written request from the supervisory committee, issue a notice to convene an extraordinary general meeting or a class meeting, and the convening procedures shall comply with the provisions of the articles of association.
- (4) The board of directors shall decide whether to convene a shareholders' general meeting in accordance with the laws, regulations and the articles of association of the company for the written proposal of the proposing shareholders to convene a shareholders' general meeting or a class meeting. The resolution of the board of directors shall be fed back to the proposing shareholder within 15 days from the date of receipt of the aforesaid written proposal.

If the board of directors agrees to convene an extraordinary shareholders' general meeting or a class shareholders' meeting, the notice of convening the meeting shall be issued within 15 days after the resolution of the board of directors is made, and the change of the original proposal in the notice shall be approved by the proposing shareholders. After the notice is issued, the board of directors shall not put forward any new proposal, nor shall it change or postpone the time of the meeting without the consent of the proposing shareholders.

If the board of directors considers that the proposal of the Proposing Shareholders is in violation of laws, regulations and the Articles of Association, it shall make a decision not to agree to convene a shareholders' general meeting or a class meeting, and shall notify the Proposing Shareholders in writing of its feedback within 15 days after the board of directors makes the decision. The Proposing Shareholders may, within 15 days from the date of receipt of the notice, decide to abstain from convening the extraordinary general meeting or the class meeting, or issue the notice of convening the extraordinary general meeting or the class meeting by themselves.

- (5) If the board of directors fails to issue a notice to convene a meeting within 30 days after receiving the aforesaid written request, the shareholder who made the request may convene a meeting on his own within four months after the board of directors receives the request; The procedure for convening the meeting shall be the same as the procedure for convening the shareholders' meeting by the board of directors as far as possible.

Any reasonable expenses incurred by the shareholders in convening and holding the meeting due to the failure of the board of directors to hold the meeting upon the aforesaid request shall be borne by the Company and shall be deducted from the amount owed by the Company to the directors in default.

- (6) If the board of supervisors or the proposing shareholders decide to convene an extraordinary general meeting or a class meeting on their own, they shall notify the board of directors in writing and file with the local office of the CSRC and the stock exchange at the place where the company is located, and then issue a notice of convening the meeting. The contents of the notice shall comply with the following provisions:
 - a. No new content shall be added to the proposal, otherwise the board of supervisors or the proposing shareholders shall submit a new request for convening a meeting to the board of directors in accordance with the procedures prescribed in this article;
 - b. The venue of the meeting shall be the place where the Company is located.

Section IV Corporate Governance

- (7) The board of directors and the secretary of the board of directors shall earnestly perform their duties in respect of the extraordinary general meeting or class meeting convened by the board of supervisors or the proposing shareholders. The board of directors shall ensure the normal procedures of the meeting, and the reasonable expenses of the meeting shall be borne by the company.
- (8) If the board of directors fails to designate a director to preside over the shareholders' general meeting, the board of supervisors or the proposing shareholder shall preside over the meeting in accordance with the provisions of the Articles of Association; The secretary of the board of directors shall earnestly perform his duties, and other convening procedures shall comply with the laws, regulations and the Articles of Association.
- (9) The proposing shareholders shall submit relevant certification materials to the local office of the CSRC and the stock exchange where the company is located when issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

In addition, according to Article 66 of the Articles of Association, when the Company convenes a shareholders' general meeting, the board of directors, the board of supervisors and shareholders who individually or jointly hold more than 3% (including 3%) of the total voting shares of the Company shall have the right to put forward new proposals in writing to the Company, and the Company shall include the matters within the scope of duties of the shareholders' general meeting in the agenda of the meeting. Shareholders who individually or jointly hold more than 3% of the Company's shares may put forward interim proposals and submit them in writing to the convener 10 days before the convening of the shareholders' general meeting. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' general meeting and announce the contents of the interim proposal. Except as provided above, the convener shall not modify the proposals listed in the notice of the shareholders' general meeting or add new proposals after issuing the notice of the shareholders' general meeting. Proposals that are not listed in the notice of the shareholders' general meeting or that do not comply with the provisions of Article 99 of the Articles of Association shall not be voted and resolved at the shareholders' general meeting.

K. Manner of making enquiries to the Board

Shareholders may write to the Company if they have any enquiries. For the address of the Company, please refer to Section II "Company Profile and Major Financial Indicators" of this annual report. The addressee shall be the company secretary of the Company.

Section IV Corporate Governance

L. Investor Relations

1. Significant changes to the articles of association

During the reporting period, in order to further improve the corporate governance structure and enhance the corporate governance level, in accordance with the requirements of laws and regulations as well as normative documents, including the Guidelines for the Articles of Association of Listed Companies (Revised in 2022)* (《上市公司章程指引(2022年修訂)》), the Rules for the General Meeting of Shareholders of Listed Companies (Revised in 2022)* (《上市公司股東大會規則(2022年修訂)》), the Rules for Independent Directors of Listed Companies* (《上市公司獨立董事規則》), the Listing Rules for Shares on the Shanghai Stock Exchange (Revised in 2022)* (《上海證券交易所股票上市規則(2022年修訂)》), and the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange* (《上海證券交易所上市公司自律監管指引》), and in combination with the actual situation of the Company, the Company amended certain articles in its articles of association, the rules of procedures of general meeting, the rules of procedures of the board of directors, and the rules of procedures of supervisory committee. The relevant amendments had been approved at the 2022 third extraordinary general meeting held on 8 December 2022.

2. Shareholders' communication policy

The management of the Company has always attached great importance to active shareholder and investor relations management, and improved investor relations management from the management structure and internal system of the Company through the Investor Relations Management System. Shareholders of the Company can communicate their views on various matters affecting the Company via channels such as the general meeting, telephone hotlines, the SSE network platform, the Company's website and email, and letters to the Company.

During the reporting period, the Company mainly carried out investor relations activities in the following ways to solicit and understand the views of shareholders and stakeholders:

- Respond to investors' inquiries in a timely manner through the E interactive platform of the Shanghai Stock Exchange, investor hotline, company website and e-mail;
- Daily reception of investors and analysts to the company's on-site research;
- Use the network to carry out promotional activities. During the period of epidemic prevention and control, the company adopted the online promotion mode, used the "Shanghai Stock Exchange e-Interaction" platform to promote its performance network, and held an annual performance investor presentation meeting in April 2022 to fully communicate with investors on the Company's operating conditions, investor protection, sustainable development and other issues. It is convenient for investors to have a more comprehensive and in-depth understanding of the Company's situation and has achieved good publicity results;
- Actively participate in investment and education activities, including "May 15 National Investor Protection Publicity Day", "Prevention of Illegal Securities and Futures Publicity Month", "2022 China Fair Competition Policy Publicity Week" and "2022 Investor Collective Reception Day for Listed Companies in Anhui Jurisdiction".

During the reporting period, the Company has reviewed the implementation of the shareholders' communication policy and, based on the good results achieved from the above investor relationships activities, was of the view that the implementation of the shareholders' communication policy is effective.

Section V Environmental and Social Responsibility

I. ENVIRONMENTAL INFORMATION

Whether to establish a mechanism related to environmental protection	Yes
Environmental protection funds invested in the reporting period (Unit: RMB thousand)	25,390

(I) Explanation on the environmental situation of the Company and the subsidiaries which are engaged in heavily polluted industries as specified by the national environmental protection authorities

Applicable Not applicable

(II) Explanation on the environmental situation for companies other than key polluters

1. Circumstances in which administrative penalties are imposed for environmental problems

Applicable Not applicable

2. Disclose other environmental information with reference to heavily polluted industries

During the Reporting Period, the Company strictly abided by the state regulations regarding noise emission of waste gas, wastewater produced in the process of business, and greenhouse gases, and the handling of hazardous and non-hazardous waste regulations (including “the Law of the People’s Republic of China on the Environmental Protection“, “the Law of the People’s Republic of China on the Prevention and Control of Water Pollution“ and “the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution“, and “Measures for Greening Maintenance and Management of Expressway” of the Company, etc.), neither the Company nor its holding subsidiaries belong to the heavily polluted industries specified by the national environmental protection authorities, and there is no violation of pollution discharge or administrative punishment due to environmental problems.

3. The reason for not disclosing other environmental information

Applicable Not applicable

Section V Environmental and Social Responsibility

(III) Relevant information beneficial to protection of environment, prevention of pollution and performance of environmental obligations

During the reporting period, the Company actively fulfilled its social responsibility for environmental protection, earnestly promoted water pollution control, and connected the sewage discharge pipelines of toll stations, service areas, and maintenance work areas to the municipal sewage network. The Company also strengthened waste management, explored the reuse of waste materials, and improved resource utilization. Noise control was also strengthened by controlling construction operations during certain periods, avoiding night-time construction, building sound barriers, and effectively reducing the impact of traffic noise on residents along the line. The Company advocated for green office practices, developed water and electricity conservation regulations, promoted intelligent paperless office, and comprehensively created a resource-saving office environment. The Company is also actively promoting the improvement of the road environment, and establishing a long-term and effective management mechanism for the road environment.

(IV) Measures taken to reduce its carbon emissions during the reporting period and their effectiveness

Whether adopted carbon reduction measures	Yes
Emission reduction equivalent in tonnes of CO ₂	399
Types of carbon reduction measures (e.g. use of clean energy for electricity generation, use of carbon reduction technologies in production processes, development of new products that help reduce carbon emissions, etc.)	We have increased the use of clean energy, promoted the construction of new energy projects such as photovoltaic, and promoted the conversion of common equipment from gas to electricity to reduce greenhouse gas emissions. We have been actively researching and developing green technologies, strengthening energy management and resource recycling, and adopting measures that are technically feasible, economically reasonable and environmentally and socially affordable to reduce resource wastage and improve resource efficiency.

Detailed description

During the reporting period, the Company earnestly implemented the national “carbon peak and carbon neutral” strategy, and cooperated with Anhui Transportation Road Network New Energy Company*(交控路網新能源公司) to build a photovoltaic project on the south section of the Hefei Ring Expressway, promoting the “greening” of energy use on the expressway. The Company also explored the construction of “zero-carbon” office parks, taking the opportunity of the transformation and upgrading of the management office in Hefei, innovatively creating the Jinzhai Road toll station and the “zero-carbon” toll management park in Hefei. The Company accelerated the energy-saving transformation of electrical equipment, actively carried out research on energy-saving and consumption-reducing technologies, increased the use of clean energy, and improved the utilization rate of resource recycling.

Section V Environmental and Social Responsibility

II. FULFILLMENT OF SOCIAL RESPONSIBILITY

(I) Whether there is a separate disclosure of social responsibility report, sustainability report or ESG report

The Company has been disclosing its social responsibility reports continuously since the year of 2010, while formally publishing its Environmental, Social and Governance Report in 2018 to a higher standard of disclosure, and the Company's 2022 Environmental, Social and Governance Report will be published at the same time as the publication of this annual report.

(II) Specific information on social responsibility work

External Donations, Community Projects	Quantity/Content	Remarks
Total input (RMB'0,000)	4.49	
Of which: capital ('0,000)	—	
Supplies ('0,000)	—	
Number of people benefited (persons)	3,131	

Detailed description

During the reporting period, the Company actively fulfilled its social responsibility as a state-owned enterprise. The Company established and improved the safety production management system, continuously strengthened safety production management, held 4 safety committee meetings and 12 joint meetings, and organized 11 special actions such as safety production inspections. The Company also promoted logistics smoothness, providing transportation convenience for home appliance companies in Hefei such as Jinzhai Road, Fangxing Avenue, and Shushan Intersection, effectively ensuring the smooth flow of production materials, livelihood materials, and other cargo logistics, and maintaining normal production and living order for the people. The Company also innovated service upgrades, and the "Beautiful Anhui" expressway travel service system was smoothly implemented, promoting the extension of "smiling service" from "small window" to "big service." The Company regularly carried out volunteer services, continuing to implement the "Warm Transportation, Journey Full of Love" volunteer service project, serving the community with love, and its typical practices were reported by many mainstream media such as People's Daily, Xinhua News Agency, and CCTV, winning praise from all sectors of society. In 2022, the Company was awarded the title of "National Civilized Unit".

Section V Environmental and Social Responsibility

III · CONSOLIDATION AND EXPANSION OF THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

Poverty alleviation and rural revitalisation projects	Quantity/Content	Remarks
Total input (RMB'0,000)	698.36	
Of which: capital (RMB'0,000)	690	
Supplies (RMB'0,000)	8.36	
Number of people benefited (persons)	3,717	
Forms of assistance (e.g. poverty alleviation through industry, employment, education, etc.)	Visits, consumer support and infrastructure improvements	

Detailed description

During the reporting period, the Company actively focused on the national rural revitalization strategy, earnestly promoted the consolidation of poverty alleviation achievements, and empowered rural revitalization. The Company organized a series of paired assistance and condolence activities, as well as charity and education assistance for Lishu Village in Liufan Town, a designated poverty alleviation unit. The Company also continued to improve the basic infrastructure of the designated poverty alleviation village, investing more than RMB6.9 million in road maintenance and management for Taihu County. The Company actively promoted “targeted procurement” and purchased poverty alleviation agricultural products worth RMB83,600 throughout the year.

Section VI Major Events

I. FULFILLMENT OF COMMITMENTS

(I) Commitments made by the Company's actual controllers, shareholders, related parties, acquirers, the Company and other related parties during the reporting period or continuing to the reporting period

Background of Commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Whether there is time limit for performance	Whether strictly comply in a timely manner
Commitment related to the share reform	Other	Anhui Transportation Holding Group	Continue to support the Company's acquisition of the good road assets owned by the Anhui Transportation Holding Group in the future and focus on the protection of shareholders' interests as always.	13 February 2006, long term effective	No	Yes
	Other	Anhui Transportation Holding Group, China Merchants Highway	After the completion of the split-equity reforming, the Board of Directors are recommended to develop a long term incentive plan with equity incentive structure included. In accordance with the relevant provisions of the State, the Board of Directors or after approved at the General Meeting of Shareholders, the long-term incentive plan shall be implemented.	13 February 2006, long term effective	No	Yes
Commitment related to IPO	Solve the competition within the industry	Anhui Transportation Holding Group	Promise not to participate in any of the Company's actual businesses or other business activities from time to time which may constitute direct or indirect competition to the Company.	12 October 1996, long term effective	No	Yes

(II) The Company's assets or projects are subject to profit forecast, and the reporting period is still in the period of profit forecast.

Explain whether the original profit forecast has been achieved and the reasons.

Achieved Unachieved Applicable

Section VI Major Events

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

Applicable Not applicable

II. OCCUPATION OF FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES FOR NON-OPERATIONAL PURPOSE DURING THE REPORTING PERIOD

Unit: yuan Currency: RMB

Name of shareholder or related party	Affiliations	Occupancy time	Reasons for occurrence	Opening balance	Amount of new occupied fund in the reporting period	Total amount reimbursed during the reporting period	Closing balance	Balance as at the date of disclosure of the annual report	Expected reimbursement method	Expected repayment amount	Estimated time of repayment
ATHC	Controlling Shareholder	-	-	0.00	0.00	0.00	0.00	0.00	-	0.00	-
Total	/	/	/	0.00	0.00	0.00	0.00	0.00	/	0.00	/

The ratio of the total value at the end of the period to the latest audited net assets

Decision-making procedures for occupation of funds by controlling shareholders and other related parties for non-operational purpose

Reasons for occupation of funds by new controlling shareholders and other related parties for non-operational purpose in the current period, investigation on accountability of responsible person and the measures to be taken by the Board of Directors

Reasons for the failure to settle the occupation of funds for non-operational purpose as planned, investigation on accountability of responsible person and description of measures to be taken by the Board of Directors

Section VI Major Events

III. ILLEGAL GUARANTEE

Applicable Not applicable

IV. EXPLANATION OF THE BOARD OF DIRECTORS OF THE COMPANY ON THE “NON-STANDARD AUDIT REPORT” OF THE ACCOUNTING FIRM

Applicable Not applicable

V. THE COMPANY’S ANALYSIS AND EXPLANATION OF THE REASONS AND EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR THE CORRECTION OF MAJOR ACCOUNTING ERRORS ANALYSIS AND EXPLANATION OF THE COMPANY ON THE REASONS FOR AND EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(I) Analysis and explanation of the Company on the reasons for and effects of changes in accounting policies and accounting estimates

1. Reason for change

According to the actual use and depreciation of the Company’s fixed assets and Article 19 of the Accounting Standards for Enterprises No.4-Fixed Assets, the enterprise shall review the service life, estimated net salvage value and depreciation method of fixed assets at least at the end of each year. If there is any difference between the expected useful life and the previously estimated useful life, the expected useful life of the fixed asset shall be adjusted.

In order to reflect the Company’s financial position and operating results more objectively and fairly and meet the needs of the Company’s fixed assets management, the Company has sorted out the depreciation policies of various fixed assets and re-verified the depreciation period and estimated net residual value rate of some houses and buildings. At present, the Company’s houses and buildings are mainly divided into two categories, one is for highway operation and management, and the other is for self-use or idle lease by the Company’s headquarters. The houses and buildings for headquarters management are mainly located in Wantong Science and Technology Park, with the certificate of property rights of 47 years, all of which adopt high architectural design and construction standards, mostly of steel structure and reinforced concrete structure. It is expected that the service life is relatively long and the residual value of recovery at maturity is relatively high. Therefore, in order to more fairly reflect the impact of the Company’s fixed assets on the Company’s operating results, the Company adjusts the depreciation period and estimated net residual value rate of some houses and buildings according to the actual situation.

Section VI Major Events

2. Impact on the Company

According to the relevant provisions of the Accounting Standards for Business Enterprises No.28-Accounting Policies, Changes in Accounting Estimates and Correction of Errors, the change in the depreciation period of fixed assets is a change in accounting estimates, which is dealt with by the prospective application method and does not require retrospective adjustment. The change in accounting estimates does not require retrospective adjustment of the disclosed financial report. It will not affect the Company's financial position and operating results in 2021 and previous years, but will affect the Company's financial statements in 2022.

The change in accounting estimates will reduce the depreciation for 2022 by approximately RMB4.9693 million and increase the net profit of the Company for 2022 by approximately RMB3.727 million.

(II) The Company's analysis and explanation of the reasons and effects of the correction of major accounting errors

Applicable Not applicable

(III) Communication with the former accounting firm

Applicable Not applicable

(IV) Other explanations

Applicable Not applicable

VI. THE SITUATION OF FACING DELISTING RISK

(I) Causes of delisting risk warnings

Applicable Not applicable

(II) Measures to be taken by the Company

Applicable Not applicable

(III) Circumstances and reasons for termination of listing

Applicable Not applicable

Section VI Major Events

VII. MATTERS RELATED TO BANKRUPTCY REORGANIZATION

Applicable Not applicable

VIII. MAJOR LITIGATION AND ARBITRATION MATTERS

The Company has major litigation and arbitration events during the year.

The Company has no major litigation and arbitration events during the year.

IX. LISTED COMPANIES AND THEIR DIRECTORS, SUPERVISORS, SENIOR MANAGERS, CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS ARE SUSPECTED OF VIOLATING LAWS AND REGULATIONS, BEING PUNISHED AND RECTIFIED

Applicable Not applicable

X. STATEMENT ON THE INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS DURING THE REPORTING PERIOD

Applicable Not applicable

During the reporting period, the Company and its controlling shareholders and actual controllers had good credit, and there were no cases of failure to fulfill the effective judgment of courts of failure to repay large amount of debts due.

XI. SIGNIFICANT RELATED PARTY TRANSACTIONS

(I) Continuing connected transactions

1. Items which has been disclosed without further changes afterwards

Related party transactions or continuing related party transactions of the Group for the year ending 31 December 2022 are disclosed in Note 37 to the consolidated financial statements in Section IX of this annual report. Some of the listed company related party transactions or continuing related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Hong Kong Stock Exchange Listing Rules, details of which are set out below:

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
20 December 2016	Expressway Petrochemical	Subsidiary of substantial shareholder	tenant	To lease gas station of the Company	From 1 January 2016 to 31 December 2045	To recognize on a straight-line basis over the lease period	1,492
31 December 2019	Yida Company	Subsidiary of substantial shareholder	tenant	To lease service areas	From 1 January 2020 to 30 April 2023	To recognize on a straight-line basis over the lease period	3,108
22 January 2021	Anhui Transportation Holding Group	substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	9,755
22 January 2021	Anlian Company	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	585
22 January 2021	Wangqian Company	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	142
22 January 2021	Wuyan Company	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	47
22 January 2021	Liguang Company	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	104
22 January 2021	Yangji Company	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	208

Section VI Major Events

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
25 June 2021	ATCD	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of which is subject to the construction commencement order issued by the contractor to 2023 (the estimated construction period are 24 months)	Tender price of tender agreement	6,334
25 June 2021	ATEGC	Subsidiary of substantial shareholder	service provider	To accept project construction service	From the time of which is subject to the construction commencement order issued by the contractor to 2023 (the estimated construction period are 24 months)	Tender price of tender agreement	6,625
25 June 2021	ATEGC	Subsidiary of substantial shareholder	service provider	To accept project construction service	From the time of which is subject to the construction commencement order issued by the contractor to 2023	Tender price of tender agreement	4,811
17 September 2021	ATCD	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of which is subject to the construction commencement order issued by the Company to 2023 (the estimated construction period are 22 months)	Tender price of tender agreement	1,179
17 September 2021	ATEGC	Subsidiary of substantial shareholder	service provider	To accept road maintenance service	From the time of which is subject to the construction commencement order issued by the Company (or the supervising engineer) to 2023 (the estimated construction period are 22 months)	Tender price of tender agreement	16,560
17 September 2021	AERC	Subsidiary of substantial shareholder	service provider	To accept the testing service of road sections	From the time of which is subject to the construction commencement order issued by the Company to 2023 (the estimated construction period are 22 months)	Tender price of tender agreement	246
28 October 2021	ATCD	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time noticed by the supervision unit to 2022 (the construction period are 12 months)	Tender price of tender agreement	4,458
28 October 2021	AJCG	Subsidiary of substantial shareholder	service provider	To accept project construction service	From the time noticed by the supervision unit to 2022 (the construction period are 12 months)	Tender price of tender agreement	19,030
31 December 2021	Expressway Petrochemical	Subsidiary of substantial shareholder	tenant	To lease gas station of the Company	From 1 January 2022 to 31 December 2023	To recognize on a straight-line basis over the lease period	24,425

Section VI Major Events

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
31 December 2021	Expressway Petrochemical	Subsidiary of substantial shareholder	tenant	To lease gas station of the Company	From 1 January 2022 to 31 December 2023	To recognize on a straight-line basis over the lease period	2,278
31 December 2021	Network Company	Subsidiary of substantial shareholder	service provider	To accept toll collection service	From 1 January 2022 to 31 December 2023	Determination through negotiation with reference to cost	9,388
31 December 2021	United Card Company	Subsidiary of substantial shareholder	service provider	To accept toll collection service	From 1 January 2022 to 31 December 2023	Determination through negotiation with reference to cost	13,421
29 April 2022	Yida Company	Subsidiary of substantial shareholder	tenant	To lease service areas	From 1 May 2022 to 30 April 2025	To recognize on a straight-line basis over the lease period	5,322
15 June 2022	ATCD	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From June 2022 to December 2022	Tender price of tender agreement	387
15 June 2022	ATCD	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From June 2022 to November 2022	Tender price of tender agreement	226
15 June 2022	AJCG	Subsidiary of substantial shareholder	service provider	To accept project construction service	From June 2022 to December 2022	Tender price of tender agreement	4,477
15 June 2022	AJCG	Subsidiary of substantial shareholder	service provider	To accept project construction service	From June 2022 to November 2022	Tender price of tender agreement	3,396
22 June 2022	Hezong Company	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	377
10 August 2022	AJCG	Subsidiary of substantial shareholder	service provider	To accept project construction service	From the time noticed by the supervision unit to 2023 (the construction period are 6 months)	Tender price of tender agreement	3,799
26 October 2022	ATCD	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of which is subject to the construction commencement order issued by the Company to 2023 (the estimated construction period are 4 months)	Tender price of tender agreement	7,541
2 November 2022	CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund	Subsidiary of substantial shareholder	Issuers	Subscribed fund benefits	17 years from the date of establishment of the asset-specific plan, subject to extension or early termination as agreed in the standard terms and conditions of the asset-specific plan	Off-net Investor RFQ	423,232

Section VI Major Events

The independent non-executive directors of the Company have reviewed the above continuing connected transactions and confirm as follows:

- (1) The Group has entered into various continuing connected transactions in the ordinary and usual course of business;
- (2) The above continuing connected transactions were entered into on normal commercial terms (as compared to transactions of a similar nature by similar entities in the PRC) and on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
- (3) The above continuing connected transactions were conducted in accordance with the terms of the relevant agreements governing the transactions.

