



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 00177)



# 2023 Interim Report

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Documents Available for Inspection	<p>A copy of the interim report signed by the Chairman</p> <p>Financial statements signed and sealed by the legal representative, person in charge of the accounting work, and chief accountant</p> <p>Original copies of all documents and announcements of the Company published in the press designated by the CSRC during the Reporting Period</p> <p>Articles of Association</p> <p>Copies of interim reports released on other stock exchanges</p>
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## Important Notice

- I. The Board of Directors (the "Board"), the Supervisory Committee, and the Directors, Supervisors and senior management of the Company warrant that the contents of this interim report are true, accurate and complete and that there are no false representations, misleading statements contained in, or material omissions from, this report, and they jointly and severally accept responsibility in respect thereof.
- II. All Directors attended the Board meeting.
- III. This interim report is unaudited. The Audit Committee consists of three independent non-executive Directors and one non-executive Director. The Audit Committee held a meeting on 24 August 2023 to consider and review the interim report and interim financial statements of the Group and resolved to submit its observations and recommendations to the Board. The Audit Committee considers that the Company's interim report and interim financial statements for 2023 are in compliance with the applicable accounting standards (i.e. PRC accounting standards) and the Company has made proper disclosure of the same.
- IV. Chen Yunjiang, the person in charge of the Company, Chen Jinjia, the person in charge of the accounting work, and Yao Qunfang, the chief accountant (head of the accounting department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this interim report.
- V. Proposal of profit distribution or proposal of capitalisation of capital reserve for the Reporting Period as approved by the Board of Directors  
Not Applicable
- VI. Risk warning for forward-looking statements  
 Applicable     Not Applicable  
 Forward-looking statements in this interim report which involve development strategies and future plans do not constitute actual commitments of the Company to investors. There may be differences between the future actual results of the Company and these forward-looking statements. Investors and related parties are advised to keep sufficient risk awareness in this regard, and understand the difference among plans, predictions and commitments.
- VII. Whether there is any misappropriation of the Company's funds by the Controlling Shareholder and its related parties for non-operational purpose  
No
- VIII. Whether the Company has provided any guarantee to external parties in violation of the required decision making process?  
No
- IX. Whether the majority of the Directors are unable to warrant the truthfulness, accuracy and completeness of the interim report as disclosed herein by the Company  
No
- X. Major risk alert  
Not Applicable
- XI. Others  
 Applicable     Not Applicable  
 Unless otherwise specified, the financial figures contained in this interim report are expressed in RMB. In this report, figures shown as totals may not be an arithmetic aggregation of the figures preceding them, which are due to rounding adjustments.

## SECTION I DEFINITIONS

In this report, unless the context otherwise requires, the following terms shall have the meanings as follows:

### DEFINITIONS OF COMMONLY USED TERMS

Company	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
Group	the Company and its subsidiaries
Controlling Shareholder, or Jiangsu Communications Holding	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司)
Ningchang Zhenli Company	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)
Ninghu International Company	Jiangsu Expressway International (Hong Kong) Company Limited (江蘇寧滬國際(香港)有限公司)
Yangtze River Management Company	Jiangsu Yangtze River Expressway Management Co., Ltd. (江蘇揚子江高速通道管理有限公司)
Ninghu Investment Company	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)
Factoring Company	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)
Ninghu Properties Company	Jiangsu Ninghu Properties Co., Ltd. (江蘇寧滬置業有限責任公司)
Hanwei Company	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)
Yangtze Commerce and Energy Company	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)
Guangjing Xicheng Company	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)
YS Energy Company	Jiangsu Yunshan Green Company Investment Holding Company Limited (江蘇雲杉清潔能源投資控股有限公司)