The Company confirms that the above continuing connected transactions have been disclosed in accordance with the disclosure requirements under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange. The Board appointed the Company's auditors to perform work on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. In accordance with Rule 14A.56 of the Listing Rules of the Hong Kong Stock Exchange, the auditor has issued a letter confirming its findings and conclusions on the continuing connected transactions of the Group required to be disclosed in this section:

- (1) Nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions have not been approved by the Board;
- (2) Where the transactions involve the provision of goods or services by the Group, nothing has come to their attention that would cause them to believe that the aforesaid continuing connected transactions were not conducted, in all material respects, in accordance with the pricing policies of the Group;
- (3) Nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions were not carried out, in all material respects, in accordance with the agreement for the transactions in question; And
- (4) Nothing has come to their attention which causes them to believe that the said continuing connected transactions exceed the annual caps.

A copy of the letter has been provided to the SEHK.

Section VI Major Events

2. **Matters that have been disclosed in the interim announcement but have subsequent progress or changes in implementation**

Applicable Not applicable

3. **Matters not disclosed in the interim announcement**

Applicable Not applicable

(II) Related transactions arising from the acquisition or sale of assets or equity

1. **Matters that have been disclosed in the interim announcement and have no progress or change in subsequent implementation**

Applicable Not applicable

2. **Matters that have been disclosed in the interim announcement but have subsequent progress or changes in implementation**

Applicable Not applicable

3. **Matters not disclosed in the interim announcement**

Applicable Not applicable

4. **If the performance agreement is involved, the performance realization during the reporting period shall be disclosed**

Applicable Not applicable

(III) Major related transactions of joint external investment

1. **Matters that have been disclosed in the interim announcement and have no progress or change in subsequent implementation**

Applicable Not applicable

Section VI Major Events

2. Matters that have been disclosed in the interim announcement but have subsequent progress or changes in implementation

Summary of issues	Query the index
<p>The Company proposed to form a joint venture company in Hong Kong through joint contribution together with the other consortium members namely China Merchants Expressway Network & Technology Holdings Co., Ltd., China Merchants Union (BVI) Limited, Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司), Jiangsu Expressway Company Limited* (江蘇寧滬高速公路股份有限公司), and Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), for the purpose of establishing a joint venture company to acquire 51% of the shares and the relevant portion of shareholder loans of the Turkish company ICA IC İċtař Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş., and 51% equity of Eurasia Motorway Maintenance and Operations Limited, a company incorporated in Hong Kong (i.e. the O&M Target Company). The Company proposed to contribute 48.195 million US dollars and hold 7% of the shares of the joint venture company. The matter has been deliberated and adopted at the 17th meeting of the 8th board of directors held on 20 December 2019.</p>	<p>23 December 2019 “Joint Announcement-Connected Transaction: Formation of Joint Venture”</p>
<p>The seventeenth meeting of the ninth session of the board of directors of the Company was convened on 27 January 2022, at which the Resolution in relation to the Termination of the Acquisition of Overseas Assets by the Company and the Parties to the Consortium was considered and approved, and the Termination Agreement In Relation to the Acquisition of 51% equity interest in ICA IC İċtař Astaldi ÜçüncüBoğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş. and 51% equity interest in Eurasia Motorway Maintenance and Operations Limited was entered into among the parties on 9 March 2022.</p>	<p>28 January 2022 “The Resolutions of the seventeenth Meeting of the ninth Board”*(《第九屆董事會第十七次會議決議公告》)(LIN 2022-005)</p>
<p>During the reporting period, the termination agreement has been signed and fulfilled. In view of the fact that both parties to the project have decided to terminate the transaction, the Company and the Chinese consortium have not made any payment to the other party, nor have they actually obtained the property rights and operation rights of the Third Bridge Project in Turkey. Therefore, the above matters will not have a significant impact on the operation and financial position of the Company.</p>	<p>11 March 2022 “Voluntary announcement-Announcement of Progress of the Transaction relating to the Formation of a Joint Venture by the Company and Members of the Consortium for the Acquisition of Overseas Assets”</p>

Section VI Major Events

Summary of issues

Query the index

On December 2, 2021, the consortium composed of Anhui Transportation Holding Group and Xuanguang Company received the bid-winning notice of “G50 Shanghai-Chongqing Expressway Guangde-Xuancheng Section Reconstruction and Expansion Project PPP Project (hereinafter referred to as “the Project”)”. In order to ensure the smooth progress of the Project, the Company and Xuancheng Transportation, a related party, intend to increase their investment in Xuanguang Company in proportion to their shareholdings. The Company shall increase its investment by RMB1,513.78 million and Xuancheng Transportation shall increase its investment by RMB1,215.22 million. The above matters were considered and approved at the fifteenth meeting of the ninth session of the Board held on 31 December 2021 and the first extraordinary general meeting of 2022 held on 25 February 2022.

During the reporting period, the Company has increased capital of RMB599 million to Xuanguang Company in proportion to its shareholding, and Xuancheng Transportation has increased capital of RMB1.041 billion to Xuanguang Company as the project capital to be undertaken by Xuanguang Company.

On July 9, 2021, the Company signed the Partnership Agreement of Anhui Transportation Jinshi Equity Investment Fund Partnership (Limited Partnership) with Anhui Transportation Jinshi Private Fund Management Co., Ltd., Anhui Transportation Holding Capital Investment Co., Ltd.* (安徽交控資本投資管理有限公司) and Jinshi Investment Co., Ltd.* (金石投資有限公司), to confirm the matters related to the investment fund. The total committed capital of the phase II fund is RMB150 million, and the Company’s committed investment amount was RMB99.625 million, accounting for 6.64% of the fund capital.

As of the disclosure date of this report, the Company has completed the payment of the second phase investment of Jinshi Fund.

Announcement on Winning of the Project Tender by a Holding Subsidiary dated 4 December 2021 (LIN 2021-040)

Announcement on Resolutions of the Fifteenth Meeting of the Ninth Session of the Board of Directors on 1 January 2022 (LIN 2021-043), Announcement on Connected Transactions in relation to the Joint Establishment of a Joint Venture by a Holding Company and a Controlling Shareholder of the Company (LIN 2021-044), Announcement of Increased Investment in a Holding Subsidiary of Anhui Expressway and Connected Transactions (LIN 2021-045)

Announcement on Resolutions of the First Extraordinary General Meeting of Anhui Expressway for 2022 (LIN 2022-008) dated 26 February 2022

9 July 2021 “Announcement Adjustment to Terms of Fund Partnership and Establishment of Phase II Fund Partnership”

Section VI Major Events

Summary of issues

Query the index

The Company held the eighteenth meeting of the ninth Board of Directors on 10 March 2022, deliberating and approving the Proposal on participating in phase II investment and Signing the Supplementary Agreement of Anhui Transportation China Merchants Industrial Fund. According to the relevant terms of the partnership agreement and supplementary agreement, the Company needs to contribute a total of RMB100 million.

On 7 April 2022, the Company signed a supplementary agreement with Anhui Transportation Capital Investment Management Co., Ltd., Anhui Anlian Expressway Co., Ltd., and China Merchants Zhiyuan Capital Investment Co., Ltd., confirming matters related to this investment fund.

During the Reporting Period, the Company has paid RMB33,208,300 to China Merchants Fund Phase II.

The Company convened the twenty-fourth meeting of the ninth session of the Board and the second extraordinary general meeting of 2022 on September 21, 2022 and October 19, 2022, respectively, to consider and approve the Proposal on Participating in the Subscription of Public Offering REITs of Anhui Transportation Yanjiang Expressway and Related Party Transaction. It is agreed that the Company will subscribe for CICC Anhui Transportation Expressway Closed-end Infrastructure Securities Investment Fund (hereinafter referred to as "Anhui Transportation Yanjiang Expressway Public Offering REITs" or the "Fund") with no more than RMB500 million. On October 19, 2022, after the approval of the general meeting of shareholders, the Company and CICC Fund Management Company, the fund manager, entered into the Strategic Investor Placement Agreement of CICC Anhui Transportation Expressway Closed-end Basic Securities Investment Fund to subscribe for 3.89% of the total offering shares of the infrastructure fund.

Announcement on the Progress of Anhui Expressway's Participation in the Investment of Anhui Transportation Holding Group Investment Industrial Fund Phase II and signment of Supplementary Agreement on April 8, 2022 (Lin 2022-015)

Announcement of Anhui Expressway on Participating in the Subscription of Anhui Transportation Yanjiang Expressway Public Offering REITs and Related Party Transaction dated September 22, 2022 (Lin 2022-030)

Announcement on Resolutions of the 2022 Second Extraordinary General Meeting of Shareholders of Anhui Expressway dated October 20, 2022 (Lin 2022-033)

Announcement of Anhui Expressway on the Progress of Participation in the Subscription of Anhui Transportation Yanjiang Expressway Public Offering REITs dated October 20, 2022 (Lin 2022-034)

Announcement of Anhui Expressway on the Progress of Participation in the Subscription of Anhui Transportation Yanjiang Expressway Public Offering REITs dated November 3, 2022 (Lin 2022-036)

Announcement of Anhui Expressway on the Progress of Participation in the Subscription of Anhui Transportation Yanjiang Expressway Public Offering REITs dated November 15, 2022 (Lin 2022-040)

Section VI Major Events

[Summary of issues](#)

[Query the index](#)

On November 2, 2022, CICC Fund Management Company issued the Announcement on the Sale of Fund Shares of CICC Anhui Transportation Expressway Closed Infrastructure Securities Investment Fund. The subscription price of the Fund shares is determined to be RMB10.880/share. As a strategic investor, the Company undertakes to subscribe for 3.89% of the total amount of the offering, with a subscription amount of RMB423.232 million. The holding period of the Fund units allotted by the Company shall not be less than 36 months from the date of listing of the Fund units, and no pledge is allowed during the holding period of the allotted units.

On 7 November 2022, the Company transferred the subscription amount of RMB423.232 million to the designated bank account of CICC Fund Management Co., Ltd., the fund manager, in accordance with the Notice of Payment for Strategic Investors of CICC Anhui Transportation Expressway Closed-end Infrastructure Securities Investment Fund, and completed the subscription confirmation.

On November 12, 2022, CICC Fund Management Co., Ltd. issued the Announcement on the Effectiveness of the Fund Contract of CICC Anhui Transportation Expressway Closed-end Infrastructure Securities Investment Fund. According to the Effective Announcement, it was finally confirmed that the Company had successfully subscribed for the public offering REITs fund of Anhui Transportation Yanjiang Expressway.

3. Matters not disclosed in the interim announcement

Applicable Not applicable

(IV) Transactions of related creditor's rights and debts

1. Matters that have been disclosed in the interim announcement and have no progress or change in subsequent implementation

Applicable Not applicable

Section VI Major Events

2. Matters that have been disclosed in the interim announcement but have subsequent progress or changes in implementation

Summary of issues

Query the index

In order to meet the capital demand of Ningxuanhang Company during the operation period, improve the capital structure, improve the financing capacity, reduce the credit risk and ensure the sustainable development of the Company, according to the audit report of Ningxuanhang Company in 2021, it was proposed to convert the shareholder loans and entrusted loans invested by the three shareholders into the capital reserve of Ningxuanhang Company in proportion to their respective shareholdings. In particular, the amount of debt-to-capital reserve of Anhui Transportation Holding Group was RMB182.0403 million, the amount of debt-to-capital reserve of the Company was RMB238.0527 million, and that of Xuancheng Transportation was RMB46.677 million, totaling RMB466.77 million. After the implementation of the plan, the amount and proportion of the registered capital of Ningxuanhang Company held by the three shareholders will remain unchanged.

The conversion plan has been considered and approved at the 23rd meeting of the ninth session of the Board and the 2022 second extraordinary general meeting of the Company, and had been implemented.

Announcement of Resolutions of the Twenty-third Meeting of the Ninth Board of Directors on August 29, 2022 (Lin 2022-025), Announcement of Anhui Expressway on Debt Transfer to Capital Reserve and Related Transactions of Ningxuanhang Company (Lin 2022-027)

Announcement on Resolutions of the 2022 Second Extraordinary General Meeting of Shareholders of Anhui Anhui on October 19, 2022 (Lin 2022-033)

Section VI Major Events

3. Matters not disclosed in the interim announcement

Unit: RMB '000 Currency: RMB

Related parties	Associative relationship	Provision of funds to related parties			Listed company in the affiliated direction Provide funds		
		Opening balance	Amount incurred	Ending balance	Opening balance	Amount incurred	Ending balance
Anhui Transportation Holding Group	Controlling shareholder	0	0	0	279,100	-182,040	97,060
Xuancheng Transportation	Other related persons	0	0	0	84,248	-84,248	0
Totally		0	0	0	363,348	-266,288	97,060

Reasons for the formation of related creditor's rights and debts

The part of the total investment of Anhui Transportation Holding Group and Xuancheng Transportation that exceeds the project capital of Ningxuanhang Company is included in the long-term payables and repaid according to the agreed period.

Impact of Related Creditor's Rights and Liabilities on the Company

(V) Financial business between the Company and the affiliated financial company, the Company's holding financial company and the affiliated party

Applicable Not applicable

(VI) Other

Applicable Not applicable

Section VI Major Events

XII. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Trusteeship, contracting and leasing matters

1. Trusteeship status

Applicable Not applicable

2. Contracting status

Applicable Not applicable

3. Lease status

Applicable Not applicable

(II) Guarantee status

Applicable Not applicable

(III) Entrusting others to manage cash assets

1. Entrusted wealth management

(I) Overall situation of entrusted wealth management

Unit: yuan Currency: RMB

Type	Source of funds	Amount incurred	Outstanding balance	Overdue and unrecovered amount
Bank wealth management	Own funds	850,000,000	0	0

Other circumstances

Applicable Not applicable

Section VI Major Events

(2) Individual entrusted wealth management

Unit: yuan Currency: RMB

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Start date of entrusted wealth management	Termination date of entrusted wealth management	Funds Source	Funds Investment Targets	Determination of remuneration	Annualized Rate of return	Expected earnings (If any)	Actual Gain or loss	Actual recovery	Whether it has gone through legal procedures	Is there any entrusted financing plan in the future?	Amount of provision for impairment (if any)
Everbright Bank	Structured deposits	350,000,000	September 22, 2022	December 23, 2022	Own funds		Contract	3.1%	2,712,500	2,712,500	Recovered	Yes	Yes	0.00
Industrial and Commercial Bank	Structured deposits	500,000,000	September 28, 2022	December 29, 2022	Own funds		Contract	1.05-3.2%	1,323,300 to 4,038,900	3,783,594.52	Recovered	Yes	Yes	0.00

Other circumstances

Applicable Not applicable

(3) Provision for impairment of entrusted wealth management

Applicable Not applicable

2. Entrusted loans

(1) General entrusted loans

Unit: '0,000 Currency: RMB

Type	Source of funds	Amount incurred	Outstanding balance	Overdue and unrecovered amount
Bank	Own funds	0.00	43,584.00	0.00

Other circumstances

Applicable Not applicable

Section VI Major Events

(2) Single Entrusted Loans

Unit: '0,000 yuan Currency: RMB

Trustee	Type of entrusted loan	Entrusted loan amount	Commencement date of entrusted loan	Entrusted loan termination date	Funds Source	Funds Investment Target	Determination of remuneration	Annualized Rate of return	Expected earnings (If any)	Actual Gain or loss	Actual recovery	Will there		
												Whether it has gone through legal procedures	be an entrusted loan plan in the future?	Amount of provision for impairment (if any)
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,825	June 14, 2016	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	168.68	168.68	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	1,428	August 24, 2016	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	62.97	62.97	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,213	September 18, 2016	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	141.69	141.69	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	1,989	November 17, 2016	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	87.71	87.71	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,009	December 20, 2016	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	132.70	132.70	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	368	February 9, 2017	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	16.23	16.23	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	6,069	April 13, 2017	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	267.64	267.64	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	1,683	May 9, 2017	June 14, 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	74.22	74.22	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	6,477	August 31, 2017	August 31, 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	317.37	317.37	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	4,029	September 15, 2017	August 31, 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	197.42	197.42	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,927	October 11, 2017	August 31, 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	192.42	192.42	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	4,437	November 9, 2017	August 31, 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	217.41	217.41	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,130	December 19, 2017	August 31, 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	153.37	153.37	Not due	Yes	No	

Section VI Major Events

Other circumstances

Applicable Not applicable

(3) Provision for impairment of entrusted loans

Applicable Not applicable

3. Other circumstances

Applicable Not applicable

(IV) Other major contracts

Applicable Not applicable

XIII. EXPLANATION OF OTHER SIGNIFICANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

Adjustment to Calculation Method and Standard of Toll Payment

According to the “Notice on the matters related to tolls for vehicles on toll roads in our province” (Wan Jiao Lu [2020] No. 162) jointly issued by the Anhui Development and Reform Commission and the Finance Department of Anhui Province jointly issued, Anhui’s toll standard was implemented for one year on a trial basis until the end of 2020. With the consent of the provincial government, the new standard was formally implemented on January 1, 2021; The period of 15% discount for freight vehicles holding Anhui Transport Card is tentatively extended for 3 years, namely from January 1, 2021 to December 31, 2023. For details, please refer to the “Announcement on Standard of Toll Charges” *《關於通行費收費標準的公告》(Lin 2020-033) published by the Company.

Preferential Policy of 5% Discount for All ETC Users

According to the requirements of the Notice on Implementing Preferential Policy for Tolls of ETC Vehicles on Toll Roads issued by the Transport Department of Anhui Province and the Anhui Development and Reform Commission, with effect from 1 July 2019, vehicles using electronic payment cards of other provinces for toll payment on toll roads in Anhui Province will be entitled to 5% discount on toll payment under the preferential policy.

Payment of toll for Wan R and Wan H licenses small passenger cars Passing Through Anqing Yangtze River Highway Bridge

On 24 January 2022, the People’s Government of Chizhou City, the People’s Government of Anqing City (hereinafter referred to as the “Two Municipal Governments”), Anhui Transportation Holding Group and Anqing Bridge Company signed the Cooperation Agreement on the Reduction and Exemption of Toll by Anqing Yangtze River Highway Bridge for Local Small passenger cars through Financial Subsidies. By means of financial subsidies, the Two Municipal Governments will provide financial subsidies for Wan R and Wan H licenses small passenger cars with 9 seats and below under ETC package commuting between Anqing Bridge Toll Station and Dadukou Toll Station. The subsidy is granted on the basis of RMB21 per vehicle in accordance with the relevant policies of Anhui Province on expressway toll. Vehicles that meet the subsidy conditions will be toll-free when passing through Anqing Yangtze River Highway Bridge effective for a tentative term of three years commencing from 00: 00 on 25 January 2022, For details, please refer to the Company’s announcement headed “Announcement on the Questions relating to Payment of Tolls for Wan R and Wan H Licences Small Passenger Cars Passing Through Anqing Yangtze River Highway Bridge” *《關於皖R、皖H牌照小型客車行駛安慶長江公路大橋通行費繳納有關問題的公告》(Lin 2022-004).

Section VI Major Events

Change of accounting firm

Pursuant to the relevant regulations of the Anhui Provincial State-owned Assets Administration and Supervision Committee, PricewaterhouseCoopers Zhong Tian LLP, the Company's current auditors, have exceeded their engagement term, and will retire as the Company's external auditors for the year 2022. On the nineteenth meeting of the ninth session of the Board held on 28 March 2022 and the 2021 annual General Meeting of Shareholders held on 20 May 2022 respectively deliberated and approved the Proposal on the Change of Accounting Firm and the Proposal on the Appointment of the Company's 2022 Auditor and the authorization of the Board to determine its remuneration. Appointed Ernst & Young and Ernst & Young Hua Ming LLP (collectively referred to as "EY") as the auditors of the Company for the financial reporting in accordance with HKFRS and the financial reporting in accordance with CAS purposes for the year 2022. For details, please refer to the Company's announcement dated 28 March 2022 and headed "Proposed Change of Auditors".

Approved official toll operation period for Liqiao-Xuancheng section of Ningxuanhang Expressway

Liqiao-Xuancheng Expressway (hereinafter referred to as "Lixuan Expressway"), the third-stage project of Ningxuanhang Expressway invested and built by the Company Limited, had been open for operation since 30 December 2017. According to the "Official Reply on the Toll Operation Period of Liqiao-Xuancheng Section of Ningxuanhang Expressway" (Wan Zheng Mi [2022] No. 96)* (《關於寧宣杭高速公路狸橋至宣城段收費經營期限的批覆》(皖政秘[2022]96號)) issued by the People's Government of Anhui Province, the toll operation period of Lixuan Expressway is 30 years from 30 December 2017 to 29 December 2047. For details, please refer to the Company's announcement dated 30 September 2022 and headed "Official Reply on the Toll Operation Period of Liqiao-Xuancheng Section of Ningxuanhang Expressway".

Periodic reduction of toll road truck tolls

According to the decisions and arrangements made at the executive meeting of the State Council, and requirements under relevant documents from the Ministry of Transport and the Department of Transportation of Anhui Province, on the basis of continuing to implement the existing various toll reduction policies, the national toll roads uniformly reduced truck tolls by another 10% from 0:00 on October 1, 2022 to 24:00 on December 31, 2022.

Wantong Pawn Liquidation and Dissolution.

On June 21, 2021, the Company held the 9th meeting of the 9th Board of Directors, deliberated and passed the Resolution on the Liquidation and Dissolution of Hefei Wantong Pawn Company, agreed to the liquidation and dissolution of Wantong Pawn, and authorized the management of the Company to handle all relevant matters related to the liquidation and dissolution of Wantong Pawn. On December 6, 2022, the Company received the "Notice of Approval for Cancellation of Registration"* (《准予註銷登記通知書》) ((He) Deng Ji Qi Xiao Zi [2022] No. 123810) issued by Hefei Municipal Market Supervision and Administration Bureau, approving the cancellation of registration of Wantong Pawn. For details, please refer to the Company's announcement "Announcement on Completion of Liquidation and Cancellation of Registration of Holding Subsidiaries"* (《關於控股子公司完成清算註銷登記的公告》) (Lin 2022-042).

Events after the reporting period

Save as disclosed in this report, there were no important events affecting the Group that have occurred after the end of the reporting period and up to the date of this report.

XIV. PRE-EMPTIVE RIGHTS

Neither the Company's articles of association nor the PRC laws require the Company to offer preemptive rights to its existing shareholders for subscription of new shares according to the proportion of their shareholdings.

XV. TAX RELIEF

The shareholders of the Company shall pay the relevant taxes in accordance with the following provisions and the tax regulations as updated from time to time, and may enjoy tax relief according to the actual situation. Shareholders should consult their professional tax and legal advisers on specific tax payment matters or implications if necessary:

Holders of A Shares:

According to the Notice on the Policy of Differentiated Individual Income Tax on Dividends and Dividends of Listed Companies (Fiscal and Tax [2015] 101), if an individual obtains shares of a listed company from the public offering and transfer market for a period of more than one year, the income from dividends and dividends shall be temporarily exempted from individual income tax. If an individual obtains the shares of a listed company from the public offering and transfer market and holds the shares for a period of less than one month (including one month), the dividend and bonus income shall be included in the taxable income in full. If the holding period is more than one month to one year (including one year), 50% of the taxable income shall be temporarily reduced. Individual income tax shall be levied at a uniform rate of 20% on the above-mentioned income.

According to the Notice on Issues Concerning Withholding and Payment of Enterprise Income Tax on Dividends, Bonuses and Interests Paid by Chinese Resident Enterprises to QFIIs (Guo Shui Han [2009] No.47), the Company shall withhold and pay enterprise income tax at the rate of 10% for qualified foreign institutional investors. If the relevant shareholders consider that the dividends they receive need to enjoy the treatment of tax agreements (arrangements), they may apply to the competent tax authorities for tax refund after receiving the dividends in accordance with the regulations.

Section VI Major Events

H shareholders:

According to the Enterprise Income Tax Law of the People's Republic of China and its implementing rules implemented in 2008, PRC domestic enterprises are required to withhold enterprise income tax at a uniform rate of 10% when distributing dividends to non-resident enterprise holders of overseas H shares. Pursuant to the Notice on Issues Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No.045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (GuoShuiHan [2011] No. 348) and the Letter of the Hong Kong Stock Exchange dated 4 July 2011 on Tax Arrangements for Dividends Paid by Hong Kong Residents to Mainland Enterprises, Domestic non-foreign-invested enterprises that issue shares in Hong Kong may generally withhold individual income tax at a rate of 10% when distributing dividends and bonuses, unless otherwise stipulated by tax regulations and relevant tax agreements.

Based on the current practice of the relevant Inland Revenue Department, no tax is payable in Hong Kong on the dividends distributed by the Company.

Investors of Shanghai-Hong Kong Stock Connect:

Tax matters concerning mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and Hong Kong market investors investing in a shares listed on the Shanghai Stock Exchange through the Shanghai-Hong Kong Stock Connect. Please refer to the Notice of the Ministry of Finance (MOF), the State Administration of Taxation (sat) and the China Securities Regulatory Commission (CSRC) on Relevant Tax Policies for the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互通機制試點有關稅收政策的通知》) (CaiShui [2014] No. 81).

Section VII Change of Ordinary Shares and Shareholders

I. CHANGE OF ORDINARY SHARE CAPITAL

(I) Change of ordinary shares

1. Change of ordinary shares

During the reporting period, the total number of ordinary shares and capital structure of the Company's ordinary shares was not changed. The Company has issued 1,658,610,000 shares of common stock, of which 1,165,600,000 A shares are listed on the SSE accounting for about 70.28% of the Company's total shares and 493,010,000 H shares are listed on the SEHK accounting for about 29.72% of the total share capital.

2. Explanation of Change of ordinary share capital

Applicable Not applicable

3. The Effect on of the Financial Indicators like Earnings Per Share and Net Assets Per Share in recent year from Change of ordinary share capital (If any)

Applicable Not applicable

4. Other Disclosures that the Company deems necessarily or required by the Securities Regulatory Authority.

Applicable Not applicable

(II) Change of restricted shares

Applicable Not applicable

II. ISSUE OF SHARES AND LISTING

(I) Issue of securities during the reporting period

Applicable Not applicable

Information of Issue of securities during the reporting period (Please explain separately the bonds of different rates within the duration):

Applicable Not applicable

(II) Changes in the number of ordinary shares of the Company, shareholder structure and corporate assets and liability structure of the Company

Applicable Not applicable

(III) Existing Internal Employees' Shares

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

III. SHAREHOLDERS AND EFFECTIVE CONTROLLER

(I) Number of shareholders

The total number of shareholders of ordinary shares as at the end of the reporting period	23,541
The total number of shareholders of ordinary shares at the end of the month before the date of the publication of the annual report	22,476

(II) Shareholdings of ten largest shareholders and ten largest tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

Unit: shares

Name of shareholders	Change during the reporting period	The ten largest shareholders			Shares pledged or locked up State	Nature of shareholders
		Total shareholding as at the end of the year	Shareholding percentage	Number of restricted shares		
Anhui Transportation Holding Group Company Limited	0	524,644,220	31.63	0	Nil	State-owned shares
HKSCC NOMINEES LIMITED	5,650,000	488,903,899	29.48	0	Not known	Overseas legal person
China Merchants Highway Network Technology Holding Company Limited	0	404,191,501	24.37	0	Nil	State-owned legal person
Hong Kong Securities Clearing Co. Ltd	-7,481,640	27,522,225	1.66	0	Nil	Overseas legal person
Qingdao Liben Private Equity Management Partnership (LP) – Liben Growth No. 2 Private Equity Investment Fund	-3,018,709	9,253,679	0.56	0	Nil	Other
Bank of China Limited – Harvest Logistics Industry equity securities investment Fund	5,348,298	6,235,298	0.38	0	Nil	Other
Ding Xiuling	0	5,411,435	0.33	0	Nil	Domestic natural person
Everbright Securities Co., LTD	4,466,403	4,466,403	0.27	0	Nil	State-owned Legal person
China Minsheng Banking Corporation Limited – Harvest New Wealth Flexible allocation of hybrid securities investment fund	3,549,720	3,549,720	0.21	0	Nil	Other
Beijing Yuanfeng Private Equity Fund Management Partnership (limited partnership) – Yuanfeng value private equity investment fund	2,345,600	2,345,600	0.14	0	Nil	Other

Section VII Change of Ordinary Shares and Shareholders

The ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares	
		Type	Number
Anhui Transportation Holding Group Company Limited	524,644,220	Renminbi-denominated ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	488,903,899	Overseas listed foreign shares	488,903,899
China Merchants Highway Network Technology Holding Company Limited	404,191,501	Renminbi-denominated ordinary shares	404,191,501
Hong Kong Securities Clearing Co. Ltd	27,522,225	Renminbi-denominated ordinary shares	27,522,225
Qingdao Liben Private Equity Management Partnership (LP) – Liben Growth No. 2 Private Equity Investment Fund	9,253,679	Renminbi-denominated ordinary shares	9,253,679
Bank of China Limited – Harvest Logistics Industry equity securities investment Fund	6,235,298	Renminbi-denominated ordinary shares	6,235,298
Ding Xiuling	5,411,435	Renminbi-denominated ordinary shares	5,411,435
Everbright Securities Co., LTD	4,466,403	Renminbi-denominated ordinary shares	4,466,403
China Minsheng Banking Corporation Limited – Harvest New Wealth Flexible allocation of hybrid securities investment fund	3,549,720	Renminbi-denominated ordinary shares	3,549,720
Beijing Yuanfeng Private Equity Fund Management Partnership (limited partnership) – Yuanfeng value private equity investment fund	2,345,600	Renminbi-denominated ordinary shares	2,345,600
The top ten shareholders of the buyback account information	Nil		
Explanation of the above shareholders' entrustment voting right, entrusted voting right and abandonment of voting right	Nil		
Explanations of connected relationship between the above-mentioned shareholders or acting in concert		There is no connected relationship between the State owned Shareholders and the legal person Shareholders in the above chart. The Company does not know if there is connected relationship amongst other shareholders, or whether they belong to the persons acting in concert under the Measures for the Administration of Disclosures of Shareholder Equity Changes of Listed Companies (《上市公司股東持股變動信息披露管理辦法》).	
Description of the reinstated preferred shareholders and the number of shareholdings	Nil		

Section VII Change of Ordinary Shares and Shareholders

Note:

1. The total number of shareholders of A shares were 23,475 and H shares were 66 as at the end of the reporting period.
2. The total number of shareholders of A shares were 22,411 and H shares were 65 at the end of the month before the date of the publication of the annual report.
3. H shares held by HKSCC NOMINEES LIMITED represent the holding of many clients.

Shareholdings and restrictions of top ten restricted shareholders

Applicable Not applicable

(III) Strategic investors or ordinary legal person who became top ten shareholders due to issuance of new shares

Applicable Not applicable

(IV) Persons who have interests or short positions disclosable under Divisions 2 and 3 of Part XV of the SFO

As at 31 December 2022, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons (other than Directors, Supervisors and chief executives of the Company) who, directly or indirectly, were interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the SEHK under the provisions of section 336 of Part XV of the SFO are as follows:

Name of shareholder	Capacity	Number of shares	Type of shares	% of H shares	Pledged or locked-up
China Merchants Highway Network Technology Holding Company Limited	Interests in controlled corporation	92,396,000(L)	H shares	18.74%	Pledged
HSBC Holdings plc	Interests in controlled corporation	98,525,221(L) 99,825,933(S)	H shares	19.98% 20.25%	Unknown

Note: The letter "L" denotes a long position in the share capital, the letter "S" denotes a short position in the share capital

Name of shareholder	Capacity	Number of shares	Type of shares	% of A shares	Pledged or locked-up
Anhui Transportation Holding Group	Beneficial owner	524,644,220	A shares	45.01%	No
China Merchants Highway Network Technology Holding Company Limited	Beneficial owner	404,191,501	A shares	34.68%	No

Note: Save as disclosed in this annual report, as at 31 December 2022, according to the register required to be stored under the provisions of section 336 of Part XV of the SFO, the Company has not received any notice that the persons were interested or had short position in the shares or underlying shares of the Company on 31 December 2022.

Section VII Change of Ordinary Shares and Shareholders

IV. INFORMATION OF THE CONTROLLING SHAREHOLDER AND THE EFFECTIVE CONTROLLER OF THE COMPANY

(I) The controlling shareholder of the Company

1. Legal person

Name	Anhui Transportation Holding Group Company Limited
Legal representative	Xiang Xiaolong
Date of establishment	27 April 1993
Business scope	Building, supervision, testing, design, construction, technical consultation and service of highway and related infrastructure; investment and asset management; real estate development and operation; road transportation; logistics services; expressway service area operation and management, such as tolling, maintenance, road property rights protection; advertising production and publication.
Shareholding and control of other domestic and foreign listed companies during the reporting period	As of the end of the reporting period, Anhui Transportation Holding Group holds 7,086,496,400 shares of Huishang Bank, representing 5.10% of its total shares; it holds 221,032,000 shares of Anhui Transport Planning and Design Institute directly and indirectly, representing 47.27% of its total shares; it holds 175,666,800 shares of Huaan Securities Co indirectly, representing 3.74% of its total shares; it holds 5,999,300 shares of Guotai Junan Securities Co indirectly, representing 0.07% of its total shares.
Other information	Nil

2. Natural person

Applicable Not applicable

3. Specific explanation in the case of the Company having no controlling shareholder

Applicable Not applicable

4. Index and date of the Controlling Shareholder's change during the reporting period

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

5. Block diagram on ownership and controlling relationships between the Company and the controlling shareholder

The controlling shareholder of the Company – Anhui Transportation Holding Group Company Limited is a state-owned Company and is under the control of Anhui Provincial State-owned Assets Supervision and Administration Commission.



(II) Information of the effective controller of the Company

1. Legal representative

Name	Anhui Provincial State-owned Assets Supervision and Administration Commission
Legal representative	
Date of establishment	
Major business scope	
Control and Shareholding of other domestic and Overseas listed companies during the reporting period	
Other information	

2. Natural person

Applicable Not applicable

3. Specific explanation in the case of the Company having no effective controller

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

4. **Index and date of the effective controller's change during the reporting period**

Applicable Not applicable

5. **Block diagram on ownership and controlling relationships between the Company and the effective controller**

The controlling shareholder of the Company – Anhui Transportation Holding Group Company Limited is a state-owned Company and is under the control of Anhui Provincial State-owned Assets Supervision and Administration Commission.



6. **The effective controller controls the Company through trust or other asset management approaches.**

Applicable Not applicable

(III) Other information regarding the controlling shareholder and the effective controller

Applicable Not applicable

V. THE TOTAL AMOUNT OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER AND THE PERSON(S) ACTING IN CONCERT ACCOUNTS FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THEM

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

VI. OTHER LEGAL PERSON SHAREHOLDERS WHO HOLD MORE THAN 10% OF THE SHARE CAPITAL

Unit: '00,000,000 Currency: RMB

Name	Legal representative	Date of establishment	Organization code	Registered capital	Major business scope and management activities, etc.
China Merchants Highway Network Technology Holding Company Limited	Bai Jingtao	1993.12.18	91110000101717000C	61.78	General operation projects: investment, development, construction and operation management of roads, bridges, wharves, harbors and sea lanes; investment management; development and research of new technologies, new products and new materials for transportation infrastructure facilities and sales of products; sales of building materials, mechanical and electrical equipment, automobiles (other than sedans) and fittings, metal and daily necessities; economic information consultation and talent training

VII. EXPLANATION OF THE RESTRICTION ON REDUCING SHARES

Applicable Not applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE IN THE REPORTING PERIOD

Applicable Not applicable

IX. CONVERTIBLE SECURITIES

During the reporting period, the Group had not issued or granted any convertible securities, options, warrants or similar rights, and there was no exercise of such conversion or subscription rights.

X. PURCHASE, SALE AND REPURCHASE OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company, its subsidiaries or joint ventures has purchased, sold or repurchased any listed securities of the Company.

XI. SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

Section VIII Report of the Supervisory Committee

In 2022, the Supervisory Committee have strictly complied with the requirements of the Company Law, the Articles of Association of the Company and the Rules of Procedures of Supervisory Committee, performed its duties prudently and exercised its authority independently according to law in order to ensure the regular operation of the Company and to protect the interests of the shareholders and the Company.

The major works of the Supervisory Committee during the reporting period include: through holding meetings of the Supervisory Committee, attending general meetings and Board meetings, understanding and supervising the legality and reasonableness of the acts of the Directors and other senior management in daily management and in operational decision-making; examining carefully the business performance and financial condition of the Company, reviewing and discussing the financial reports to be submitted to the general meeting by the Board; supervising, examining and coordinating the development, execution and improvement of the Company's internal control. The details are as follows:

I. CONVENING OF MEETINGS OF THE SUPERVISORY COMMITTEE

In 2022, the Supervisory Committee held 8 meetings, the notice, convening and resolutions of which were in accordance with the statutory procedures and the Articles of Association of the Company. It attended 12 Board meetings and 4 shareholders' general meetings. During the reporting period, there was no matters in which the Supervisor representative of the Company negotiates with or sues the Directors.

II. CHANGES IN SUPERVISORY BOARD

Due to the change of duties, Mr. Wu Changming applied for resignation as a staff representative Supervisor. The Company held a staff representative meeting on 5 January 2022 and elected Ms. Li Huairu as a staff representative supervisor of the ninth session of the Supervisory Committee of the Company. The change of personnel of the Supervisory Committee is in compliance with the provisions of the Company Law and the Articles of Association of the Company, etc. The relevant personnel are qualified to serve as supervisors and have the necessary professional competence and professionalism to perform their duties.

III. AMENDMENT TO THE REGULATIONS GOVERNING THE WORK OF THE SUPERVISORY COMMITTEE

In order to further standardize the corporate governance, the Company, in accordance with the newly revised "Guidelines on the Articles of Association of Listed Companies (2022 Revision)" of the China Securities Regulatory Commission and the "Rules Governing the Listing of Stocks (Revision on Jan 2022)" of the Shanghai Stock Exchange and other regulatory laws and regulations, and taking into account the actual situation of the Company, the Company amended the Rules of Procedures of the Supervisory Committee, which was considered and approved at the third extraordinary general meeting of the Company in 2022 and the ninth nineteenth meeting of the Supervisory Committee of the Company.

Section VIII Report of the Supervisory Committee

IV. SUPERVISORY OPINIONS ISSUED BY THE SUPERVISORY COMMITTEE IN 2022

The Supervisory Committee examined and supervised relevant important items such as the regular reports approved by the Board of Directors and the shareholders' meeting, regulatory and management of internal control, etc. in 2022 and expressed the following opinions:

1. Compliance with laws in operation

During the reporting period, the Supervisors attended all shareholders' meetings and Board meetings as non-voting delegates, performed careful supervision and inspection on the procedures of convening these meetings, subject matter of resolutions, signing of written resolutions in relation to the aforementioned meetings, and conducted effective supervision in the whole process on the management behavior of Directors and senior management and the implementation of decisions by the Company.

The Supervisory Committee is of the view that the Company has made business decisions in strict accordance with relevant laws and regulations, operated in accordance with the norm, constantly improved the internal control system, and further improved the corporate governance level; the Directors and senior management were able to perform their duties and implement resolutions passed at general meetings with honesty and diligence, in accordance with the relevant laws and regulations and from the perspective of maintaining the overall interests of the Company and shareholders as a whole; there were no violation of regulations and laws by the Directors and senior management, nor was there abuse of power or damage to the interests of the Company, its shareholders and employees.

2. Financial condition of the Group

During the reporting period, the Supervisory Committee conscientiously performs its function of financial inspection and inspects and supervises the implementation of the Company's financial system and business activities review. The Supervisory Committee carefully examined the 2022 consolidated financial statements prepared by the Company and considered that the financial statements accurately reflected the financial situation, operation results and cash-flows of the Group in 2022 in compliance with the provision of the relevant laws, regulations and the Articles of Association.

During the reporting period, the Supervisory Committee approved the proposal on "Changes to the Company's Accounting Estimates", believing that the accounting estimate change complied with relevant regulations such as the Enterprise Accounting Standards, and the decision-making process was in compliance with relevant laws, regulations, and the Company's articles of association, and there was no harm to the Company and its shareholders' interests.

3. Connected transactions of the Group

The Supervisory Committee reviewed all connected transactions of the Company during the year and forms the opinion that all daily connected transactions in the year were reviewed and performed in strict accordance with the legal procedures. Directors associated with the relevant transactions abstained from voting. The actual transaction amount of the daily connected transaction in 2022 is within the approved limit. The aforesaid connected transactions are normal operational business of the Company out of production and operational needs. The prices of the connected transactions were fair, reasonable and the transactional approval procedures were in compliance with the law and regulations. The transaction price reflects the principle of equitability and fairness. No act which is damaging to the interests of the Company and shareholders was reported.

Section VIII Report of the Supervisory Committee

In 2022, the supervisory committee of the Company reviewed and approved the proposal on "Debt-to-Equity Swap and Related Transactions of Ningxuanhang", with a vision that this transaction could improve the asset and liability structure of Ningxuanhang, lower its financing cost, enhance its risk resistance, and promote its sustainable development. The related transaction followed the principle of equal consultation, and the price was fair, without harming the interests of the Company and all shareholders.

4. Self-evaluation report on internal control

The Supervisory Committee has conscientiously reviewed the "self-evaluation report on the internal control of 2022" issued by the Board and is of the view that: The internal control system of the Company was sound and its implementation was effective, complied with the requirements of relevant national laws and regulations, complied with the regulatory requirements of the securities regulatory authorities on the management of the internal control system of listed companies and the actual operation of the Company. The report gives an objective and fair view of the actual situation of the establishment, perfection and internal control of the Company. No significant defects with regard to the design and implementation of internal control system were observed.

V. HIGHLIGHTS FOR WORK IN 2023

In 2023, the supervisory committee of the Company will strictly follow the requirements of relevant laws, regulations, and rules and regulations, further strengthen its supervisory functions, fulfill its duties, continue to promote the improvement of the Company's corporate governance structure and the standardization of management, and earnestly safeguard the legitimate rights and interests of the Company and its shareholders.

1. Managing routine supervision work. To hold supervisory committee meetings as needed and carry out the review work of various issues; by attending board of directors' meetings, to conduct serious investigations and research on various issues and timely provide reasonable suggestions; complete various special reviews, inspections, and supervisory evaluations in accordance with the requirements of the regulatory authorities for listed companies, and issue special verification opinions.
2. Strengthening the supervision of major events such as property disposal, acquisition and merger, and related transactions. Taking financial supervision as the core, to conduct supervision and inspection on the Company's relevant acquisition and related transaction issues in accordance with the law, to timely handle and grasp the Company's business and financial situation, and effectively prevent and resolve risks.
3. Strengthening the organizational structure of the supervisory committee. The renewal of the supervisory board will be carried out in accordance with laws and regulations to ensure the continuity and stability of the work of the Supervisory Committee.
4. Strengthen the self-improvement of the Supervisory Committee. Earnestly study the relevant laws and regulations, and actively take part in the training course organized by regulators, improve professional quality, continuously improve the way of supervision, enhance supervision efficiency to protect the sustainable and healthy development of the Company.

Cheng Xijie

Chairman of the Supervisory Committee

Independent Auditor's Report

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)



To the shareholders of Anhui Expressway Company Limited
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Anhui Expressway Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 149 to 241, which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

Key audit matter

How our audit addressed the key audit matter

Accounting treatments for concession intangible assets

As at 31 December 2022, total concession intangible assets recorded in the consolidated financial statements of the Group amounting to approximately RMB13,497,875,000, which accounted for approximately 63% of the Group's total assets.

The Group recognised construction costs, including borrowing costs capitalised, less identifiable cash (or other financial assets) the Group had right to receive as concession intangible assets in the consolidated financial statements.

The Group amortised concession intangible assets when the respective underlying toll roads commenced operation using the straight-line method over concession periods granted. Significant judgements and assumptions are required to determine concession periods and related amortization methods.

We identified the accounting treatments for concession intangible assets as a key audit matter because of the significance of such assets to the consolidated financial statements and the involvement of significant management judgements and assumptions.

Please refer to Note 2.4 "Service concession arrangements", Note 3 "Significant accounting estimates and judgements" and Note 13 "Concession intangible assets" to the consolidated financial statements.

The following procedures were performed to address the identified key audit matter:

- We obtained an understanding, evaluated and tested management controls in connection with the accounting treatments for concession intangible assets;
- We obtained external confirmation, on a sample basis, of significant construction transactions and balances due to suppliers, and performed alternative procedures for non-replied items;
- We inspected, on a sample basis, the accuracy of additions in concession intangible assets by examining documents of construction settlement;
- We searched for unrecorded liabilities by inspecting subsequent payments and invoices;
- We assessed the reasonableness of amortisation periods;
- We recalculated the amortisation charges of concession intangible assets for the year; and
- We assessed the adequacy of the Group's disclosures of concession intangible assets in the consolidated financial statements.

Independent Auditor's Report (continued)

*For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)*

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group'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 the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 consolidated financial statements.

Independent Auditor's Report (continued)

*For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)*

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 the Group'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 consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 the Group to express an opinion on the consolidated 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 the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report (continued)

*For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)*

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K.W. Lau.