## SECTION I DEFINITIONS

YS Energy Group	YS Energy Company, together with its 10 subsidiaries and 3 investee companies
YS Capital	Jiangsu Yunshan Capital Management Co., Ltd. (江蘇雲杉資本管理有限公司)
Nantong Tiandian Company	Nantong Tiandian Xinxing Energy Co., Ltd. (南通天電新興能源有限公司)
Jiangsu Communications Holding Renewable Energy Jiangsu Company	Jiangsu Communications Holding Renewable Energy Jiangsu Co., LTD. (江蘇交控清潔能源江蘇有限公司)
Three Gorges Nantong Company	Three Gorges New Energy Nantong Co., Ltd. (三峽新能源南通有限公司)
Rudong Company	Jiangsu Traffic Control Rudong Offshore Wind Power Co., Ltd. (蘇交控如東海上風力發電有限公司)
Tonghu Logistics Park	Jiangsu Tonghu Logistics Park Co., Ltd. (江蘇通湖物流園有限公司)
Suqian Company	Sujiaokong Clean Energy Suqian Co., Ltd. (蘇交控清潔能源宿遷有限公司)
Zhendan Company	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Wufengshan Toll Bridge Company	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Longtan Bridge Company	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
Yuexin Company	Jiangsu Yuexin Ninghu Gas Co., Ltd. (江蘇悅鑫寧滬天然氣有限公司) (previously known as Jiangsu Xiexin Ninghu Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司))
Kuailu Company	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)
Suzhou Expressway Company	Suzhou Expressway Management Company Limited (蘇州市高速公路管理有限公司)
Yangtze Bridge Company	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Hutong Bridge Company	Jiangsu Hutong Bridge Co., Ltd. (江蘇滬通大橋有限責任公司)

## SECTION I DEFINITIONS

Finance Company or Group Finance Company	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Communication and Media Company	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)
Digital Research Institute	Jiangsu Communications Holding Digital Transportation Research Institute Co., Ltd. (江蘇交控數字交通研究院有限公司)
Sundian or Xiandai R&B Company	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)
Network Operation Company	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Zijin Trust Company	Zijin Trust Co., Ltd. (紫金信託有限責任公司)
Yichang Company	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Suxichang South Expressway Company	Jiangsu Suxichang South Expressway Co., Ltd. (江蘇蘇錫常南部高速公路有限公司)
Nanlin Hotel Company	Suzhou Jinling Nanlin Hotel Co., Ltd. (蘇州金陵南林飯店有限責任公司)
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Jiangsu Leasing Company or Jiangsu Financial Leasing Company	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Railway Group Company	Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司)
Tongxingbao Company	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技股份有限公司)
Jinghu Company	Jiangsu Jinghu Expressway Company Limited (江蘇京滬高速公路有限公司)
Expressway Petroleum Company or Expressway Energy Company	Jiangsu Expressway Energy Development Co., Ltd. (江蘇高速公路能源發展有限公司) (formerly known as Jiangsu Expressway Petroleum Development Co., Ltd.(江蘇高速公路石油發展有限公司))

## SECTION I DEFINITIONS

Taixing Oil Products Company	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
Far East Shipping Company	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)
Information Company	Jiangsu Expressway Information Engineering Co., Ltd. (江蘇高速公路信息工程有限公司)
Maintenance Technology Company	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Engineering Maintenance Company	Jiangsu Expressway Engineering Maintenance Company Limited (江蘇高速公路工程養護有限公司)
Human Resources Company	Jiangsu Communications Holding Human Resources Development Co., Ltd. (江蘇交控人力資源發展有限公司) (formerly known as Jiangsu Communications Holding Training Co., Ltd. (前稱江蘇交控培訓有限公司))
East Road & Bridge Company	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
Communications Holding Commercial Operation Company	Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司)
Xitai Company or Xitai Tunnel Company	Jiangsu Xitai Tunnel Company Limited (江蘇錫泰隧道有限責任公司)
Cuipingshan Hotel	Jiangsu Cuipingshan Hotel Management Co., Ltd. (江蘇翠屏山賓館管理有限公司)
Luode Fund Company	Jiangsu Luode Equity Investment Fund Management Company Limited (江蘇洛德股權投資基金管理有限公司)
Zhongbei Zhiyuan Fund	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))
Luode Huizhi Fund	Nanjing Luode Huizhi Equity Investment Partnership (Limited Partnership) (南京洛德匯智股權投資合夥企業(有限合夥))
Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Ninghang Cultural Tourism Company	Jiangsu Ninghang Cultural Tourism Development Co., Ltd. (江蘇寧杭文化旅遊發展有限公司)