Ernst & Young
Certified Public Accountants
Hong Kong
30 March 2023

Consolidated Income Statement

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2022 RMB'000	2021 RMB'000
REVENUE	5	5,206,366	4,029,476
Cost of sales		(2,984,195)	(1,722,488)
Gross profit		2,222,171	2,306,988
Other income and gains – net	5	134,869	200,162
Administrative expenses		(162,308)	(137,292)
Net impairment (losses)/reversal of impairment losses on financial assets		(126)	1,230
Operating profit		2,194,606	2,371,088
Finance costs	7	(226,521)	(254,808)
Share of gain/(loss) of associates		9,733	(90)
PROFIT BEFORE INCOME TAX	6	1,977,818	2,116,190
Income tax expenses	10	(562,194)	(573,077)
PROFIT FOR THE YEAR		1,415,624	1,543,113
Attributable to:			
Owners of the Company		1,445,457	1,511,965
Non-controlling interests		(29,833)	31,148
		1,415,624	1,543,113
Basic and diluted earnings per share (expressed in RMB per share)	12	0.8715	0.9116

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2022 RMB'000	2021 RMB'000
Profit for the year		1,415,624	1,543,113
Other comprehensive income/(loss):			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in value of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	21	278	(2,391)
Total comprehensive income for the year		1,415,902	1,540,722
Attributable to:			
Owners of the Company		1,445,735	1,509,574
Non-controlling interests		(29,833)	31,148
		1,415,902	1,540,722

Consolidated Balance Sheet

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2022 RMB'000	2021 RMB'000
ASSETS			
NON-CURRENT ASSETS			
Concession intangible assets	13	13,497,875	13,207,681
Right-of-use assets	14	6,045	6,808
Property, plant and equipment	15	1,216,473	1,232,704
Investment properties	16	352,289	370,239
Intangible assets	17	5,679	418
Investment in associates	19	146,625	136,892
Deferred income tax assets	33	79,512	107,096
Financial assets at fair value through profit or loss ("FVPL")	20	711,599	304,213
Financial assets at fair value through other comprehensive	21	115,509	115,138
Total non-current assets		16,131,606	15,481,189
CURRENT ASSETS			
Inventories	22	4,706	5,399
Other current assets		–	14,699
Receivables and prepayments	23	537,733	176,629
Time deposits with original maturity over three months	24	1,767,673	927,635
Cash and cash equivalents	24	2,903,848	3,359,918
Total current assets		5,213,960	4,484,280
Total assets		21,345,566	19,965,469
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	25	1,658,610	1,658,610
Share premium	25	1,415,593	1,415,593
Other reserves	26	(727,940)	(728,178)
Retained earnings		9,611,890	9,078,629
		11,958,153	11,424,654
Non-controlling interests		1,579,019	555,169
Total equity		13,537,172	11,979,823

Consolidated Balance Sheet (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT LIABILITIES			
Long-term payables	28	77,560	294,500
Borrowings	29	6,201,986	4,726,409
Deferred income tax liabilities	33	36,798	41,069
Deferred income	30	113,853	126,783
Total non-current liabilities		6,430,197	5,188,761
CURRENT LIABILITIES			
Trade and other payables	31	835,269	2,154,283
Current income tax liabilities		30,160	215,824
Provision	32	71,005	77,844
Borrowings	29	441,763	348,934
Total current liabilities		1,378,197	2,796,885
Total liabilities		7,808,394	7,985,646
TOTAL EQUITY AND LIABILITIES		21,345,566	19,965,469

Xiang Xiaolong
Director

Tao Wensheng
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

Notes	Attributable to owners of the Company					Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000			
At 31 December 2021 and 1 January 2022	1,658,610	1,415,593	(728,178)	9,078,629	555,169	11,979,823	
<i>Comprehensive income</i>							
Profit for the year	-	-	-	1,445,457	(29,833)	1,415,624	
Other comprehensive income:							
- Fair value loss on financial assets at FVOCI, net of tax	21	-	278	-	-	278	
Total comprehensive income/(loss) for the year	-	-	278	1,445,457	(29,833)	1,415,902	
Transactions with owners							
Dividends relating to 2021	11	-	-	(912,236)	-	(912,236)	
Dividends paid to non-controlling interests of subsidiaries relating to 2021		-	-	-	(201,246)	(201,246)	
Acquisition of non-controlling interests		-	-	-	1,050,841	1,050,841	
Debt conversion	34	-	-	-	228,717	228,717	
Dissolution of Hefei Wan Tong Pawn Co., Ltd. ("WanTong Pawn")		-	-	-	(24,629)	(24,629)	
Others	18	-	(40)	40	-	-	
As at 31 December 2022	1,658,610	1,415,593	(727,940)	9,611,890	1,579,019	13,537,172	
At 31 December 2020 (restated) and 1 January 2021	1,658,610	1,415,593	518,952	7,948,104	637,193	12,178,452	
<i>Comprehensive income</i>							
Profit for the year	-	-	-	1,511,965	31,148	1,543,113	
Other comprehensive income:							
- Fair value loss on financial assets at FVOCI, net of tax	21	-	(2,391)	-	-	(2,391)	
Total comprehensive income/(loss) for the year	-	-	(2,391)	1,511,965	31,148	1,540,722	
Transactions with owners							
Dividends relating to 2020	11	-	-	(381,480)	-	(381,480)	
Dividends paid to non-controlling interests of subsidiaries relating to 2020		-	-	-	(113,172)	(113,172)	
Debt conversion		-	965,301	-	-	965,301	
Acquisition of a subsidiary under common control		-	(2,210,000)	-	-	(2,210,000)	
Others	18	-	(40)	40	-	-	
As at 31 December 2021	1,658,610	1,415,593	(728,178)	9,078,629	555,169	11,979,823	

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Cash generated from operations	34	2,644,756	2,373,609
Interest paid		(240,583)	(138,209)
Income tax paid		(724,638)	(631,896)
Net cash generated from operating activities		1,679,535	1,603,504
Cash flows from investing activities			
Purchases of property, plant and equipment		(175,549)	(66,504)
Additions of intangible assets		(1,149)	(333)
Additions of concession intangible assets		(1,139,285)	–
Net increase in time deposits		(840,000)	(606,000)
Purchases of financial assets at FVPL		(1,339,649)	(3,033,208)
Proceeds from disposal of financial assets at FVPL	39	932,875	4,135,536
Proceeds from disposal of property, plant and equipment		13,440	13,622
Interest received		50,954	55,292
Dividends received from associates	19	8,005	18,357
Dividends received from financial assets at FVPL	20	19,924	32,544
Dividends received from financial assets at FVOCI		10,809	6,291
Net cash (used in)/generated from investing activities		(2,459,625)	555,597
Cash flows from financing activities			
Proceeds from bank borrowings	34	1,993,000	3,777,000
Proceeds from long-term payables		–	55,969
Repayments of bank borrowings	34	(415,807)	(915,496)
Repayments of long-term payables	28	(68,848)	(2,090,656)
Capital injection by non-controlling interests		1,050,841	–
Dividends paid to non-controlling interests of subsidiaries relating to 2021		(201,246)	(113,172)
Dividends paid to the Company's shareholders	11	(912,236)	(381,480)
Dissolution of Wantong Pawn		(16,849)	–
Acquisition of a subsidiary under common control		(1,105,000)	(1,105,000)
Net cash generated from/(used in) financing activities		323,855	(772,835)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		3,359,918	1,973,718
Exchange gains/(losses) on cash and cash equivalents		165	(66)
Cash and cash equivalents at end of the year		2,903,848	3,359,918

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

1. GENERAL INFORMATION

Anhui Expressway Company Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 15 August 1996 as a joint stock limited company. The Company and its subsidiaries (the “Group”) are principally engaged in the construction, operation, management and development of the toll roads and associated service sections in the Anhui Province.

The Company’s H shares and A shares have been listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange since November 1996 and January 2003 respectively. The address of its registered office is No. 520, West Wangjiang Road, Hefei, Anhui, the PRC.

As at 31 December 2022, the Group’s toll roads and concession periods granted are shown as follows:

Toll road	Length (kilometres)	Concession periods granted
Hening Expressway (i)	134	From 16 August 1996 to 15 August 2031
National Trunk 205 Tianchang Section	30	From 1 January 1997 to 31 December 2026
Xuanguang Expressway	67	From 25 July 1998 to 24 July 2028
Gaojie Expressway	110	From 1 October 1999 to 30 September 2029
Lianhuo Expressway Anhui Section	54	From 1 January 2003 to 30 June 2032
Xuanguang Expressway Nanhuan Section	17	From 27 March 2002 to 24 July 2027
Ninghuai Expressway Tianchang Section	14	From 18 December 2006 to 17 June 2032
Guangci Expressway	14	From 20 July 2004 to 20 July 2029
Ningxuanhang Expressway Xuancheng to Ningguo Section	46	From 8 September 2013 to 7 September 2043
Ningxuanhang Expressway Ningguo to Qianjiuguan Section	40	From 19 December 2015 to 18 December 2045
Ningxuanhang Expressway Liqiao to Xuancheng Section (ii)	27	From 30 December 2017 to 29 December 2047
Yuwu Expressway Anhui Section	46	From 31 December 2015 to 30 December 2045
Anqing Yangtze River Bridge	6	From 26 December 2004 to 25 December 2033

- (i) The expansion project of Hening Expressway was officially opened to traffic in December 2019 and the temporary granted concession period for the expansion is 5 years since the end of the original concession period (15 August 2026). Concession intangible assets are amortised over 25 years starting January 2020 before the grant of formal concession period, which is estimated by the Group and will be determined according to future assessment and relevant provisions.
- (ii) In 2017, Liqiao to Xuancheng Section of Ningxuanhang Expressway was officially opened to traffic. The Group received the approval from Anhui Provincial People's Government on 6 June 2022, that the formal concession period was granted for 30 years, starting from 30 December 2017 to 29 December 2047.

These consolidated financial statements are presented in thousand of Renminbi (“RMB’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2023.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies and Disclosures (Continued)

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:
(Continued)

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements* to HKFRSs 2018–2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendment that is applicable to the Group are as follows:
 - HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKFRS 16 HKFRS 17	<i>Lease Liability in a Sale and Leaseback</i> ² <i>Insurance Contracts</i> ¹
Amendments to HKFRS 17	<i>Insurance Contracts</i> ^{1 5}
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i> ⁶
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{2 4}
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ¹
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ¹
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹

1 Effective for annual periods beginning on or after 1 January 2023

2 Effective for annual periods beginning on or after 1 January 2024

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

5 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

- 6 An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. In 2022, the HKICPA issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKAS 1 Disclosure of Accounting Policies require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently revisiting the accounting policy disclosures to ensure consistency with the amendments.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted.

The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Summary of Significant Accounting Policies

Investment in an associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investment in an associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Investment in an associates (Continued)

The Group's share of the post-acquisition results of the associate is included in the consolidated income statement and the consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

If an investment in an associate becomes an investment in a joint venture, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

As explained in Note 2.1 above, the acquisition of business under common control has been accounted for using the merger method of accounting. The acquisition method of accounting is used to account for business combinations not under common control.

Business combinations under common control

Under the merger method of accounting, the net assets of the combining business are combined using their existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of the acquirers' interest in the net fair value of acquires' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination. The consolidated income statement and the consolidated statement of other comprehensive income include the results of the combining business from the earliest date presented or since the date when the controlling business first came under common control, where this is a shorter period, regardless of the date of the common control combination.

Business combinations not under common control

Under the acquisition method of accounting, the consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Business combinations not under common control (Continued)

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount, of the investee's net assets in the consolidated financial statements including goodwill.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or paid to transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life as follows:

Buildings	11 to 45 years
Safety, communication and signalling equipment	10 years
Toll stations and ancillary equipment	7 years
Motor vehicles	9 years
Other machinery and equipment	6 to 9 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Investment properties

Investment properties are interests in buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight-line method to write off the cost of each investment property over its estimated useful life from 25 to 45 years.

A transfer should be made from property, plant and equipment to investment properties when owner-occupation ceases. A transfer should be made from investment properties to property, plant and equipment at the commencement of owner-occupation.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Service concession arrangements

The Group has entered into contractual service arrangements with local government authorities (“the Grantor”) for its participation in the construction, development, financing, operation and maintenance of various toll road and bridge infrastructure. Under these arrangements, the Group carries out the construction or upgrade work of toll roads and bridge for the granting authorities from the Grantor and receives in exchange of a right to operate the toll roads and the bridge concerned and entitlement to the toll collection from users of the toll road and bridge services (the “Service Concessions”). The Group recorded the assets under the Service Concessions, including toll roads, the bridge and the associated land use rights, as “concession intangible assets” on the consolidated balance sheet, to the extent that it received a right to charge users of the public service. The Group does not have obligation to return the assets other than toll roads, the bridge and the associated land use rights to the Grantor at the end of concession period.

The Group account for revenue and costs relating to construction or upgrade work and operation services under the Service Concessions in accordance with HKFRS 15. Please refer to Note 2.4 revenue recognition for details.

Concession intangible assets are stated at cost, that is, the fair value of the consideration in exchange for the construction services provided under the service concession arrangements, less accumulated amortisation and impairment losses.

Notes to the Consolidated Financial Statements (continued)

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(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Service concession arrangements (Continued)

The amortisation of concession intangible assets is calculated using the straight-line method to allocate cost over the concession periods granted (Note 1).

Where the carrying amount of the concession intangible assets is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The concession periods are approved by the Grantor therefore the Group does not have renewal or termination option for the concession periods granted. At the end of a concession period, the Group has to return these concession intangible assets to the Grantor at specific conditions required by the law for toll roads and bridge. The Group does not have rights to receive specified assets at the end of concession period.

The pricing right of above toll roads and bridge is owned by the Grantor.

As part of its obligations under the respective Service Concessions, the Group assumes responsibility for maintenance and resurfacing of the toll roads and bridge it manages. Other than the aforementioned, the Group does not have obligations to acquire or build items of property, plant and equipment for toll road and bridge services.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 years.

Leases

The Group assesses at contract inception 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement and statement of other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings and long-term payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, borrowings and long-term payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises purchase cost, processing cost and other cost. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash of generally within three months, are subject to an insignificant risk of changes in value and have a short maturity when acquired and form an integral part of the Group's cash management.

For the purpose of the consolidated balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

As part of its obligations under the respective service concession arrangements, the Group assumes responsibility for the maintenance and resurfacing of the toll roads it operates during the concession periods. Provisions for maintenance and resurfacing are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

Provision for maintenance and resurfacing obligations is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, if any, are taken into account as a whole in reaching the best estimate of the provision.

The carrying amount of provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Toll income from toll road operation*

Toll income from toll road operation is recognised when the vehicles is passing through and the Group receives the payment or has the right to receive payment.

(b) *Revenue from construction and upgrade work under the Service Concessions*

For participation in public infrastructure construction business in the form of Public-Private Partnership (PPP) arrangements, the Group accounts for the construction phase of the project in accordance with HKFRS 15 to determine the Group's status as the principal versus agent. The revenue is recognised over time and a contractual asset is recognised. The Group recognises the amount of consideration or the amount of construction revenue recognised for the relevant PPP project assets, less the amount of identifiable cash (or other financial assets) that have right to receive as an intangible asset, and the contractual assets recognised during the relevant construction period are presented in the balance sheet under "Concession intangible assets". The progress towards complete satisfaction of the performance obligation for each contract is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs.

(c) *Service income*

Service income is recognised when the service has been rendered.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Operating lease rental income is recognised on a straight-line basis over the lease period.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the right to receive payment is established.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Employee benefits

Defined contribution pension schemes

Each company of the Group contributes on a monthly basis to defined contribution pension schemes in the PRC based on a percentage of the relevant employee's monthly salaries. The Group's contributions to defined contributions pension schemes are charged to profit or loss as they become payable to the schemes. The Group has no legal or constructive obligations to pay further contributions even if the schemes do not hold sufficient assets to pay all employees the benefits relating to employee in the current and prior periods.

As stipulated by the laws and regulations in the PRC, the Group contributes to the state-sponsored retirement schemes for its employee in the PRC (i.e., pension insurance). The Group's employees make monthly contributions to the schemes at approximately 8% of the relevant income (comprising wages, salaries and bonuses), and the Group contributes 16% of such relevant income since May 2019, subject to certain ceiling. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

In addition to the government-sponsored defined contribution pension schemes, the Group operates an additional employee pension scheme. All employees are entitled to an additional pension each year aggregating to 8% of the previous year's salaries.

Housing fund

According to the relevant rules and regulations of the Anhui Province, the Group and its employees are each required to make contributions, which are in proportion to the employees' salaries or wages of the prior year, to a housing fund. Contributions to a housing fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Notes to the Consolidated Financial Statements (continued)

*For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of amortisation periods of concession intangible assets

The Group amortises the concession intangible assets using the straight-line method over the concession periods granted (Note 1). The concession periods are approved by the Grantor therefore the Group does not have renewal or termination option for the concession periods. For those toll roads without formal concession period granted, the Group's management determines the estimated granted concession periods based on the historical experience.

If the Grantor requires to extend or shorten the concession periods, management will revise the amortisation charges which are different to previously calculated, or recognise an impairment loss, if any.

4. OPERATING SEGMENT INFORMATION

The Group's revenue and contribution to the consolidated results are mainly derived from the management and operation of expressways, which is regarded as a single reportable segment. Segment performance reported internally to the Group's directors for the purposes of resource arrangement and performance assessment is consistent with the measurement of the Group's revenue and results presented in the consolidated income statement and the consolidated statement of other comprehensive income. In addition, all of the Group's operations are located in Mainland China. Accordingly, no operating segment information is presented, other than the entity-wide disclosures.

Entity-wide disclosures

Geographical information

All of the Group's external revenue is derived from customers based in Mainland China, and all of the non-current assets of the Group are located in Mainland China. Accordingly, no further geographical information is presented.

Information about major customers

During the years ended 31 December 2022 and 2021, no revenue derived from a single customer accounted for 10% or more of the Group's total revenue.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022 RMB'000	2021 RMB'000
Toll income from toll roads operation	3,676,379	3,831,092
Service income from management of toll roads	11,675	10,779
Revenue from construction or upgrade work under Service Concessions	1,417,554	108,518
Rental income	60,407	59,090
– from toll gas stations (a)	32,392	32,437
– from toll road service sectors (b)	10,125	11,941
– from other investment properties	17,890	14,712
Service income from road emergency assistance	38,332	17,783
Interest income from pawn loans to customers	–	447
Others	2,019	1,767
	5,206,366	4,029,476

- (a) Pursuant to a lease agreement with Anhui Expressway Petrochemical Co., Ltd. (“安徽省高速石化有限公司”, “AEPC”), a subsidiary of Anhui Transportation Holding Group Co., Ltd. (“安徽省交通控股集團有限公司”, “ATHC”), the Company’s gas stations were leased to AEPC at an annual rental fee of RMB24,425 thousand. The lease period was expired on 31 December 2022 and the lease was renewed until 31 December 2025 at an annual rental fee of RMB27,355 thousand.

Pursuant to a lease agreement entered by AEPC and Anhui Ningxuanhang Expressway Investment Company Limited (“安徽宣杭高速公路投資有限公司”, “Ningxuanhang”), Ningxuanhang’s gas station was leased to AEPC at an annual rental fee of RMB2,414 thousand. The lease period will expired on 31 December 2023.

Pursuant to a lease agreement entered by AEPC and Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company (“安徽安慶長江公路大橋有限責任公司”, “AQDQ”), AQDQ’s gas stations were leased to AEPC at an annual rental fee of RMB1,492 thousand. The lease period is from 1 January 2016 to 30 December 2045.

- (b) Pursuant to a lease agreement with Anhui Yida Toll Road Service Sector Management Co., Ltd. (“安徽省驛達高速公路服務區經營管理有限公司”, “YTMC”), a subsidiary of ATHC, the Company’s toll road service sectors were leased to YTMC at an annual rental fee of RMB6,715 thousand. The lease period expired on 30 April 2022 and the lease was renewed until 30 April 2025.

Pursuant to a lease agreement entered by YTMC and Xuancheng Guangci Expressway Co., Ltd. (“宣城市廣祠高速公路有限責任公司”, “Guangci”), Guangci’s toll road service sectors were leased to YTMC at an annual rental fee of RMB1,714 thousand. The lease period is from 1 August 2009 to 20 July 2029.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

5. REVENUE, OTHER INCOME AND GAINS (Continued)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other income and gains – net		
Interest income	80,317	84,695
Dividend income (Notes 19, 20 and 21)	28,359	67,573
Government grants relating to profits	1,389	621
Amortisation of government grants relating to assets (Note 30)	14,600	9,241
Fair value gains on financial assets at FVPL (Note 20)	614	42,725
Net gains/(losses) from disposal of property, plant and equipment	148	(2,834)
Net losses from disposal of investment properties	–	(1,704)
Net gains/(losses) from disposal of concession intangible assets	8,286	(4,173)
Others	1,156	4,018
Other income and gains	134,869	200,162

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2022 RMB'000	2021 RMB'000
Costs for out sourced construction or upgrade work under the Service Concessions		1,417,554	108,518
Repair and maintenance expenses		193,705	253,896
Taxes and surcharges		30,172	30,536
Auditor's remuneration		1,980	3,300
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and allowances, social security and benefits		371,759	351,087
Defined contribution pension schemes		58,522	50,187
		430,281	401,274
Depreciation in respect of:			
– property, plant and equipment	<i>15</i>	165,537	169,424
– investment properties	<i>16</i>	17,950	20,716
Amortisation in respect of:			
– concession intangible assets	<i>13</i>	749,586	738,294
– right-of-use assets	<i>14</i>	763	763
– intangible assets	<i>17</i>	11,521	4,577
Net (losses)/gains from disposal of property, plant and equipment	<i>5</i>	(148)	2,834
Net losses from disposal of investment properties	<i>5</i>	–	1,704
Net (losses)/gains from disposal of concession intangible assets	<i>5</i>	(8,286)	4,173
Net impairment losses/(reversal) of impairment losses on financial assets		126	(1,230)
Foreign exchange differences, net		(2,051)	259
Finance costs	<i>7</i>	226,521	254,808
Interest income	<i>5</i>	(80,317)	(84,695)
Dividend income from financial assets at fair value through profit or loss	<i>20</i>	(19,925)	(32,544)
Dividend income from equity investments at fair value through other comprehensive income	<i>21</i>	(429)	(16,671)
Fair value gains from financial assets at fair value through profit or loss	<i>20</i>	(614)	(42,724)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest expenses of borrowings	214,432	143,159
Interest expenses of long-term payables	18,506	111,649
Less: Capitalised interest expenses	6,417	–
	226,521	254,808

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Fees	280	280
Other emoluments:		
Salaries, allowances and benefits in kind	4,281	4,078
Defined contribution pension schemes	792	601
	5,353	4,959

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

The names of the directors and supervisors and their remuneration during the year are as follows:

	Notes	Fees RMB'000	Salaries RMB'000	Contribution to retirement benefit scheme RMB'000	Discretionary bonus and other benefits RMB'000	Total RMB'000
2022						
<i>Executive directors:</i>						
Mr. Xiang Xiaolong		–	–	–	–	–
Mr. Yang Xiaoguang		–	–	–	–	–
Mr. Chen Jiping		–	506	88	–	594
Mr. Tao Wensheng	iii	–	405	97	–	502
<i>Non-executive directors:</i>						
Mr. Yang Xudong		–	–	–	–	–
Mr. Du Jian		–	–	–	–	–
<i>Supervisors:</i>						
Mr. Cheng Xijie		–	–	–	–	–
Mr. Wu Changming (resigned)	i	–	–	–	–	–
Mr. Jiang Yue		–	–	–	–	–
Ms. Li Huairu	i	–	252	74	–	326
<i>Chief executives:</i>						
Mr. Li Huimin (resigned)	ii	–	506	88	–	594
Ms. Deng Ping		–	512	82	–	594
Ms. Dong Huihui (resigned)	ii	–	523	79	–	602
Mr. Huang Yu		–	514	81	–	595
Mr. Zhang Xianxiang		–	431	74	–	505
Mr. Xie Xinyu (resigned)	ii	–	–	–	–	–
Mr. Wu Changming	ii	–	506	83	–	589
Mr. Ling Lang	ii	–	126	46	–	172
<i>Independent non-executive directors:</i>						
Mr. Liu Hao		80	–	–	–	80
Mr. Zhang Jianping		80	–	–	–	80
Ms. Fang Fang		120	–	–	–	120
		280	4281	792	–	5,353

(i) Ms. Li Huairu was appointed as a supervisor on 5 January 2022. Mr. Wu Changming resigned on 5 January 2022.

(ii) Mr. Wu Changming and Mr. Ling Lang were appointed as chief executives on 20 January and 11 August 2022. Mr. Li Huiming resigned on 11 June 2022. Mr. Xie Xinyu and Ms. Dong Huihui resigned on 30 June 2022.

(iii) In 2022, Mr. Tao Wensheng also acted as the chief executive of the Company.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

The names of the directors and supervisors and their remuneration during the year are as follows: (Continued)

	Notes	Fees RMB'000	Salaries RMB'000	Contribution to retirement benefit scheme RMB'000	Discretionary bonus and other benefits RMB'000	Total RMB'000
2021						
<i>Executive directors:</i>						
Mr. Xiang Xiaolong		–	–	–	–	–
Mr. Yang Xiaoguang		–	–	–	–	–
Mr. Chen Jiping	<i>i</i>	–	252	34	–	286
Mr. Tao Wensheng	<i>iv</i>	–	126	45	–	171
Mr. Tang Jun (resigned)	<i>i</i>	–	302	34	–	336
Mr. Xie Xinyu (resigned)	<i>i</i>	–	126	11	–	137
<i>Non-executive directors:</i>						
Mr. Yang Xudong		–	–	–	–	–
Mr. Du Jian		–	–	–	–	–
<i>Supervisors:</i>						
Mr. Cheng Xijie	<i>ii</i>	–	–	–	–	–
Mr. Wu Changming	<i>ii</i>	–	422	75	–	497
Mr. Jiang Yue		–	–	–	–	–
Mr. Xu Zhen (resigned)	<i>ii</i>	–	197	–	–	197
Mr. Chen Jiping (resigned)	<i>ii</i>	–	339	45	–	384
<i>Chief executives:</i>						
Mr. Li Huimin		–	591	79	–	670
Ms. Deng Ping		–	416	73	–	489
Ms. Dong Huihui		–	515	76	–	591
Mr. Tang Jun (resigned)	<i>iii</i>	–	–	–	–	–
Mr. Huang Yu	<i>iii</i>	–	267	53	–	320
Mr. Zhang Xianxiang	<i>iii</i>	–	186	48	–	234
Mr. Xie Xinyu	<i>iii</i>	–	339	28	–	367
Mr. Ling Lang		–	–	–	–	–
<i>Independent non-executive directors:</i>						
Mr. Liu Hao		80	–	–	–	80
Mr. Zhang Jianping		80	–	–	–	80
Ms. Fang Fang		120	–	–	–	120
		280	4,078	601	–	4,959

Notes to the Consolidated Financial Statements (continued)

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(All amounts in Renminbi thousand unless otherwise stated)

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

The names of the directors and supervisors and their remuneration during the year are as follows: (Continued)

Notes:

- (i) Mr. Chen Jiping and Mr. Tao Wensheng were appointed as executive directors on 16 July 2021. Mr. Tang Jun and Mr. Xie Xinyu resigned from the position on 11 June 2021.
- (ii) Mr. Cheng Xijie was appointed as a supervisor on 21 May 2021 and Mr. Wu Changming was appointed as a supervisor on 16 July 2021. Mr. Xu Zhen resigned on 21 May 2021 and Mr. Chen Jiping resigned on 16 July 2021.
- (iii) Mr. Huang Yu, Mr. Zhang Xianxiang and Mr. Xie Xinyu were appointed as chief executives on 22 January, 28 April and 11 June 2021. Mr. Tang Jun resigned on 11 June 2021.
- (iv) In 2021, Mr. Tao Wensheng also acted as the chief executive of the Company.

Those directors and supervisors who did not receive any remuneration from the Group during 2022 and 2021 have positions in the Company's two largest shareholders (ATHC and China Merchants Huajian Highway Investment Co., Ltd.) that borne all of their remuneration and did not recharge any amount to the Group. Save as disclosed above, there was no arrangement under which a director or supervisor has waived or agreed to waive any emoluments.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group for 2022 include one executive director and four chief executives (2021: one executive director, one supervisor and three chief executives), whose emoluments are shown in Note 8.

10. INCOME TAX

The amount of taxation charged to the consolidated income statement represents:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current taxation – CIT (a)	538,974	590,910
Deferred taxation charged to the consolidated income statement (Note 33)	23,220	(17,833)
	562,194	573,077

(a) Hong Kong profits tax and the PRC Corporate Income Tax

The Company and its subsidiaries determine and pay the PRC CIT in accordance with the CIT Law as approved by the National People's Congress on 16 March 2007. Under the CIT Law, the CIT rate applicable to the Company and its subsidiaries (except for Anhui Expressway (H.K.) Limited (“安徽皖通高速公路股份香港有限公司”, “AEHK”)) is 25%. The CIT rate applicable to AEHK is 16.5%.

Notes to the Consolidated Financial Statements (continued)

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10. INCOME TAX (Continued)

(b) Withholding tax (“WHT”) for dividend paid to foreign investors

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group has fulfilled the obligation of WHT in 2022 for dividends related to 2021 which was paid to foreign shareholders.

(c) A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit before tax	1,977,818	2,116,190
Tax at the statutory tax rate at 25%	494,455	529,048
Effect of different tax rate of a subsidiary operating	(6)	–
Expenses not deductible for tax purpose	1,522	1,748
Income not subject to tax	(4,542)	(8,735)
Recognition of previously unrecognised deductible temporary differences	–	(23,652)
Deductible temporary differences not recognised as deferred tax assets during the year	309	6,185
Utilisation of previously unrecognised deductible temporary differences	(13,146)	(4,297)
Tax losses and deductible temporary differences not recognised as deferred income tax assets during the year	91,603	81,945
Others	(8,001)	(9,165)
Tax charge at the Group’s effective tax rate	562,194	573,077

Notes to the Consolidated Financial Statements (continued)

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11. DIVIDENDS

The dividends paid during the years ended 31 December 2022 and 2021 were RMB912,236 thousand (RMB0.55 per share) and RMB381,480 thousand (RMB0.23 per share) respectively. A final dividend in respect of 2022 of RMB0.55 per share, amounting to a total dividend of RMB912,236 thousand was proposed at the board meeting on 30 March 2023. These consolidated financial statements do not reflect this proposed final dividend payable and the amount of which are as below:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Proposed final dividend of RMB0.55 (2021: RMB0.55) per ordinary share	912,236	912,236

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,658,610,000 (2021: 1,658,610,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit attributable to equity holders of the Company	1,445,457	1,511,965
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.8715	0.9116

Notes to the Consolidated Financial Statements (continued)

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13. CONCESSION INTANGIBLE ASSETS

	2022 RMB'000	2021 RMB'000
Cost	24,375,450	23,341,039
Accumulated amortisation	(10,877,575)	(10,133,358)
Net book amount	13,497,875	13,207,681
Opening net book amount	13,207,681	13,805,195
Additions (a)	1,025,660	108,518
Transfer in from property, plant and equipment (Note 15)	16,887	39,894
Transfer out to property, plant and equipment (Note 15)	–	(3,459)
Disposals	(2,767)	(4,173)
Amortisation charges (Note 6)	(749,586)	(738,294)
Closing net book amount	13,497,875	13,207,681

- (a) In February 2022, Guangxuan entered into a “PPP” arrangement with Xuancheng Transportation Bureau, pursuant to which the total investment amount was agreed to be RMB13.778 billion, with a three-year construction period and 30 year operation period. Guangxuan is responsible for the construction, operation, and transfers of the project, and entitled to the concession right of the underlying expressway during the project period. Xuancheng Transportation Bureau and the local government have obligations to provide an investment of RMB1.379 billion (subject to final approval) and RMB300 million to the project, respectively. In 2022, the Group received the payment of RMB53.95 million from the local government and recognized a receivable of RMB300 million relating to above government investment at 31 December 2022. As a result, the concession intangible assets of the group of RMB1,082,059 thousand are still under construction at 31 December 2022. In line with above transaction, the group recognized an investment cash-out flow of RMB1,073,575 thousand and an operation cash-out flow of RMB353,953 thousand relating to the construction costs of the project for the year ended 31 December 2022.

Borrowing costs of RMB6,418 thousand have been capitalised in 2022 (2021: Nil).

As at 31 December 2022, certain land use right certificates for Ninghuai Expressway Tianchang section, Ningxuanhang Expressway Xuancheng to Ningguo section, one toll station in Guangde and the expansion part of Guangde to Xuancheng Expressway have not yet been obtained.

As at 31 December 2022, there was no indication of impairment of the Group's intangible assets and no provision for impairment of intangible assets was required (31 December 2021: Nil).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

14. RIGHT-OF-USE ASSETS

The Group's right-of-use assets represented leasehold land, and its net book value is analysed as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Cost	22,039	22,039
Accumulated amortisation	(15,994)	(15,231)
Net book amount	6,045	6,808
Opening net book amount	6,808	7,571
Amortisation charges (Note 6)	(763)	(763)
Closing net book amount	6,045	6,808

All of the Group's right-of-use assets are located in Anhui Province, the PRC and are held on lease terms of 30 years from the dates of acquisition, expiring in 2035.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
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15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Safety, communication and signalling equipment RMB'000	Toll stations and ancillary equipment RMB'000	Motor vehicles RMB'000	Other machinery and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2022							
At 1 January 2022:							
Cost	739,261	1,187,728	360,043	81,122	383,281	226,941	2,978,376
Accumulated depreciation	(279,139)	(857,709)	(224,951)	(64,037)	(319,836)	-	(1,745,672)
Net carrying amount	460,122	330,019	135,092	17,085	63,445	226,941	1,232,704
At 1 January 2022,							
net of accumulated depreciation and impairment	460,122	330,019	135,092	17,085	63,445	226,941	1,232,704
Additions	8,980	2,162	1,582	5,867	4,762	154,561	177,914
Disposals	-	(356)	(431)	(82)	(1,370)	-	(2,239)
Depreciation provided during the year (Note 6)	(26,050)	(61,621)	(54,936)	(4,705)	(18,225)	-	(165,537)
Adjustment of cost	4,712	(541)	2,129	-	(149)	-	6,151
Transfers	7,852	28,544	46,364	-	5,944	(88,704)	-
Transfer out to concession intangible assets (Note 13)	-	-	-	-	-	(16,887)	(16,887)
Transfer out to intangible assets (Note 17)	-	-	-	-	-	(15,633)	(15,633)
At 31 December 2022,							
net of accumulated depreciation and impairment	455,616	298,207	129,800	18,165	54,407	260,278	1,216,473
At 31 December 2022:							
Cost	760,805	1,212,261	392,868	85,043	390,697	260,278	3,101,952
Accumulated depreciation and impairment	(305,189)	(914,054)	(263,068)	(66,878)	(336,290)	-	(1,885,479)
Net carrying amount	455,616	298,207	129,800	18,165	54,407	260,278	1,216,473

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings RMB'000	Safety, communication and signalling equipment RMB'000	Toll stations and ancillary equipment RMB'000	Motor vehicles RMB'000	Other machinery and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2021							
At 1 January 2021:							
Cost	745,757	1,213,288	393,143	89,155	376,427	274,421	3,092,191
Accumulated depreciation	(253,173)	(854,497)	(232,681)	(74,238)	(296,504)	-	(1,711,093)
Impairment	-	-	(3,671)	-	-	-	(3,671)
Net carrying amount	492,584	358,791	156,791	14,917	79,923	274,421	1,377,427
At 1 January 2021,							
net of accumulated depreciation and impairment	492,584	358,791	156,791	14,917	79,923	274,421	1,377,427
Additions	228	2,434	2,262	6,869	8,785	45,926	66,504
Disposals	(3,551)	(2,299)	-	(527)	(581)	-	(6,958)
Adjustment of cost	-	(3)	(3,761)	-	-	-	(3,764)
Depreciation provided during the year (Note 6)	(31,607)	(57,408)	(37,961)	(4,555)	(37,893)	-	(169,424)
Transfers	(3,011)	25,045	19,039	381	13,211	(54,665)	-
Transfer in from concession intangible assets (Note 13)	-	3,459	-	-	-	-	3,459
Transfer out to concession intangible assets (Note 13)	(1,957)	-	-	-	-	(37,937)	(39,894)
Transfer in from investment properties (Note 16)	7,436	-	-	-	-	-	7,436
Transfer out to intangible assets (Note 17)	-	-	(1,278)	-	-	(804)	(2,082)
At 31 December 2021,							
net of accumulated depreciation and impairment	460,122	330,019	135,092	17,085	63,445	226,941	1,232,704
At 31 December 2021:							
Cost	739,261	1,187,728	360,043	81,122	383,281	226,941	2,978,376
Accumulated depreciation and impairment	(279,139)	(857,709)	(224,951)	(64,037)	(319,836)	-	(1,745,672)
Net carrying amount	460,122	330,019	135,092	17,085	63,445	226,941	1,232,704

Notes to the Consolidated Financial Statements (continued)

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16. INVESTMENT PROPERTIES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cost at 1 January, net of accumulated depreciation	370,239	400,095
Depreciation provided during the year (Note 6)	(17,950)	(20,716)
Disposals	–	(1,704)
Transfer out to property, plant and equipment (Note 15)	–	(7,436)
Cost at 31 December, net of accumulated depreciation	352,289	370,239
At 31 December:		
Cost	632,722	632,722
Accumulated depreciation	(280,433)	(262,483)
Net carrying amount	352,289	370,239

All of the Group's property interests held under operating leases to earn rentals are measured using the cost model and are classified and accounted for as investment properties.

Amounts recognised in consolidated income statement for investment properties:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Rental income (Note 5)	60,407	59,090
Direct operating expenses from property that generated rental income	(19,021)	(20,966)
	41,386	38,124

Notes to the Consolidated Financial Statements (continued)

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17. INTANGIBLE ASSETS

	Acquired computer software licences <i>RMB'000</i>
31 December 2022	
Cost at 1 January 2022, net of accumulated amortisation	418
Additions	1,149
Transfer in from property, plant and equipment (<i>Note 15</i>)	15,633
Amortisation provided during the year (<i>Note 6</i>)	(11,521)
At 31 December 2022	5,679
At 31 December 2022:	
Cost	49,443
Accumulated amortisation and impairment	(43,764)
Net carrying amount	5,679
31 December 2021	
Cost at 1 January 2021, net of accumulated amortisation	2,580
Additions	333
Transfer in from property, plant and equipment (<i>Note 15</i>)	2,082
Amortisation expenses (<i>Note 6</i>)	(4,577)
At 31 December 2021	418
At 31 December 2021:	
Cost	32,899
Accumulated amortisation and impairment	(32,481)
Net carrying amount	418

Notes to the Consolidated Financial Statements (continued)

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18. SUBSIDIARIES

The following is a list of the subsidiaries at 31 December 2022:

Name	Place of establishment and kind of legal entity	Principal activities and place of operation	Paid in, issued and fully paid capital ('000)	Proportion of equity interest directly held by the Company and the Group (%)	Proportion of equity interest held by non-controlling interests (%)
Xuan Guang Expressway Company Limited (“宣廣高速公路有限責任公司”, “Xuan Guang”)	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB111,760	55.47%	44.53%
Ningxuanhang	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB300,000	51.00%	49.00%
Guangci	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB56,800	55.47%	44.53%
AEHK	Hong Kong, limited company	Management and operation of expressway outside Mainland China	HKD2,400	100.00%	–
AQDQ	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB150,000	100.00%	–
Anhui Guang Xuan Expressway Company Limited (“安徽省廣宣高速公路有限責任公司”, “Guang Xuan”) (a)	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB400,000	54.92%	45.08%

(a) Guang Xuan

Guang Xuan is an equity joint venture established by the Xuan Guang and ATHC in February 2022. The total registered capital of Guang Xuan was RMB400,000 thousand. Xuan Guang and ATHC’s equity interests in Guang Xuan were 99% and 1%, respectively.

As at 31 December 2022, Xuan Guang increased its investment by RMB1,244,000 thousand in cash and ATHC increased its investment by RMB6,000 thousand in cash in Guang Xuan. The total increase was RMB1,250,000 thousand, all of which has been credited to the capital surplus of Guang Xuan.

Notes to the Consolidated Financial Statements (continued)

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(All amounts in Renminbi thousand unless otherwise stated)

18. SUBSIDIARIES (Continued)

(b) Material non-controlling interests

	2022 RMB'000	2021 RMB'000
Non-controlling interests attributable to		
Xuan Guang	1,328,681	329,544
Ningxuanhang	123,197	75,185
Guangci	117,142	125,285
	1,569,020	555,169

Summarised financial information on subsidiaries with material non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before intercompany eliminations.

Summarised balance sheet

	Xuan Guang		Ningxuanhang		Guangci	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Current						
Assets	1,551,446	351,384	215,901	122,230	163,722	168,980
Liabilities	(40,677)	(125,786)	(301,037)	(338,596)	(12,617)	(14,403)
Total current net assets/ (liabilities)	1,510,769	225,598	(85,136)	(216,366)	151,105	154,577
Non-current						
Assets	1,549,774	579,931	3,961,363	4,157,760	113,600	128,715
Liabilities	(707,474)	(8,807)	(3,653,866)	(3,817,016)	(1,618)	(1,916)
Total non-current net assets	842,300	571,124	307,497	340,744	111,982	126,799
Net assets	2,353,069	796,722	222,361	124,378	263,087	281,376

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18. SUBSIDIARIES (Continued)

(b) Material non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised statement of comprehensive income

	Xuan Guang		Ningxuanhang		Guangci	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	1,949,164	659,128	100,788	120,217	115,557	139,342
Profit/(loss) before income tax	357,991	482,902	(369,546)	(355,909)	95,628	120,012
Income tax charged	(89,719)	(120,976)	759	2,167	(23,909)	(30,004)
Profit/(loss) for the year	268,272	361,926	(368,787)	(353,742)	71,720	90,008
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	268,272	361,926	(368,787)	(353,742)	71,720	90,008
Total comprehensive income/(loss) allocated to non-controlling interests	119,461	161,166	(180,706)	(173,333)	31,937	40,080
Dividends paid to non-controlling interests	161,166	88,514	-	-	40,080	24,658

Summarised cash flows

	Xuan Guang		Ningxuanhang		Guangci	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Cash flows from operating activities						
Cash generated from/(used in) operations	185,101	378,984	(124,122)	(52,769)	148,041	117,511
Interest paid	(6,418)	-	(164,348)	(156,385)	-	-
Income tax paid	(97,728)	(148,283)	-	-	(26,353)	(30,096)
Net cash generated from/(used in) operating activities	80,955	230,701	(288,470)	(209,154)	121,688	87,415
Net cash (used in)/generated from investing activities	(1,044,538)	(2,880)	(5,403)	(3,434)	794	1,070
Net cash generated from/(used in) financing activities	1,919,226	(272,775)	294,193	257,254	(90,008)	(55,373)
Net increase/(decrease) in cash and cash equivalents	955,643	(44,954)	320	44,666	32,474	33,112
Cash and cash equivalents at beginning of the year	53,509	98,463	82,807	38,141	94,355	61,243
Cash and cash equivalents at end of the year	1,009,152	53,509	83,127	82,807	126,829	94,355

- (c) Besides, the Group has commenced to operate pawn business since 2012. On 21 June 2021, the Board of Directors approved the liquidation and dissolution of Hefei Wan Tong Pawn Co., Ltd. ("WanTong Pawn"). On 6 December 2022, Wantong Pawn completed the liquidation and dissolution.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

19. INVESTMENT IN ASSOCIATES

	2022 RMB'000	2021 RMB'000
Beginning of the year	136,892	136,982
Share of associates' results:		
Profit before income tax	24,096	24,363
Income tax expense	(6,358)	(6,096)
Dividends declared	(8,005)	(18,357)
End of the year	146,625	136,892

The Group's receivable balances and trade payable balances with the associate are disclosed in Note 37 to the financial statements.

Particulars of the Group's associates are as follows:

Name	Particulars of capital invested	Principal place of business/country of incorporation	% of interest held
Anhui Expressway Advertisement Co., Ltd. (“安徽高速傳媒有限公司”, “AEAC”)	Equity capital	The PRC	38%
Anhui Transportation Information Industry Co., Ltd. (“安徽交控信息產業有限公司”, “ATII”) (a)	Equity capital	The PRC	10%
Eurasia Pearl Investment Holdings (HK) Limited (“亞歐明珠(香港)投資控股有限公司”, “EPIH”) (b)	Equity capital	Hong Kong	7%

- (a) ATII was established by the Company, ATHC, China Merchants New Intelligence Technology Co., Ltd. (“招商新智科技有限公司”), Shanghai Unionpay Enterprise Investment Co., Ltd. (“上海銀聯創業投資有限公司”), Anhui Expressway Network Operations Co., Ltd. (“安徽省高速公路聯網運營有限公司”, “AENO”) and Anhui Transport Consulting & Design Institute Co., Ltd. (“安徽省交通規劃設計研究總院股份有限公司”, “ATCD”) in June 2019. The total registered capital of ATII was RMB60,000 thousand.

As at 31 December 2022, the Company invested RMB6,000 thousand and held 10% equity interest in ATII. One of the seven directors of the board of directors of ATII is nominated by the Company, thereby the Company is able to exercise significant influence over ATII.

- (b) On April 2020, AEHK, Cornerstone Holdings Limited (“佳選控股有限公司”), Best Investment Holdings (HK) Limited, Zhejiang Expressway International (Hong Kong) Company Limited (“浙江滬杭甬國際(香港)有限公司”), Jiangsu Expressway International (Hong Kong) Company Limited (“江蘇寧滬國際(香港)有限公司”), CSI SCE Investment Holding Limited (“信成香港投資有限公司”) established the EPIH. The registered capital of EPIH is USD10. As at 31 December 2022, the Group has paid USD0.7 and held 7% of the equity interest in EPIH. One of the six directors of the board of directors of EPIH is nominated by the Group, thereby the Group is able to exercise significant influence over EPIH.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

19. INVESTMENT IN ASSOCIATES (Continued)

Set out below is the summarised financial information of AEAC. EPIH was in pre-operation stage as at 31 December 2022.

AEAC

	31 December 2022 <i>RMB'000</i>	31 December 2021 <i>RMB'000</i>
Current		
Assets	299,127	272,587
Liabilities	(131,613)	(128,962)
Total current net assets	167,514	143,625
Non-current		
Assets	197,414	197,540
Liabilities	(699)	–
Total non-current net assets	196,715	197,540
Net assets	364,229	341,165
Beginning of the year	341,165	343,540
Profit for the year	43,709	45,747
Dividend distribution	(20,645)	(48,122)
End of the year	364,229	341,165
The Group's share in % Equity interests in associates	38% 138,407	38% 129,643
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue	146,672	132,415
Profit for the year	43,709	45,747
Total comprehensive income for the year	43,709	45,747
Dividends	20,645	48,122

Notes to the Consolidated Financial Statements (continued)

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20. FINANCIAL ASSETS AT FVPL

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current assets		
Investments in limited partnerships (“LP”s)		
Anhui Transportation Goldstone Buy-out Fund LP (“ATGBF”)	128,943	139,911
Anhui Transportation Zhaoshang Industry Investment Fund LP (“ATZIIF”)	103,820	131,292
Anhui Transportation Goldstone Equity Investment Fund LP (“ATGEIF”)	70,425	33,010
Others		
CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund	408,411	–
	711,599	304,213

(a) Amounts recognised in profit or loss

During the year, the following gains were recognised as “other income and gains – net” in profit or loss:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Fair value gains on financial assets at FVPL (Note 5)	614	42,725
Dividends from investments at FVPL recognised in profit or loss in other gains – related to investments held at the end of the year	19,924	32,544

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(All amounts in Renminbi thousand unless otherwise stated)

21. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI comprise equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in the category. These are strategic investments and the Group considers this classification to be more relevant.