## SECTION I DEFINITIONS

Husuzhe Company	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Engineering Company	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限責任公司)
Sundian Testing Company	Jiangsu Sundian Engineering Testing Co., Ltd. (江蘇現代工程檢測有限責任公司)
Micro Video Company	Nanjing Micro Video Technology Company Limited (南京感動科技有限公司)
Tongchang Real Estate Investment Company	Jiangsu Tongchang Real Estate Investment Co., Ltd. (江蘇通昌置業投資有限公司)
Zhangjinggao Company	Jiangsu Zhangjinggao Bridge Co., Ltd. (江蘇張靖皋大橋有限責任公司)
CDB Kai Yuan Phase II Fund	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership) (蘇州工業園區國創開元二期投資中心(有限合夥))
PPP	Public-Private-Partnership, which is a mode of cooperation between the government and social capital
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	Jiangyin Yangtze Bridge
Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhuang Hub-Changzhou South Interchange Expressway

## SECTION I DEFINITIONS

Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Wuxi North Hub-Yixing Xiwu Hub Expressway
Wuxi Huantaihu Expressway	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Toll Bridge	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
Suxichang Expressway	Changzhou Qianhuang Hub – Wuxi Nanquan Hub
Longtan Bridge North Connection Project	the project of Shanghai-Shaanxi Expressway of Yizheng-Lukou Airport Expressway to the North Embankment Section of Yangtze River
Xiyi Expressway South Section Widening Project	the widening project of Xueyan Hub-Xiwu Hub section of Wuxi-Yixing Expressway
ROE	return on equity, calculated as $ROE = \text{net profit}/\text{net equity}$
Reporting Period	the period from 1 January 2023 to 30 June 2023
Year-on-year	as compared with the same period of 2022
CSRC	China Securities Regulatory Commission
SFC	the Securities and Futures Commission of Hong Kong
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Shares	RMB-denominated ordinary shares issued by the Company and listed on the SSE



## SECTION I DEFINITIONS

H Shares	overseas-listed foreign shares issued by the Company and listed on the Stock Exchange
ADR	Level 1 depositary receipts of the Company listed and traded in the over-the-counter market in the United States
Listing Rules	Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	Accounting Standards for Business Enterprises and Relevant Provisions promulgated by the Ministry of Finance of the People's Republic of China
KPMG or Auditors	KPMG Huazhen LLP
Corporate Governance Code	the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules



## SECTION II COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

### 1. CORPORATE INFORMATION

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

### 2. CONTACT PERSONS AND CONTACT DETAILS

	<b>Secretary to the Board</b>	<b>Representatives of securities affairs</b>
Name	Chen Jinjia (acting)	Tu Jun
Contact address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Telephone	8625-84362700-301838	8625-84362700-301835
Fax	8625-84207788	8625-84466643
Email	jsnh@jsexpwy.com	tujun@jsexpwy.com

### 3. CHANGE OF BASIC INFORMATION

Registered address of the Company	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Changes of the registered address of the Company – in the past	–
Business address of the Company	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Postal code of the Company's business address	210049
Website of the Company	<a href="http://www.jsexpressway.com">http://www.jsexpressway.com</a>
Email	jsnh@jsexpwy.com
Enquiry indexes for changes during the Reporting Period	–