Equity investments at FVOCI comprise the following individual investments:

	2022 RMB'000	2021 RMB'000	Cumulative fair value change recognised in other comprehensive income
Anhui Xin'an Financial Group Co., Ltd. ("AXFG")	57,443	71,943	(68,385)
Anhui Xin'an Capital Operation Management Co., Ltd. ("AXCM")	39,110	24,610	(35,062)
Hefei Wan Tong Microcredit Co., Ltd. ("WTMC")	15,000	15,000	–
Anhui Transportation Zhaoshang Private Fund Management Co., Ltd. ("ATZFM")	1,106	1,302	2,475
Anhui Transportation Goldstone Private Fund Management Co., Ltd. ("ATGFM")	2,850	2,283	731
	115,509	115,138	(100,241)

On disposal of these equity investments, any related balance within the financial assets at FVOCI reserve is reclassified to retained earnings.

(a) Amounts recognised in profit or loss and OCI

During the year, the following gains/(losses) were recognised in profit or loss and OCI:

	2022 RMB'000	2021 RMB'000
Gains/(losses) recognised in OCI – related to equity investments	371	(3,188)
Dividends from equity investments at FVOCI recognised in profit or loss in other gains – related to investments held at the end of the year	429	16,672

(b) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 2.4.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

22. INVENTORIES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Materials and spare parts	4,706	5,399
Less: Provision of write-down	–	–
	4,706	5,399

23. RECEIVABLES AND PREPAYMENTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Receivables:		
Toll road income receivable (a)	59,930	84,302
Interest receivable	59,979	30,653
Receivables for construction	62,928	30,051
Pawn loans to customers	19,643	28,579
Toll road income compensation receivable	25,958	–
Dividends receivable	–	10,380
Subsidy receivable	300,000	–
Others	37,800	28,045
	566,238	212,010
Less: Provision for impairment of pawn loans (b)	13,750	20,005
Provision for impairment of others (c)	15,685	15,943
	536,803	176,062
Prepayments:		
Prepaid expenses	930	567
	537,733	176,629

Notes to the Consolidated Financial Statements (continued)

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23. RECEIVABLES AND PREPAYMENTS (Continued)

The ageing analysis of the receivables is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	511,920	146,403
Between 1 and 2 years	2,078	1,688
Between 2 and 3 years	1,207	1,737
Over 3 years	51,033	62,182
	566,238	212,010

(a) As at 31 December 2022, toll road income receivables mainly represented receivables from AENO of RMB59,930 thousand (31 December 2021: from AENO of RMB81,795 thousand) for uncollected toll road income.

(b) Reconciliation of provision account for loss on pawn loans is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Beginning of the year	(20,005)	(31,949)
Impairment loss reversed	755	11,944
Receivables written off as uncollectible	5,500	–
End of the year	(13,750)	(20,005)

(c) Reconciliation of provision account for loss on receivables is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Beginning of the year	(15,943)	(5,229)
Impairment loss recognised	(881)	(10,714)
Receivables written-off as uncollectible	1,139	–
End of the year	(15,685)	(15,943)

Notes to the Consolidated Financial Statements (continued)

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24. CASH AND CASH EQUIVALENTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cash and bank balances	4,671,521	4,287,553
Time deposits	(1,767,673)	(927,635)
Cash and cash equivalents	2,903,848	3,359,918

At the end of the reporting period, cash and bank balances were denominated in RMB and HKD.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the deposit rates of the respective periods. The bank balances are deposited with creditworthy banks with no recent history of default. The Group expects no significant credit risk associated and that there would not be any significant losses due to non-performance by these counterparties.

The weighted average interest rate per annum on cash at bank in 2022 was approximately 3.39% (2021: 2.83%).

The carrying amounts of cash at bank and on hand are denominated in the following currencies:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
RMB	4,729,134	4,285,334
HKD (RMB equivalents)	2,365	2,219
	4,731,499	4,287,553

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25. SHARE CAPITAL

	2022 RMB'000	2021 RMB'000
Issued and fully paid	1,658,610	1,658,610

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue (Thousands)	Share capital RMB'000
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	1,658,610	1,658,610

26. OTHER RESERVES

	Capital surplus RMB'000	Statutory surplus reserve fund RMB'000	Discretionary surplus reserve fund RMB'000	Enterprise safety fund RMB'000	Merger reserve RMB'000	Excess of the consideration over carrying amount of the non- controlling interests acquired RMB'000	Fair value change of financial assets at FVOCI, net of tax RMB'000	Total RMB'000
Balance at 1 January 2021 (restated)	2,243	955,881	658	46,717	296,638	(710,116)	(73,069)	518,952
Debt conversion	-	-	-	-	965,301	-	-	965,301
Acquisition of a subsidiary under common control	-	-	-	-	(2,210,000)	-	-	(2,210,000)
Usage of enterprise safety fund	-	-	-	(40)	-	-	-	(40)
Changes in fair value of financial assets at FVOCI, net of tax (Note 21)	-	-	-	-	-	-	(2,391)	(2,391)
Balance at 31 December 2021	2,243	955,881	658	46,677	(948,061)	(710,116)	(75,460)	(728,178)
Usage of enterprise safety fund	-	-	-	(40)	-	-	-	(40)
Changes in fair value of financial assets at FVOCI, net of tax (Note 21)	-	-	-	-	-	-	278	278
Balance at 31 December 2022	2,243	955,881	658	46,637	(948,061)	(710,116)	(75,182)	(727,940)

The Company appropriates discretionary surplus reserve after the approval of the Board of Directors' proposal by shareholders in the shareholders' meeting. The discretionary surplus reserve can be used to make up for the loss or increase capital after approval.

Notes to the Consolidated Financial Statements (continued)

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27. APPROPRIATION

(a) Statutory surplus reserve fund

In accordance with the PRC Company Law, the Company and its subsidiaries shall appropriate 10% of their annual statutory net income (after offsetting any prior years' loss) to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of a company's share capital or registered capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' loss or to issue bonus shares/paid-in capital. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of share capital/registered capital after such utilisation.

The balance of statutory surplus reserve has reached 50% of the Company's share capital. As a result, the Company did not appropriate statutory surplus reserve fund in 2022 and 2021 in accordance with the PRC Company Law.

(b) Dividends distribution

According to the Articles of Association of the Company, the dividends distributed by the Company to its shareholders are based on the lower of the retained earnings in the Company's statutory financial statements and those in the Company's financial statements prepared in accordance with HKFRSs. As at 31 December 2022, the retained earnings in the Company's financial statements prepared in accordance with HKFRSs amounted to RMB9,874,910 thousand, which was higher than the retained earnings reflected in the Company's statutory financial statements.

Notes to the Consolidated Financial Statements (continued)

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28. LONG-TERM PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Long-term payables to XCIC (a)		
Beginning of the year	81,730	149,169
Debt conversion	(15,400)	–
Repayments	(68,848)	(74,000)
Amortisation – charged to income statement	2,518	6,561
End of the year	–	81,730
Long-term payables to ATHC		
Beginning of the year	279,100	4,583,992
Additions – interest-bearing loans	–	55,969
Repayments	(21,890)	(2,016,656)
Debt conversion	(182,040)	(965,301)
Converted to deferred income	–	(3,108)
Offset against receivables	–	(1,480,885)
Amortisation – charged to income statement	21,890	105,089
End of the year	97,060	279,100
Total long-term payables	97,060	360,830
Less: Current portion of long-term payables	19,500	66,330
	77,560	294,500

Notes to the Consolidated Financial Statements (continued)

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(All amounts in Renminbi thousand unless otherwise stated)

28. LONG-TERM PAYABLES (Continued)

(a) Xuancheng Communication Investment Co., Ltd

The principal of the payables was repayable from 2023 to 2028 (2021: 2023 to 2028) with the interest rate ranged from 4.75% to 4.90% (2021: 4.75% to 4.90%).

The carrying amounts and fair values of long-term payables (including current portion) are as follows:

	Carrying amounts		Fair values	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Long-term payables to ATHC	97,060	279,100	97,060	279,100
Long-term payables to XCIC	–	81,730	–	82,252
	97,060	360,830	97,060	361,352

The fair values of long-term payables are based on cash flows discounted using the rate of 4.75%, being the annual five year borrowing interest rate published by the People's Bank of China for long-term bank loans as at 31 December 2022 (2021: 4.75%).

The undiscounted amounts of long-term payables (including current portion) are as follows:

	2022 RMB'000	2021 RMB'000
Long-term payables to ATHC	97,060	279,100
Long-term payables to XCIC	–	84,248
	97,060	363,348

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29. BORROWINGS

	2022			2021		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Long-term bank borrowings						
Denominated in RMB						
Guaranteed and unsecured (a)	3.05%-3.90%	2023-2052	3,200,000	3.35%-3.45%	2022-2028	1,837,000
Pledged (b)	1.20%-4.90%	2023-2040	3,443,749	1.20%-4.90%	2022-2040	3,238,343
			6,643,749			5,075,343
Less: current portion						
Denominated in RMB						
Guaranteed and unsecured (a)	3.05%-3.90%	2023-2052	(282,633)	3.35%-3.45%	2022-2028	(187,400)
Pledged (b)	1.20%-4.90%	2023-2040	(159,130)	1.20%-4.90%	2022-2040	(161,534)
			(441,763)			(348,934)
			6,201,986			4,726,409

	2022 RMB'000	2021 RMB'000
Analysed into:		
Bank loans repayable:		
Within 1 year	441,763	348,934
Between 1 and 2 years	512,214	383,938
Between 2 and 5 years	2,421,837	1,798,780
Over 5 years	3,267,935	2,543,691
	6,643,749	5,075,343

- (a) As at 31 December 2022, the bank credit loan of RMB2,250,000 thousand was borrowed by the Group for the acquisition of equity and related claims of AQDQ Company, with interest paid quarterly, and the principal amount will be repaid between 2023 and 2028. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract. (2021: RMB1,837,000 thousand).

The bank credit loan of RMB200,000 thousand is a loan used by the Group for daily business turnover needs, with interest paid quarterly, and the principal will be repaid between 2024 and 2025. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract (2021: Nil).

Notes to the Consolidated Financial Statements (continued)

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(All amounts in Renminbi thousand unless otherwise stated)

29. BORROWINGS (Continued)

(a) (continued)

The bank credit loan of RMB50,000 thousand was borrowed by the Group for the reconstruction and expansion project of the Guangde to Xuancheng section of the G50 Shanghai-Chongqing Expressway, with interest paid quarterly, and the principal will be repaid between 2025 and 2042. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract (2021: Nil).

The bank credit loan of RMB700,000 thousand was borrowed by the Group for the reconstruction and expansion project of G50 Shanghai-Chongqing Expressway Guangde to Xuancheng Section, with interest paid quarterly, and the principal will be repaid between 2025 and 2052. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract (2021: Nil).

(b) As at 31 December 2022, bank borrowings of RMB380,000 thousand were pledged by estimated future toll road cash inflow from the completion of reform and expansion of Hening Expressway (2021: RMB460,000 thousand), bank borrowings of RMB763,747 thousand were pledged by estimated future toll road cash inflow from Liqiao to Xuancheng Section of Ningxuanhang Expressway (2021: RMB792,484 thousand), bank borrowings of RMB1,733,560 thousand were pledged by estimated future toll road cash inflow from Xuancheng to Ningguo Section of Ningxuanhang Expressway (2021: RMB1,527,650 thousand), and bank borrowings of RMB556,441 thousand were pledged by estimated future toll road cash inflow from Ningguo to Qianqiuguan Section of Ningxuanhang Expressway (2021: RMB458,209 thousand).

As at 31 December 2022 and 2021, the fair values of current and non-current borrowings approximated their carrying amounts as the discounting impact is not significant.

30. DEFERRED INCOME

	2022 RMB'000	2021 RMB'000
Government grants	113,853	126,783

Deferred income represents government grants relating to assets and is amortised over 7 to 30 years (Note 2.4).

Amortisation of RMB14,600 thousand (2021: RMB9,241 thousand) has been charged in "other income and gains – net" (Note 5).

Notes to the Consolidated Financial Statements (continued)

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(All amounts in Renminbi thousand unless otherwise stated)

31. TRADE AND OTHER PAYABLES

	2022 RMB'000	2021 RMB'000
Payable for the acquisition of AQDQ	–	1,105,000
Trade payables – payables on acquisition of concession intangible assets	614,185	775,612
Current portion of long-term payables (Note 28)	19,500	66,330
Deposits for construction projects	31,149	63,698
Advance rent receipts	41,435	37,245
Staff salaries and welfare	28,478	28,731
Interest payable	34,773	25,514
Other taxation payables	12,854	21,056
Service fee payable for collection of toll roads income	7,598	7,376
Others	45,297	23,721
	835,269	2,154,283

As at 31 December 2022, trade and other payables of RMB241,847 thousand (2021: RMB430,371 thousand) were aged over one year. These payables were mainly payables on acquisition of concession intangible assets which will be settled after the completion of construction, and the current portion of long-term payables.

As at 31 December 2022 and 2021, the fair values of trade and other payables, except for staff salaries and welfare, other taxation payables and advance from customers, approximated their carrying amounts.

32. PROVISION

31 December 2022

	Total RMB'000
At 1 January 2022	77,844
Additional provision	193,705
Amounts utilised during the year	(200,544)
At 31 December 2022	71,005

31 December 2021

	Total RMB'000
At 1 January 2021	39,371
Additional provision	253,896
Amounts utilised during the year	(215,423)
At 31 December 2021	77,844

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

33. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Accounting for government grants <i>RMB'000</i>	Provision <i>RMB'000</i>	Accrued bonus <i>RMB'000</i>	Accounting for Interest- bearing shareholder's loans <i>RMB'000</i>	Fair value change of financial assets at FVOCI <i>RMB'000</i>	Fair value change of financial assets at FVPL <i>RMB'000</i>	Provision for impairment of other receivables <i>RMB'000</i>	Impairment of assets <i>RMB'000</i>	Amortisation difference between accounting and tax regulations <i>RMB'000</i>	Tax loss carried forward <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2021	18,015	8,047	6,341	15,788	24,356	-	877	963	-	58,678	133,065
Deferred tax credited/(charged) to the income statement	11,027	10,913	-	(656)	-	-	(807)	(963)	20,273	(24,192)	15,595
Deferred tax credited/(charged) to the statement of other comprehensive income	-	-	-	-	797	-	-	-	-	-	797
Gross deferred tax assets at 31 December 2021 and 1 January 2022	29,042	18,960	6,341	15,132	25,153	-	70	-	20,273	34,486	149,457
Deferred tax credited/(charged) to the income statement	(2,819)	(2,020)	-	(655)	-	3,705	90	-	(845)	(27,934)	(30,478)
Deferred tax credited/(charged) to the statement of other comprehensive income	-	-	-	-	(92)	-	-	-	-	-	(92)
Gross deferred tax assets at 31 December 2022	26,223	16,940	6,341	14,477	25,061	3,705	160	-	19,428	6,552	118,887

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

33. DEFERRED TAX (Continued)

The movements in deferred tax assets and liabilities during the year are as follows: (Continued)

Deferred tax liabilities

	Valuation of assets and depreciation of toll roads <i>RMB'000</i>	Valuation and amortisation of toll roads related land use rights <i>RMB'000</i>	Accounting for interest- free long-term payables <i>RMB'000</i>	Amortisation difference between accounting and tax regulations <i>RMB'000</i>	Fair value change of financial assets at FVPL <i>RMB'000</i>	Difference between accounting and tax regulations of borrowings <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2021	(13,995)	(2,175)	(9,474)	(45,339)	(14,342)	-	(344)	(85,669)
Deferred tax credited to the income statement and statement of other comprehensive income during the year	633	91	1,907	4,271	(771)	(3,903)	10	2,238
Gross deferred tax liabilities at 31 December 2021 and 1 January 2022	(13,362)	(2,084)	(7,567)	(41,068)	(15,113)	(3,903)	(334)	(83,431)
Deferred tax charged/(credited) to the income statement and statement of other comprehensive income during the year	635	90	896	4,270	2,220	(863)	11	7,259
Gross deferred tax liabilities at 31 December 2022	(12,727)	(1,994)	(6,671)	(36,798)	(12,893)	(4,766)	(323)	(76,172)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated balance sheet. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated balance sheet	(39,374)	(42,361)
Net deferred tax liabilities recognised in the consolidated balance sheet	39,374	42,361

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
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33. DEFERRED TAX (Continued)

The net carrying amounts of deferred income assets and liabilities taking into consideration the offsetting of balances are set out as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Deferred tax assets	79,513	107,096
Deferred tax liabilities	(36,798)	(41,069)

The unrecognised deferred income tax of loss and deductible temporary differences are set out as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Deductible temporary differences	27,249	49,026
Tax loss	1,632,863	1,592,949
	1,660,112	1,641,975

Deferred income tax assets are not recognised for tax losses that the realisation of the related tax benefit through future taxable profits is not probable. The expire dates of the carryforward of these tax losses are set out as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
2022	–	221,403
2023	311,484	311,484
2024	305,912	328,806
2025	340,252	403,475
2026	308,803	327,781
2027	366,412	–
	1,632,863	1,592,949

Notes to the Consolidated Financial Statements (continued)

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operating activities

	Notes	2022 RMB'000	2021 RMB'000
PROFIT BEFORE INCOME TAX		1,977,818	2,116,190
ADJUSTMENTS FOR:			
Amortisation of concession intangible assets	13	749,586	738,294
Depreciation of property, plant and equipment	15	165,537	169,424
Depreciation of investment properties	16	17,950	20,716
Amortisation of right-of-use assets	14	763	763
Amortisation of intangible assets	17	11,521	4,577
Reversal of impairment for pawn loans to customers		(928)	(11,944)
Impairment losses for receivables		1,054	10,714
Reversal of impairment for inventories	22	–	(179)
Net loss/(gain) on disposal of property, plant and equipment	5	(148)	2,834
Loss on disposal of investment properties	5	–	1,704
Loss on disposal of concession intangible assets	5	(8,286)	4,173
Share of loss of associates		(9,733)	90
Dividend income	5	(28,359)	(67,573)
Fair value gains on financial assets at FVPL	5	(614)	(42,725)
Interest income	5	(80,317)	(84,695)
Interest expenses	7	229,331	254,808
		3,025,175	3,117,171
Decrease in inventories	22	689	1,722
Addition of concession intangible assets	13	–	(108,518)
Increase in receivables and prepayments		(308,511)	(466,387)
Decrease in other operating liabilities		(65,758)	(208,852)
(Increase)/decrease in provision	32	(6,839)	38,473
Cash generated from operating activities		2,644,756	2,373,609
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(456,235)	1,386,266
Cash and cash equivalents at beginning of year	24	3,359,918	1,973,718
Effect of foreign exchange rate changes, net		165	(66)
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	2,903,848	3,359,918
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	4,671,521	4,287,553
Time deposits	24	1,767,673	927,635
Cash and cash equivalents as stated in the consolidated balance sheet	24	2,903,848	3,359,918
Cash and cash equivalents as stated in the consolidated statement of cash flows		2,903,848	3,359,918

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Non-cash financing activities

	2022 RMB'000	2021 RMB'000
Long-term payables offset against receivables	–	1,480,885
Debt conversion	228,717	965,301
Long-term payables converted to deferred income	–	3,108
	228,717	2,449,294

(c) Changes in liabilities arising from financing activities

2022

	Borrowings RMB'000	Long-term payables RMB'000
At 1 January 2022	(5,075,343)	(360,830)
Changes from financing cash flows	(1,577,193)	68,848
Interest expenses	(214,432)	(18,506)
Interest paid classified as operating cash flows	216,803	15,988
Capitalised interest expenses	6,417	–
Other non-cash movements	–	197,440
At 31 December 2022	(6,643,748)	(97,060)

2021

	Borrowings RMB'000	Long-term payables RMB'000
At 1 January 2021	(2,229,450)	(4,733,161)
Changes from financing cash flows	(2,861,504)	2,034,687
Interest expenses	(143,158)	(111,650)
Interest paid classified as operating cash flows	158,769	–
Other non-cash movements	–	2,449,294
At 31 December 2021	(5,075,343)	(360,830)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
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35. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

36. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2022 RMB'000	2021 RMB'000
Contracted, but not provided for:		
Concession intangible assets	250,962	70,471
Property, plant and equipment	8,532	68,716
	259,494	139,187

37. RELATED PARTY TRANSACTIONS

The Company's parent company is ATHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by the PRC government. It owns a significant portion of the expressway assets in Anhui Province.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include ATHC and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and ATHC as well as their close family members. The Group believes that these transactions are carried out on terms that are similarly and consistently applied to all other customers or suppliers. However, due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. As a result, these transactions with other government-related entities and their subsidiaries are exempted from the related party transaction disclosure requirements as set out in HKAS 24 (Revised).

The Company's directors believe that information in respect of related party transactions has been adequately disclosed in the consolidated financial statements and are of the view that the following companies are related parties that had material transactions or balances with the Group during the period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

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37. RELATED PARTY TRANSACTIONS (Continued)

(a) Information about related parties

Name	Relationships with the Group
ATHC	Parent company
ALEC	Subsidiary of ATHC
AEPC	Subsidiary of ATHC
YTMC	Subsidiary of ATHC
WTMC	Subsidiary of ATHC
AENO	Subsidiary of ATHC
ATCD	Subsidiary of ATHC
ATZFM	Significantly influenced by ATHC
ATGFM	Significantly influenced by ATHC
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
AEAC	Associate
ATII	Associate
Anhui Transportation Construction Management Co., Ltd. (“安徽省交控建設管理有限公司”, “ATCMC”)	Subsidiary of ATHC
Hefei Bangning Property Management Co., Ltd. (“安徽交控物業服務有限公司”, 原名“合肥市邦寧物業管理 有限公司”, “BNMC”)	Subsidiary of ATHC
Anhui Expressway Experiment Research Centre Co., Ltd. (“安徽省高速公路試驗檢測科研中心有限公司”, “AERC”)	Subsidiary of ATHC
Anhui Transportation Engineering Group Co., Ltd. (formerly named Anhui Gaolu Construction Co., Ltd.) (“安徽交控工程集團有限公司”, 原名“安徽省高路建設有限公司”, “ATEGC”)	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. (“安徽高速融資租賃有限公司”, “AWFC”)	Subsidiary of ATHC
Anhui Qixing Project Testing Co., Ltd. (“安徽省七星工程測試 有限公司”, “AQPT”)	Subsidiary of ATHC

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37. RELATED PARTY TRANSACTIONS (Continued)

(a) Information about related parties (Continued)

Name	Relationships with the Group
Anhui Huanyu Highway Construction Development Co., Ltd. (“安徽交控道路養護有限公司”, 原名“安徽省環宇公路建設開發有限責任公司”, “AHHCD”)	Subsidiary of ATHC
Anhui Zhongxing Project Management Co., Ltd. (“安徽省中興工程監理有限公司”, “AZPMC”)	Subsidiary of ATHC
Anhui Jiaoyun Group Automobile Sales Co., Ltd (“安徽交運集團汽車銷售有限公司”, “AJASC”)	Subsidiary of ATHC
Anhui Transportation United Card Holding Co., Ltd. (“安徽交通一卡通控股有限公司” “ATUCC”)	Subsidiary of ATHC
Anhui Expressway Qingfeng Media Co., Ltd. (“安徽高速清風傳媒有限公司”, “AEQMC”)	Subsidiary of ATHC
Anhui Wangqian Expressway Co., Ltd. (“安徽望潛高速公路有限公司”, “AWQEC”)	Subsidiary of ATHC
Anhui Yangji Expressway Co., Ltd. (“安徽省揚績高速公路有限公司”, “AYEC”)	Subsidiary of ATHC
Anhui Liguang Expressway Co., Ltd. (“安徽省溧廣高速公路有限公司”, “ALGEC”)	Subsidiary of ATHC
Anhui Wuyan Expressway Co., Ltd. (“安徽省蕪雁高速公路有限公司”, “AWEC”)	Subsidiary of ATHC
Anhui Shengxuan Municipal Garden Engineering Co., Ltd. (“安徽省盛軒市政園林工程有限公司” “ASGEC”)	Subsidiary of ATHC
Anhui Traffic Survey and Design Institute Co., Ltd. (“安徽省交通勘察設計院有限公司” “ATSDC”)	Subsidiary of ATHC
Anhui Transportation Resource Co., Ltd. (“安徽交控資源有限公司”, “ATRC”)	Subsidiary of ATHC
Anhui High-way Real Estate Group Co., Ltd. (“安徽省高速地產集團有限公司”, “AHREC”)	Subsidiary of ATHC
"Anhui Hezong Expressway Co., Ltd. (“安徽省合縱高速公路有限責任公司”, “AHEC”)	Subsidiary of ATHC
"Anhui Jingong Materials Co., Ltd. (“安徽省經工物資有限公司”, “AJQMC”)	Subsidiary of ATHC
Anhui Bihao Ecology Technology Co., Ltd. (“招商智廣科技(安徽)有限公司”, “ABETC”)	Subsidiary of ENTH

Notes to the Consolidated Financial Statements (continued)

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37. RELATED PARTY TRANSACTIONS (Continued)

- (b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Service income from management of toll roads:		
ATHC	9,755	9,236
ALEC	585	585
AHEC	377	–
AYEC	208	208
AWQEC	142	142
ALGEC	104	104
AWEC	47	47
	11,218	10,322
Rental income from:		
AEPC	28,496	28,728
YTMC	9,331	11,258
ATHC	5,494	5,465
ATCMC	1,686	1,682
ATRC	459	–
ALEC	421	587
AWFC	421	421
ATCIM	193	329
WTMC	160	212
ATGFM	67	100
ABETC	64	–
ATZFM	42	100
AWQEC	27	27
ATEGC	18	–
BNMC	–	18
ATCD	–	7
	46,879	48,934

Notes to the Consolidated Financial Statements (continued)

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37. RELATED PARTY TRANSACTIONS (Continued)

- (b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (Continued)

	<i>Note</i>	2022 RMB'000	2021 RMB'000
Purchases, construction, testing services and property management:	(i)		
ATCD		161,571	13,546
ATEGC		33,583	119,875
AJCG		30,849	19,754
ATII		13,692	6,805
YTMC		4,882	–
AJASC		4,496	6,791
BNMC		4,154	3,243
AEAC		3,064	2,810
ASGEC		2,407	2,708
AQPT		1,289	350
AERC		293	2,164
AZPMC		118	480
AJQMC		99	–
AHREC		10	–
AHHCD		–	750
ATSDC		–	509
AEQMC		–	236
		260,507	180,021

Notes to the Consolidated Financial Statements (continued)

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37. RELATED PARTY TRANSACTIONS (Continued)

- (b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (Continued)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Rental expenses to:		
XCIC	500	500
Toll road income received on behalf of the Group:		
AENO	3,582,124	3,352,003
ATHC	–	466,396
	3,582,124	3,818,399
Service fees for the collection of toll road income:		
ATUCC	13,421	13,948
AENO	9,388	8,976
	22,809	22,924
Service fees for the upgrading of online toll platform:		
AENO	–	2,303
Interest expenses for interest-bearing long-term payables:		
ATHC	13,735	118,946
XCIC	2,252	2,258
	15,987	121,204
Key management compensation:		
Salaries and other short-term employee benefits	5,353	4,959

Note:

- (i) It mainly represented payable to these related parties for the purchases, construction and testing services in connection with expressway and service areas and the property management service in connection with High-tech Park, which is owned by the Company.

Notes to the Consolidated Financial Statements (continued)

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37. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties

	2022 RMB'000	2021 RMB'000
Trade payables		
ATCD	61,490	20,006
ATEGC	24,097	109,583
AJCG	6,614	13,908
AHHCD	4,731	6,418
ATII	1,298	394
AQPT	1,117	1,007
AZPMC	846	1,979
AEAC	715	394
ASGEC	465	86
AERC	356	2,112
YTMC	124	–
AJASC	113	57
ATSDC	1	350
BNMC	–	5
	101,967	156,299
Other payables		
AEPC	34,317	36,965
XCIC	13,039	1,364
ATHC	12,870	17,648
YTMC	7,276	4,620
ATUCC	4,395	4,240
AJCG	3,847	1,623
AENO	3,231	3,136
ATEGC	2,214	1,993
ATCD	852	192
ABETC	434	–
AJASC	310	–
WTMC	156	100
AWFC	141	30
AEAC	87	–
ASGEC	40	40
AZPMC	40	26
ATRC	36	–
BNMC	20	–
ATII	12	–
AWQEC	2	2
ATCMC	–	526
ALEC	–	109
ATCIM	–	86
AQPT	–	31
ATGFM	–	17
	83,319	72,748

Notes to the Consolidated Financial Statements (continued)

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37. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties (Continued)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Long-term payables (including current portion)		
ATHC	97,060	279,100
XCIC	–	81,730
	97,060	360,830

As at 31 December 2022 and 2021, amounts due from and due to the aforementioned related parties, except for long-term payables to XCIC and ATHC as disclosed in Note 40, mainly arose from the above transactions and payments made by the Group and related parties on behalf of each other. These amounts are unsecured, interest-free and are repayable within one year.

In addition, during the year ended 31 December 2022, the Group's bank balances and borrowings of approximately RMB2,597,059,473 and RMB5,427,307,050 (2021: approximately RMB1,065,478,644 and RMB5,177,133,966) were deposited/arranged with state-owned banks respectively.

(d) Receivables

	As at 31 December 2022		As at 31 December 2021	
	Book value <i>RMB'000</i>	Provision for impairment <i>RMB'000</i>	Book value <i>RMB'000</i>	Provision for impairment <i>RMB'000</i>
AENO	59,930	(282)	81,795	(185)
ALEC	384	(3)	–	–
YTMC	329	(2)	193	(1)
ALGEC	–	–	110	(1)
	60,643	(287)	82,098	(187)

Notes to the Consolidated Financial Statements (continued)

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38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2022

Financial assets

	Financial assets at amortised cost RMB'000
Receivables and prepayments	532,050
Cash and cash equivalents	2,903,848
Time deposits with original maturity over three months	1,767,673
	5,203,571
	<i>RMB'000</i>
Financial assets at FVOCI	115,509
Financial assets at FVPL	711,599

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and other payables	733,002
Borrowings	6,643,748
Long-term payables (including current portion)	97,060
	7,473,810

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

38. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2021

Financial assets

	Financial assets at amortised cost <i>RMB'000</i>
Receivables and prepayments	176,062
Cash and cash equivalents	3,359,918
Time deposits with original maturity over three months	927,635
	4,463,615
	<i>RMB'000</i>
Financial assets at FVOCI	115,138
Financial assets at FVPL	304,213

Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and other payables	2,000,921
Borrowings	5,075,343
Long-term payables (including current portion)	360,830
	7,437,094

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Financial liabilities				
Borrowings (Note 29)	6,643,749	5,075,343	6,641,624	5,075,343
Long-term payables (Note 28)	97,060	360,830	97,060	361,352

Management has determined that the carrying amounts of cash and cash equivalents, receivables and prepayments, other financial assets at amortised cost, trade and other payables based on their notional amounts, reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of the unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the interest-bearing banks and other borrowings and the non-current portion of other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk, and remaining maturities. The changes in fair value because of the Group's own-performance risk for borrowings and the non-current portion of other payables as of 31 December 2022 and 31 December 2021 were assessed to be insignificant.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable input (Level 3) RMB'000	
Financial assets at FVPL	408,411	–	303,188	711,599
Financial assets at FVOCI	–	–	115,509	115,509
	408,411	–	418,697	827,108

As at 31 December 2021

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable input (Level 3) RMB'000	
Financial assets at FVPL	–	–	304,213	304,213
Financial assets at FVOCI	–	–	115,138	115,138
	–	–	419,351	419,351

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The following table presents the changes in level 3 instruments for the year ended 31 December 2022 and 2021:

	Financial assets at FVOCI RMB'000	Financial assets at FVPL RMB'000	Total RMB'000
Year ended 31 December 2021			
Opening balance	118,326	1,363,816	1,482,142
Acquisitions	–	3,033,208	3,033,208
Disposals	–	(4,135,536)	(4,135,536)
Gains recognised in profit or loss	–	42,725	42,725
Gains recognised in other comprehensive income	(3,188)	–	(3,188)
Closing balance	115,138	304,213	419,351
Year ended 31 December 2022			
Opening balance	115,138	304,213	419,351
Acquisitions	–	916,416	916,416
Disposals	–	(932,875)	(932,875)
Gains recognised in profit or loss	–	15,434	15,434
Gains recognised in other comprehensive income	371	–	371
Closing balance	115,509	303,188	418,697

Quantitative information about fair value measurements using significant unobservable inputs (level 3)

	Fair value as at 31 December 2022	Valuation technique	Unobservable input	Range (weighted average)
Financial assets at FVOCI	115,509	Income approach	Discount rate	13.3%~11.8%/ (13.5%)

Financial assets at FVPL are the fund shares of ATGBF, ATZIIF and ATGEIF subscribed by the Company. The fair value of such investment was determined by reference to the net assets of ATGBF, ATZIIF and ATGEIF as of December 31, 2022, which have applied the HKFRS 9 Financial Instruments, based on the proportion of fund shares to which the Company is entitled.

The nominal value less impairment provision of receivables, trade and other payables and current borrowings is assumed to approximate their fair value due to short period of maturity dates. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group's profit after tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	(Decrease)/ increase in profit after tax RMB'000	(Decrease)/ increase in equity RMB'000
2022			
RMB	50	(24,449)	(24,449)
RMB	(50)	24,449	24,449
2021			
RMB	50	(9,568)	(9,568)
RMB	(50)	9,568	9,568

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group principally operates in Mainland China and RMB is the currency of the primary economic environment in which the Group operates. However, upon the initial listing of H shares, proceeds from the IPO are in HKD. Foreign exchange risk arises from cash and cash equivalents denominated in a currency other than the functional currency of the Group.

The Group currently does not have a foreign currency hedging policy and manages its foreign currency risk by closely monitoring the movements of the foreign currency rates.

As of 31 December 2022, if HKD had strengthened/weakened by 10% against RMB with all other variables held constant, the Group's post-tax profit would have been approximately RMB173,164 higher/lower because the cash and cash equivalents are denominated in HKD (2021: RMB179,005).

Credit risk

The Group's credit risk mainly arises from cash and other financial assets. The carrying amounts of financial assets represented the Group's maximum exposure in relation to financial assets.

The Group's cash are mainly bank deposits deposited with reputable state-owned banks and other large and medium-sized listed banks with high credit ratings, which the Group believes does not have significant credit risk and will hardly incur significant losses due to bank defaults.

Other financial assets at amortised cost include receivables (including pawn loans to customers). Except for pawn loans and the receivable due from Xuancheng People's Government, receivables are mainly due from related parties and government, and are considered be low credit risk where they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Please refer to Note 23 for details.

Wan Tong Pawn's business takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge on obligation. Significant changes in the economy, or in the healthiness of a particular industry segment in which the Wan Tong Pawn's loans receivable portfolio has concentration, could result in losses that are different from those provided for at the balance sheet date.

Except for the cash and receivables as mentioned above, the Group does not have any significant concentration of credit risk exposure associated with a particular single counterparty or a particular group of counterparties having similar characteristics.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group's toll road income is settled in cash.

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate bank borrowing facilities disclosed in Note 29.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet and balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2022				
	Within 1 year RMB'000	1 to 3 years RMB'000	3 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Bank borrowings, including interest	679,723	1,795,922	1,860,755	4,115,547	8,451,947
Trade and other payables, excluding other taxation payables, staff salaries and welfare, advance rent receipts, current portion of long term payables and interest payable	698,228	–	–	–	698,228
Long-term payables, including interest and current portion	47,301	7,611	83,318	–	138,230
	1,425,252	1,803,533	1,944,073	4,115,547	9,288,405
	2021				
	Within 1 year RMB'000	1 to 3 years RMB'000	3 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Bank borrowings, including interest	543,591	1,167,218	1,621,709	3,146,594	6,479,112
Trade and other payables, excluding other taxation payables, staff salaries and welfare, advance rent receipts, current portion of long term payables and interest payable	1,975,407	–	–	–	1,975,407
Long-term payables, including interest and current portion	99,764	56,412	25,589	276,450	458,215
	2,618,762	1,223,630	1,647,298	3,423,044	8,912,734

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 20) and equity investments at fair value through other comprehensive income (note 21) as at 31 December 2022.

The following table demonstrates the sensitivity to every 10% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve

	Carrying amount of equity investments RMB\$'000	Increase/ (decrease) in OCI after tax RMB\$'000	Increase/ (decrease) in equity RMB\$'000
2022			
Unlisted investments at fair value			
–Financial assets at FVOCI	115,509	8,326/ (8,326)	8,326/ (8,326)
2021			
Unlisted investments at fair value			
–Financial assets at FVOCI	115,138	8,751/ (8,751)	8,751/ (8,751)

Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Similar to the others in the industry, the Group monitors capital using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The gearing ratios as at the end of the reporting periods were as follows:

	2022 RMB'000	2021 RMB'000
Borrowings (Note 29)	6,643,749	5,075,343
Long-term payables	97,060	360,830
Less: Cash and cash equivalents (Note 24)	2,903,848	3,359,918
Net debt	3,836,961	2,076,255
Total equity	13,537,172	11,979,823
Total capital	17,374,133	14,056,078
Gearing ratio	22.08%	14.77%

Deposits with banks

The table below shows the cash at bank balances (including time deposits with original maturity over three months) of the Group as at 31 December 2022 and 2021:

Counterparties	2022	2021
Major financial institutes	4,671,521	4,287,553

The Group has policies to place its deposits only with major financial institutions. As at 31 December 2022 and 2021, most of cash was deposited with major financial institutions in Mainland China and Hong Kong. The Group's management does not expect any material loss from non-performance by these counterparties.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

41. BALANCE SHEET OF THE COMPANY

Information about the balance sheet of the Company at the end of the reporting period is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	801,655	750,528
Investment properties	280,797	296,172
Intangible assets	5,679	408
Right-of-use assets	6,045	6,808
Investments in subsidiaries	3,489,928	2,715,604
Concession intangible assets	5,593,388	5,993,612
Loans to subsidiaries	1,936,016	2,414,068
Investments in associates	24,999	24,999
Deferred income tax assets	33,397	41,573
Financial assets at FVPL	711,599	304,213
Financial assets at FVOCI	115,509	115,138
Total non-current assets	12,999,012	12,663,123
CURRENT ASSETS		
Inventories	2,132	2,593
Receivables and prepayments	507,706	450,466
Time deposits with original maturity over three months	1,766,000	926,000
Cash and cash equivalents	1,658,255	3,047,284
Total current assets	3,934,093	4,426,343
Total assets	16,933,105	17,089,466

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

(All amounts in Renminbi thousand unless otherwise stated)

41. BALANCE SHEET OF THE COMPANY (Continued)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,658,610	1,658,610
Share premium	1,415,593	1,415,593
Other reserves	(42,229)	(42,467)
Retained earnings	9,865,178	9,263,334
Total equity	12,897,152	12,295,070
NON-CURRENT LIABILITIES		
Borrowings	2,517,472	2,029,600
Deferred income	44,148	50,798
Total non-current liabilities	2,561,620	2,080,398
CURRENT LIABILITIES		
Trade and other payables	1,034,139	2,180,226
Current income tax liabilities	11,174	196,812
Provisions	66,492	69,560
Borrowings	362,528	267,400
Total current liabilities	1,474,333	2,713,998
Total liabilities	4,035,953	4,794,396
TOTAL EQUITY AND LIABILITIES	16,933,105	17,089,466

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022
(All amounts in Renminbi thousand unless otherwise stated)

41. BALANCE SHEET OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Attributable to owners of the parent	
	Retained earnings RMB'000	Other reserves RMB'000
At 1 January 2021	8,234,793	867,268
Profit for the year	1,409,981	–
Dividends paid relating to 2020	(381,480)	–
Usage of enterprise safety fund	40	(40)
Acquisition of a subsidiary under common control	–	(907,304)
Changes in fair value of financial assets at FVOCI, net of tax	–	(2,391)
At 31 December 2021 and 1 January 2022	9,263,334	(42,467)
Profit for the year	1,514,040	–
Dividends paid relating to 2021	(912,236)	–
Usage of enterprise safety fund	40	(40)
Changes in fair value of financial assets at FVOCI, net of tax	–	278
At 31 December 2022	9,865,178	(42,229)

42. EVENT AFTER THE BALANCE SHEET DATE

Pursuant to a resolution of the Meeting of Board of directors on 30 March 2023, a cash dividend of RMB912,236 thousand was proposed for the year ended 31 December 2022. Please refer to Note 11 for details.

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board on 30 March 2023.

Section X Documents Available for Inspection

Directory of documents Available for Inspection	The original copy of the annual report signed by the Chairman;
Directory of documents Available for Inspection	The accountant's report, signed by the legal representative, director in charge of accounting work, and director in charge of accounting firm and stamped with corporate seal;
Directory of documents Available for Inspection	The original copy of auditor's report, sealed by Ernst & Young Hua Ming LLP, signed by the registered accountant; the financial statement prepared in accordance with the PRC Accounting Standards; the original copy of auditor's report signed by Ernst & Young and the financial statement prepared in accordance with the Hong Kong Accounting Standards;
Directory of documents Available for Inspection	The original copies of corporate documents and announcements published in the Shanghai Securities News and China Securities Journal;
Directory of documents Available for Inspection	The annual report disclosed in the stock market of Hong Kong.

Chairman: Xiang Xiaolong

The date of the approval of the board: 30 March 2023

I. PROFILE OF THE HIGHWAYS

Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
Hening Expressway	134	8	12	4	Commencing from 16 August 1996 to 15 August 2026 (the toll collection period for the Reconstruction and Expansion of Hening Expressway Anhui Section be tentatively fixed at five years from the expiry date of toll collection period of Hening Expressway Anhui Section. The formal period for toll collection shall be determined according to assessment and relevant provisions.)
New Tianchang Section of National Trunk 205	30	4	1	–	Commencing from 1 January 1997 to 31 December 2026
Gaojie Expressway	110	4	3	4	Commencing from 1 October 1999 to 30 September 2029
Xuanguang Expressway	84	4	6	1	Commencing from 1 January 1999 to 31 December 2028 (South Ring Road: Commencing from 1 September 2003 to 31 December 2028)
Lianhuo Expressway Anhui Section	54	4	3	1	Commencing from 1 January 2003 to 30 June 2032
Guangci Expressway	14	4	–	1	Commencing from 20 July 2004 to 20 July 2029
Ninghuai Expressway Tianchang Section	14	6	1	1	Commencing from 18 December 2006 to 17 June 2032

Appendix

Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
Ningxuanhang Expressway (Anhui Section)	117	4	6	3	On 8 September 2013, the section of Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section was officially opened to traffic and the temporary granted concession period is starting from 8 September 2013 and ending to 7 September 2043; In December 2015, the section of Ningguo to Qianqiuguan of Ningxuanhang Expressway was officially opened to traffic and the temporary granted concession period is starting from 19 December 2015 to 18 December 2045; In December 2017, the section of Liqiao to Xuancheng of Ningxuanhang Expressway was officially opened to traffic and the temporary granted concession period is starting from 30 December 2017 to 29 December 2047.
Anqing Yangtze River Expressway Bridge	6	4	1	0	Commencing from 26 December 2004 to 25 December 2033
Yuewu Expressway Anhui section	46	4	2	1	Commencing from 31 December 2015 to 30 December 2045

Hening Expressway (G40 Hushan Expressway Hening Section)

Hening Expressway is a 134km long dual carriageway eight-lane expressway owned by the Company in Anhui Province linking Dashushan and Zhouzhuang. This expressway forms an integral part of the “Two Verticals and Two Horizontals” National Trunk Highway from Shanghai to Chengdu in Sichuan Province, which also forms part of the National Trunk 312 linking Shanghai and Yining in Xinjiang. It is currently a major source of profit and cash flow for the Company.

The New Tianchang Section of National Trunk 205

The New Tianchang Section of National Trunk 205 is a dual carriageway four-lane vehicular highway of Class 1 standard of 30km long situated in Tianchang in Anhui Province. Tianchang Section is a part of National Trunk 205, which starts in Shanhaiguan, Hebei Province and ends in Guangzhou, Guangdong Province. This national trunk also forms part of the highway linking Lianyungang and Nanjing in Jiangsu Province.

Ninghuai Expressway Tianchang Section

Ninghuai Expressway Tianchang Section is an important road section of Ninghuai Expressway, with a whole length of 13.989km, and has the standard of dual carriageway six-lane expressway. It was completed and opened to traffic on 18 December 2006. The road runs through Tianchang city east of Anhui Province, starting from the terminal of the Jiangsu Nanjing Section of Ninghuai Expressway in Tianchang city, and ending at the Jiangsu Huaian Section of the Ninghuai Expressway. It is an important part in the key highway and national “7918” expressway network from Changchun to Shenzhen and an important highway driving the economic development of the eastern Anhui and the whole of northern Jiangsu, at the same time is also an important part in the key backbone in the trunk road network in Anhui Province. It directly or indirectly links various National Trunks of Hurong, Jinghu, Tongshan, Lianhuo, Ninghang and national key planned highway constructions of Jiayin to Nanping, Shanghai to Luoyang.

Gaojie Expressway (G50 Huyu Expressway Gaojie Section)

The Gaohe to Jiezdun Expressway, with a length of approximately 110km, is a dual carriageway four-lane expressway that forms part of the “Two Verticals and Two Horizontals” National Trunk System between Shanghai to Chengdu in Sichuan. The expressway, originating from Gaohe Town, Huaining County, Anhui Province, links up with the Hening Expressway, operated by the Company, through Hefei-Anqing Highway and terminates at the border between Hunan and Anhui at Jiezdun, Susong County, Anhui Province. It further runs westward to link up with cities like Wuhan, Chongqing and Chengdu and is an important trunk road that links up the central and western region with the southeastern coastal region.

Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section)

The Xuanzhou to Guangde Expressway is an existing dual carriageway four-lane expressway located in the south-eastern part of Anhui Province with total mileage of 84km constructed in two phases. The Xuanzhou- Guangde section, which is about 67km long, was opened to traffic in September 1997. Xuanzhou south ring road is a 17km long expressway, which links Xuanguang Expressway near Shuangqiao, Xuanzhou, and was opened to traffic in July 2001 and merged into the Company in August 2003. This expressway starts from Xuanzhou in Anhui Province and ends near Jiepai, Guangde in Anhui Province and forms part of the National Trunk 318 extending from Shanghai to Nyalam in Tibet. National Trunk 318 is a key transport artery, linking the coastal regions with the inland and the western boarder of the PRC.