### 4. CHANGE OF PLACES FOR DISCLOSURE AND INSPECTION OF INFORMATION

Designated Media for Information Disclosure	China Securities Journal, Securities Times and Shanghai Securities News
Websites Designated for Publication of Interim Reports	<a href="http://www.sse.com.cn">www.sse.com.cn</a> <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> <a href="http://www.jsexpressway.com">www.jsexpressway.com</a>
Interim Report Available at	Shanghai Stock Exchange, 528 Pudong Road South, Shanghai, the PRC; Hong Kong Registrars Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; Hong Kong registered address of the Company, 17/F, One Island East, Taikoo Place, No. 18 Westlands Road, Quarry Bay, Hong Kong; Headquarters of the Company, 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Enquiry indexes for changes during the Reporting Period	–

## SECTION II COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## 5. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock exchange of listing	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	寧滬高速	600377	–
H Shares	The Stock Exchange of Hong Kong Limited	Jiangsu Express	00177	–
ADR	United States	JEXYY	477373104	–

## 6. OTHER RELEVANT INFORMATION

Applicable  Not Applicable

## 7. KEY ACCOUNTING DATA AND PRINCIPAL FINANCIAL INDICATORS

## (I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	The Reporting Period (January–June)	Corresponding period of the previous year		Increase/decrease in the Reporting Period as compared to the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Operating revenue	<b>7,136,011,953.47</b>	4,875,399,621.13	4,553,627,185.10	46.37
Net profit attributable to the shareholders of the Company	<b>2,481,895,375.62</b>	1,828,611,453.21	1,748,339,678.13	35.73
Net profit attributable to the shareholders of the Company net of non-recurring profit or loss	<b>2,348,162,479.70</b>	1,691,952,952.90	1,628,796,407.56	38.78
Net cash flow from operating activities	<b>3,630,954,437.28</b>	<b>2,323,712,815.35</b>	<b>2,168,829,015.43</b>	<b>56.26</b>

## SECTION II COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## 7. KEY ACCOUNTING DATA AND PRINCIPAL FINANCIAL INDICATORS (CONTINUED)

## (I) Key accounting data (Continued)

	As at the end of the Reporting Period	As at the end of the previous year		Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)
		After adjustment	Before adjustment	
Net assets attributable to the shareholders of the Company	<b>32,209,573,562.07</b>	31,940,807,710.11	31,940,807,710.11	0.84
Total assets	<b>79,787,685,491.34</b>	<b>78,458,345,074.07</b>	<b>78,458,345,074.07</b>	<b>1.69</b>

## (II) Principal financial indicators

Principal financial indicators	The Reporting Period (January–June)	Corresponding period of the previous year		Increase/decrease in the Reporting Period as compared to the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Basic earnings per share ( <i>yuan/share</i> )	<b>0.4927</b>	0.3630	0.3470	35.73
Diluted earnings per share ( <i>yuan/share</i> )	<b>0.4927</b>	0.3630	0.3470	35.73
Basic earnings per share net of non-recurring profit or loss ( <i>yuan/share</i> )	<b>0.4661</b>	0.3359	0.3233	38.76
Weighted average return on net assets (%)	<b>7.47</b>	5.49	5.55	Increased by 1.98 percentage points
Weighted average return on net assets net of non-recurring profit or loss (%)	<b>7.08</b>	5.09	5.18	Increased by 1.99 percentage points

Note: The Company had no dilutive potential ordinary shares during the Reporting Period, thus the diluted earnings per share were the same as basic earnings per share.

## SECTION II COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

### 7. KEY ACCOUNTING DATA AND PRINCIPAL FINANCIAL INDICATORS (CONTINUED)

#### (II) Principal financial indicators (Continued)

Explanation of reasons for retrospective adjustment or restatement:

As approved at the 2021 annual Shareholders' Meeting, the Company acquired 100% equity interest in YS Energy Company at RMB2,457,000,000. The transfer of equity interest in YS Energy Company and the registration of industrial and commercial changes were completed in July 2022. As both the Company and YS Energy Company were controlled by Jiangsu Communications Holding before and after the Company's acquisition of 100% equity interest in YS Energy Company and such control was not temporary, the Company consolidated YS Energy Company in accordance with the PRC Accounting Standards and made corresponding retrospective adjustments to the comparative statement data of the previous period.

Explanations on the key accounting data and financial indicators of the Company

Applicable  Not Applicable

During the Reporting Period, due to the impact of factors including the increase in the traffic flow of the operating road network, the operating revenue from principal business of road and bridge operations increased correspondingly, the gross operating profit of the road and bridge toll business and service area ancillary business recorded a year-on-year increase, and the operating performance of the associates engaged in road and bridge operations increased, which led to the year-on-year increase in the Company's operating revenue, net profit attributable to the shareholders of the Company, net profit attributable to the shareholders of the Company net of non-recurring profit or loss, basic earnings per share, basic earnings per share net of non-recurring profit or loss and net cash flow from operating activities.

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

Applicable  Not Applicable



## SECTION II COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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

Applicable     Not Applicable

Unit: Yuan    Currency: RMB

Items of non-recurring profit or loss	Amount	Note (if applicable)
Gain or loss from disposal of non-current assets	4,789,530.84	
Government grants included in profit or loss of the period (excluding those that are closely related to the ordinary operations of the Company and granted in compliance with national policies and regulations or subject to fixed amounts or fixed quantity under certain standards)	11,806,394.00	Mainly the recognition of the compensation and deductible portion of value-added tax for construction of Ningchang Expressway and grants concerning the construction of project for transformation of expressway toll stations at provincial boundaries during the Reporting Period.
Profit or loss from changes in fair values of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment gains from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than effective hedging activities related to ordinary business operations of the Company	145,489,738.00	Mainly the recognition of gain from changes in fair value of other non-current financial assets held by subsidiaries of approximately RMB75,602,000 (note), gain from dividends of CDB Kai Yuan Phase II Fund of approximately RMB31,971,000, and gain from short term bank wealth management products of approximately RMB37,916,000 during the Reporting Period.
Trustee fee income from entrusted operations	25,071,566.88	
Other non-operating income and expenses other than the aforesaid items	-2,654,584.33	Mainly the costs for repair of damaged road assets during the Reporting Period.
Less: Effects of income tax	46,125,661.35	
Effects attributable to minority interests (after tax)	4,644,088.12	
Total	133,732,895.92	

*Note:* During the Reporting Period, the recognition of gain from changes in fair value of other non-current financial assets held by subsidiaries was approximately RMB75,602,000, of which CDB Kai Yuan Phase II Fund was approximately RMB24,803,000, Zhongbei Zhiyuan Fund was approximately RMB32,000, Luode Huizhi Fund was approximately RMB17,496,000, convertible bonds of Jiangsu Leasing Company was approximately RMB31,940,000, and Fuanda Advantageous Growth Fund was approximately RMB1,331,000.

## SECTION II COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

### 9. ITEMS AND AMOUNTS OF NON-RECURRING PROFIT/LOSS (CONTINUED)

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

Applicable  Not Applicable

### 10. OTHERS

Applicable  Not Applicable



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY OVERVIEW AND PRINCIPAL OPERATIONS OF THE COMPANY DURING THE REPORTING PERIOD

Established on 1 August 1992 in the Jiangsu Province of the People's Republic of China, the Group is the only listed company in the road and bridge industry of Jiangsu Province. On 27 June 1997, the Group issued 1,222,000,000 H Shares which were listed on the Stock Exchange. On 16 January 2001, the Group issued 150,000,000 A Shares which were listed on the SSE. The Group established Level I American Depositary Receipt (ADR) Program on 23 December 2002, for trading in the over-the-counter market in the United States of America. As at the end of the Reporting Period, the total share capital of the Group comprised 5,037,747,500 shares with a par value of RMB1 each.

The Group is principally engaged in the investment, construction, operation and management of toll roads and bridges in Jiangsu Province and the development and operation of ancillary service areas along such expressways. Apart from the Jiangsu section of Shanghai-Nanjing Expressway, the Group also owns the entire or partial interests of other toll roads and bridges located in Jiangsu Province, including Ningchang Expressway, Zhenli Expressway, Guangjing Expressway, Xicheng Expressway, Xiyi