Appendix

Guangci Expressway (G50 Huyu Expressway Guangci Section)

Guangci Expressway is an important part of Hefei-Hangzhou Highway, as well as a significant component of “one of the horizontal roads” designed in the highway network of Anhui province - “two roads along the rivers, three vertical roads, six horizontal roads and nine roads between cities”. The 14km-long route starts from Xuanguang Expressway, and stretches all the way to Cishangang-Jiepai Expressway which has been open to traffic with its whole length within the territory of Guangde County. Guangci Expressway is an inter-provincial highway connecting Hefei to Hangzhou, Shanghai, Jiangsu to Mount Huangshan and Hangzhou, which plays an important role in promoting the opening up and development as well as the economic growth of southern region of Anhui province, and in strengthening the cooperation and exchange among Anhui, Jiangsu, Zhejiang and Shanghai provinces.

Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section)

Lianhuo Expressway Anhui Section is a 54km long dual carriage four-lane expressway, part of the “Two Verticals and Two Horizontals” National Trunk between Lianyungang in Jiangsu and Korgas in Xinjiang. Connecting with the highways located in Henan and Jiangsu Province and the expressways between Beijing and Fuzhou, it plays an important role in China’s politics, economy, military affairs and National Truck Networks.

Ningxuanhang Expressway Anhui Section

Ningxuanhang Expressway is a 117km long dual carriage four-lane expressway with asphalt concrete road surface, which starts at Jinshankou at the border between Anhui and Jiangsu, passing through Xuancheng and Ningguo, terminates at Qianqiuguan at the boarder between Anhui and Zhejiang. This expressway forms an important part of the “Four Verticals and Eight Horizontals” of expressway network in Anhui Province, which is the tie communicating Anhui and Zhejiang and linking two big economic regions of Nanjing and Hangzhou. This expressway is planned to be constructed by three sections, the first is Xuancheng to Ningguo section with a total length of 46 km, the second is Gaochun to Xuancheng section with a total length of 31 km and the third is Ningguo to Qianqiuguan section with a total length of 40 km.

Anqing Yangtze River Expressway Bridge

Anqing Yangtze River Expressway Bridge starts from the Dadukou interchangehub in the south, crossing the Yangtze River waterway and ends at Longmianshan South Road in the north. The total length of the line is 5,985.66 metres, and the main bridge is 1,040 metres. The bridge is designed as a two-way four-lane highway. It is one of the important projects listed in the Plan for Layout of Pathways Crossing the Mainline of Yangtze River (2020–2035) by the National Development and Reform Commission of the PRC. The Anqing Bridge connects Dongzhi County of Chizhou City and Yixiu District of Anqing City. The Anqing Bridge borders Anqing-Dongzhi Expressway (S27 in the Anhui expressway network) to the south, Hefei-Anqing Expressway (G42 in the national expressway network) to the north, with Shanghai-Chongqing Expressway (G50 in the national expressway network) passing through. The Anqing Bridge is an important part of the “four lengthwise expressways (四縱)” of the “four lengthwise and eight transverse (四縱八橫)” expressway network in Anhui Province as well as the transportation hub of He’an Expressway and Anjing Expressway (Anqing-Jingdezhen), connecting the Beijing-Tianjin-Hebei region, the Central Henan City Cluster, the middle reaches of Yangtze River City Cluster, the Pearl River Delta City Cluster and the Western Taiwan Straits City Cluster.

Yuewu Expressway Anhui section

Yuewu Expressway Anhui section begins at the Liuqian Expressway with the total length of 46.26 kilometres, ending at the Dafengshu Mountain at the provincial boundary between Anhui Province and Hubei Province, bridging the Wuying Expressway in Hubei Province. It adopts a two-way four-lane expressway standard. Passing through the hinterland of Dabie Mountain, there are 10 tunnels and 33 bridges, with a bridge-to-tunnel ratio of 57.2%. This project was appraised as the 2015 “Green Highway” thematic project by the Ministry of Transport of the PRC. Yuewu Expressway is an important part of the Lishui-Wuhan Expressway as planned by the Central Government of the PRC. It is an express route connecting the central and eastern regions of China, and also one of the most convenient inter-provincial regional main lines connecting Anhui Province and Hubei Province. It was awarded the title of “Safe Transportation” demonstration project in 2015.

II. TOLL RATES FOR EXPRESSWAYS

(I) Toll Rates for Expressways (Ninghuai Expressway Tianchang Section excluded)

1. Toll Rates for Passenger Vehicles

Use the current toll rates for passenger vehicles. In accordance with the relevant regulations on the classification of passenger vehicles in “Vehicle classification of the toll for highway”, the 8 and 9 passenger vehicles had been adjusted from “type 2” to “type 1”, and had implemented the charging standard of class 1 buses.

Passenger Vehicles type	Vehicles classification	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	Microbus, minibus	≤9	0.45
Type 2	medium bus	10–19	
	passenger/car trailer combination	–	0.8
Type 3		≤39	1.1
Type 4	motorbus	≥40	1.3

2. Toll Rates for Goods vehicles

Vehicle type classification	JT/T489–2019 Standard of Classification	Toll rates (RMB/km)
Type 1	With 2 axles, the vehicles length is less than 6000mm and the maximum allowable total mass is less than 4500kg	0.45
Type 2	With 2 axles, the vehicles length is not less than 6000mm or the maximum allowable total mass is not less than 4500kg	0.90
Type 3	With 3 axles	1.35
Type 4	With 4 axles	1.70
Type 5	With 5 axles	1.85
Type 6	With 6 axles	2.20

For goods vehicles with more than six axles, on the basis of the toll rates for goods vehicles of type 6, the toll rates shall be determined according to a factor of 1.1 for each additional axle; the toll rates for goods vehicles with 10 axles and above shall be implemented according to the toll rates for goods vehicles with 10 axles.

Appendix

3. Toll Rates for Special Motor Vehicle

The toll rates for expressway special motor vehicle shall be charged according to the toll rates for the same type of goods vehicles.

(II) Toll Rates for Ninghuai Expressway Tianchang Section (charged according to the toll rates of Jiangsu Province)

1. Toll Rates for Passenger vehicles

Passenger Vehicles type	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	≤9	0.45
Type 2	10–19	0.675
Type 3	20–39	0.90
Type 4	≥40	0.90

2. Toll Rates for Goods vehicles

Goods vehicles type	Total axles (including suspension axle)	Length and maximum allowable total mass	Toll rates (RMB/vehicle km)
Type 1	2	The vehicle length is less than 6000mm and the maximum allowable total mass is less than 4500kg	0.45
Type 2	2	The vehicle length is not less than 6000mm or the maximum allowable total mass is not less than 4500kg	1.05
Type 3	3		1.57
Type 4	4		1.90
Type 5	5		1.94
Type 6	6		2.32

(III) Toll Rates for Standard Highways**1. Toll Rates for Passenger Vehicles of the New Tianchang Section of National Trunk 205**

Passenger Vehicles	Vehicles classification	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	Microbus,minibus	≤9	10
Type 2	medium bus passenger/car trailer combination	10–19 –	
Type 3	motorbus	≤39	12
Type 4		≥40	24

2. Toll Rates for Goods vehicles of the New Tianchang Section of National Trunk 205

Vehicle type classification	JT/T489–2019 Standard of Classification	Toll rates (RMB/vehicle per trip)
Type 1	With 2 axles, the vehicle length is less than 6000mm and the maximum allowable total mass is less than 4500kg	10
Type 2	With 2 axles, the vehicle length not be less than 6000mm or the maximum allowable total mass not be less than 4500kg	20
Type 3	With 3 axles	30
Type 4	With 4 axles	40
Type 5	With 5 axles	50
Type 6	With 6 axles	60

For goods vehicles with more than six axles, on the basis of the toll rates for goods vehicles of type 6, the toll rates shall be RMB10 per vehicle per trip; the toll rates for goods vehicles with 10 axles and above shall be implemented according to the toll rates for goods vehicles with 10 axles.

Appendix

(IV) Additional toll standards for extra-large bridges/tunnels (charged according to vehicle (axle) type classification, effective from 0:00 a.m 1 January 2020)

According to the Notice of the Anhui Department of Transport, Anhui Development and Reform Commission and Anhui Department of Finance on the Issuance of the Adjustment Plan of Vehicle Toll Method for Toll Roads in Anhui Province (Wan Jiao Lu [2019] No. 144), "Grand bridges and tunnels on motorways with bridge lengths greater than 1,000 metres and tunnel lengths greater than 3,000 metres will be subject to additional tolls. The additional charge is calculated by the proportion of the actual mileage of the vehicle in that motorway project to the total mileage of the road, and is collected per vehicle per trip by type together with the motorway toll." Taking into account the actual tolling of the project, the Lixuan Expressway and the Anhui section of the Yuewu Expressway are each subject to an additional toll for one grand bridge and tunnel.

– The additional toll rates applicable to Lixuan Expressway and Yuewu Expressway Anhui Section

Vehicle type classification	JT/T489–2019 Standard of Classification			Additional Toll Rates (RMB/vehicle per trip)
	Passenger Vehicles (Vehicles classification and Approved passengers capacity)		Goods vehicles	
Type 1	Microbus	≤9	With 2 axles, the vehicle length is less than 6000mm and the maximum allowable total mass is less than 4500kg	10
Type 2	medium bus	10–19	With 2 axles, the vehicle length is not less than 6000mm or the maximum allowable total mass is not less than 4500kg	15
Type 3	passenger/	–		
Type 4	car trailer	–		
Type 5	combination	–		
Type 3	motorbus	≤39	3 axles	20
Type 4		≥40	4 axles	25
Type 5	–	–	5 axles	30
Type 6	–	–	6 axles	30

Goods vehicles of type 5 or above shall be implemented to charge according to the additional toll rates for type 5.

(V) Toll Rates for the Yangtze river highway bridges**– Toll Rates for Anqing Yangtze river highway bridges**

Passenger Vehicles	Vehicles classification	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	Microbus,minibus	≤9	20
Type 2	medium bus passenger/cartrailer combination	10–19 –	40
Type 3	motorbus	≤39	60
Type 4		≥	80

– Toll Rates for Goods vehicles of Anqing Yangtze river Expressway Bridges

Vehicle type classification	Standard of Classification	Toll rates (RMB/time)
Type 1	With 2 axles. The length of the vehicle is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	20
Type 2	With 2 axles. The length of the vehicle is not less than 6,000mm or the maximum allowable total mass is not less than 4,500kg	30
Type 3	With 3 axles	45
Type 4	With 4 axles	70
Type 5	With 5 axles	75
Type 6	With 6 axles	100

For trucks with more than six axles: based on the charging standard for Class 6 trucks, for each additional axle, the charging standard is determined by a factor of 1.1. For trucks with 10 axles and above, the charging standard for trucks with 10 axles shall be adopted according to the standard for trucks with 10 axles

Appendix

INFORMATION DISCLOSURE INDEX

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H share announcement-Change of employee representative supervisor		5 January 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-001	Announcement on Change of employee representative supervisor	China Securities Journal, The Shanghai Securities News.	6 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Appointment of deputy general manager		12 January 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-002	Announcement on resolutions of the 16th meeting (extraordinary meeting) of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	13 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-003	Announcement on appointment of deputy general manager	China Securities Journal, The Shanghai Securities News.	13 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Delay in despatch of circular		21 January 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-004	Announcement on the questions relating to payment of tolls for wan R and wan H licences small passenger cars passing through Anqing Yangtze river highway bridge	China Securities Journal, The Shanghai Securities News.	25 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-005	Announcement of resolutions of the seventeenth meeting of the ninth board of directors	China Securities Journal, The Shanghai Securities News.	28 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-006	Announcement on 2021 annual performance forecast	China Securities Journal, The Shanghai Securities News.	28 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Notice of extraordinary general meeting		28 January 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-007	Notice of the 2022 first extraordinary general meeting	China Securities Journal, The Shanghai Securities News.	29 January 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Voting results at the extraordinary general meeting held on 25 February 2022		25 February 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-008	Announcement on resolutions of the 2022 First Extraordinary General Meeting of Shareholders	China Securities Journal, The Shanghai Securities News.	26 February 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn

Appendix

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
Lin 2022-009	Announcement on the progress of acquisition of overseas assets by the company jointly established by the company and the parties to the consortium	China Securities Journal, The Shanghai Securities News.	11 March 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Voluntary announcement - Announcement of progress of the transaction relating to the formation of a joint venture by the company and members of the consortium for the acquisition of overseas assets		11 March 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement-Date of board meeting		14 March 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement - 2021 annual results announcement		28 March 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Proposed change of auditors		28 March 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-010	Announcement on resolutions of the 19th meeting of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	29 March 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-011	Announcement on resolutions of the 14th meeting of the 9th session of the supervisory committee	China Securities Journal, The Shanghai Securities News.	29 March 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-012	Announcement on the 2021 annual profit distribution plan	China Securities Journal, The Shanghai Securities News.	29 March 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-013	Announcement of estimated ordinary connected transactions of 2022	China Securities Journal, The Shanghai Securities News.	29 March 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-014	Announcement on change of accounting firm	China Securities Journal, The Shanghai Securities News.	29 March 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Final dividend for the year ended 31 December 2021		29 March 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-015	Announcement on the progress of participation in the investment of Anhui traffic control investment industrial fund phase ii and signing of supplementary agreement	China Securities Journal, The Shanghai Securities News.	8 April 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
Lin 2022-016	Announcement on holding the 2021 annual performance briefing	China Securities Journal, The Shanghai Securities News.	14 April 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Notice of the 2021 annual general meeting		14 April 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement-Date of board meeting		14 April 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-017	Notice of 2021 annual general meeting	China Securities Journal, The Shanghai Securities News.	15 April 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2022-018	Announcement on the convening of the 2021 annual performance briefing	China Securities Journal, The Shanghai Securities News.	22 April 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Announcement - Continuing connected transaction: operating rights lease agreement		29 April 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Voting results at annual general meeting held on 20 may 2022		20 May 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Final Dividend for the year ended 31 December 2021		20 May 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-019	Announcement of the resolutions of the 2021 annual general meeting	China Securities Journal, The Shanghai Securities News.	21 May 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Announcement - continuing connected transactions: sewage treatment works contracts		15 June 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Announcement - continuing connected transactions: service areas "toilets revolution" special upgrading work		15 June 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Announcement - continuing connected transaction: entrusted operation management agreement		22 June 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Change of company secretary and authorized representative and change of secretary to the board		30 June 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Appendix

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
Lin 2022-020	Announcement on resolutions of the 21th meeting of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	1 July 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-021	Announcement on Change of secretary to the board and company secretary and authorized representative	China Securities Journal, The Shanghai Securities News.	1 July 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-022	Announcement of implementation of 2021 dividend distribution plan	China Securities Journal, The Shanghai Securities News.	13 July 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Announcement - connected transaction: general contracting agreement for building maintenance and new alteration works		10 August 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Change of deputy general manager		11 August 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-023	Announcement on resolutions of the 22th meeting of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	12 August 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-024	Announcement on Change of the senior management	China Securities Journal, The Shanghai Securities News.	12 August 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement-Date of board meeting		12 August 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Announcement of interim results for the six months ended 30 June 2022		28 August 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-025	Announcement on resolutions of the 23th meeting of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	29 August 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-026	Announcement on resolutions of the 16th meeting of the 9th session of the Supervisory Committee	China Securities Journal, The Shanghai Securities News.	29 August 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
Lin 2022-027	Announcement on the conversion of debts into capital reserve of Ningxuanhang Company and related party transaction	China Securities Journal, The Shanghai Securities News.	29 August 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-028	Announcement on authorization to purchase and entrust financial management	China Securities Journal, The Shanghai Securities News.	29 August 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-029	Announcement on participating in 2022 investor collective reception day of listed companies in Anhui province	China Securities Journal, The Shanghai Securities News.	3 September 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-030	Announcement in relation to the subscription of REITs of Anhui Transportation Holding Yanjiang Expressway by the Company and related party transaction	China Securities Journal, The Shanghai Securities News.	22 September 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Notice of extraordinary general meeting		28 September 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-031	Notice of the 2022 second extraordinary general meeting	China Securities Journal, The Shanghai Securities News.	29 September 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Official Reply on the Toll Operation Period of Liqiao-Xuancheng Section of Ningxuanhang Expressway		30 September 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-032	Announcement on the toll Operation Period of Liqiao-Xuancheng Section of Ningxuanhang Expressway	China Securities Journal, The Shanghai Securities News.	1 October 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement-Date of board meeting		17 October 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Voting results at the extraordinary general meeting held on 19 October 2022		19 October 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Voluntary announcement - update on subscription of interests in the fund		19 October 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin2022-033	Announcement on resolutions of the 2022 second extraordinary general meeting of shareholders	China Securities Journal, The Shanghai Securities News.	20 October 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
Lin2022-034	Progress announcement in relation to the subscription of REITs of Anhui Transportation Holding Yanjiang Expressway by the Company	China Securities Journal, The Shanghai Securities News.	20 October 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Announcement - connected transactions: design and construction general contracting agreements for renovation and upgrading of traffic safety facilities		26 October 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin2022-035	Announcement on resolutions of the 25th meeting of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	29 October 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Announcement - connected transaction: subscription of interests in the fund		2 November 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-036	Progress announcement in relation to the subscription of REITs of Anhui Transportation Holding Yanjiang Expressway by the Company	China Securities Journal, The Shanghai Securities News.	3 November 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement- Announcement - proposed amendments to the articles of association and the rules of procedures		9 November 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-037	Announcement on resolutions of the 26th meeting (extraordinary meeting) of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	10 November 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin2022-038	Announcement on resolutions of the 19th meeting (extraordinary meeting) of the 9th session of the Supervisory Committee	China Securities Journal, The Shanghai Securities News.	10 November 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin2022-039	Announcement of amendment of articles of association	China Securities Journal, The Shanghai Securities News.	10 November 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Supplemental announcement - connected transaction: subscription of interests in the fund		10 November 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

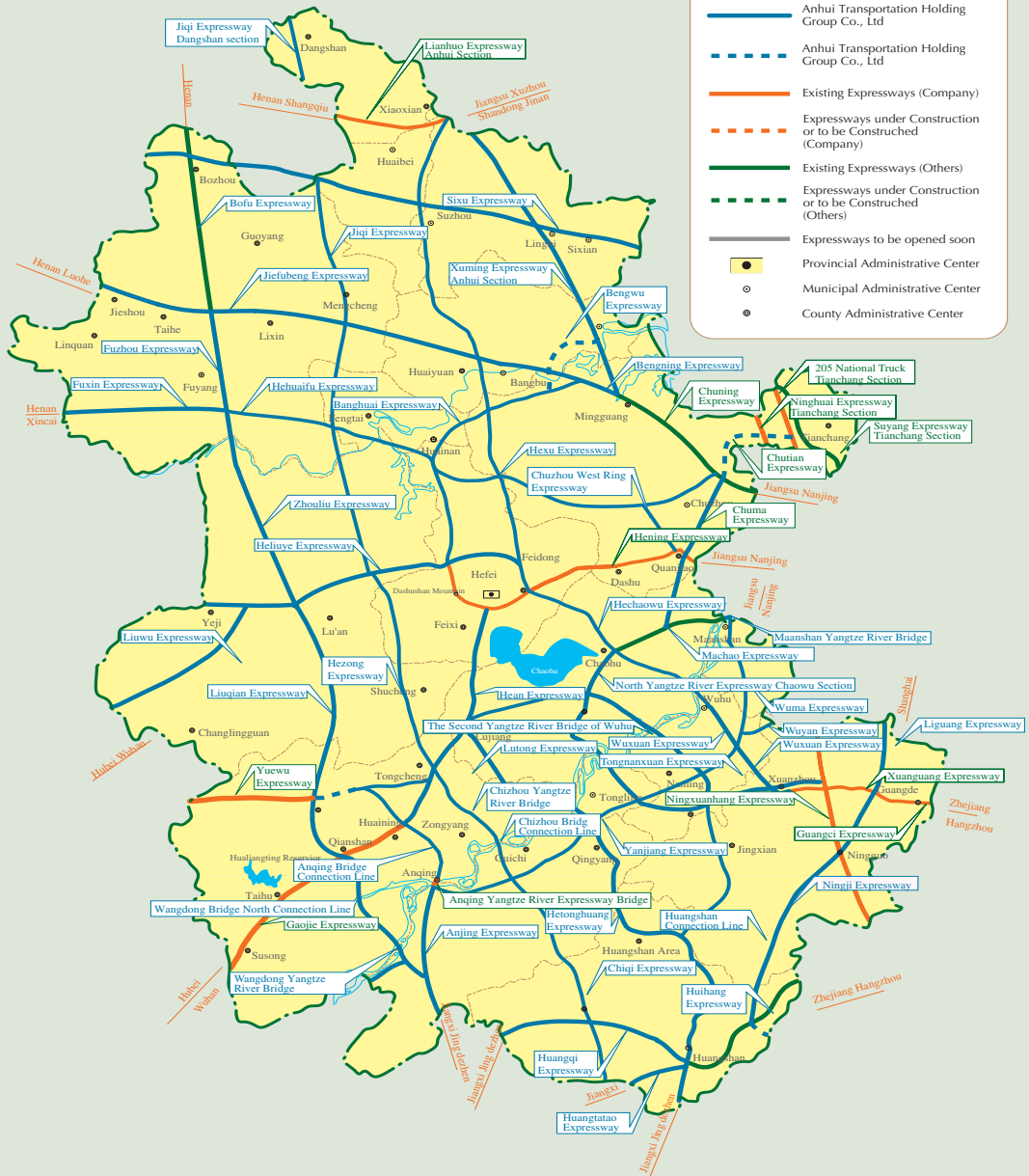
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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
Lin2022-040	Progress announcement in relation to the subscription of REITs of Anhui Transportation Holding Yanjiang Expressway by the Company	China Securities Journal, The Shanghai Securities News.	15 November 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement-Notice of the 2022 third extraordinary general meeting		18 November 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin2022-041	Notice of the 2022 third extraordinary general meeting	China Securities Journal, The Shanghai Securities News.	19 November 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin2022-042	Announcement on completion of liquidation and cancellation of registration of holding subsidiaries	China Securities Journal, The Shanghai Securities News.	7 December 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement- Voting results at the extraordinary general meeting held on 19 October 2022		8 December 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-043	Announcement on resolutions of the 2022 third extraordinary general meeting of shareholders	China Securities Journal, The Shanghai Securities News.	9 December 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H share announcement-Announcement - continuing connected transaction: lease of operating rights of gas stations		30 December 2022	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-044	Announcement on resolutions of the 27th meeting of the 9th session of the board of directors	China Securities Journal, The Shanghai Securities News.	31 December 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2022-045	Announcement on resolutions of the 20th meeting (extraordinary meeting) of the 9th session of the Supervisory Committee	China Securities Journal, The Shanghai Securities News.	31 December 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin2022-046	Announcement on the Changes in Accounting Estimates	China Securities Journal, The Shanghai Securities News.	31 December 2022	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

National Trunk Highways



The Map of the Highway Network of Anhui Province



Legend

- Anhui Transportation Holding Group Co., Ltd
- - - Anhui Transportation Holding Group Co., Ltd
- Existing Expressways (Company)
- - - Expressways under Construction or to be Constructed (Company)
- Existing Expressways (Others)
- - - Expressways under Construction or to be Constructed (Others)
- Expressways to be opened soon
- Provincial Administrative Center
- ⊙ Municipal Administrative Center
- ⦿ County Administrative Center



Anhui Expressway Company Limited

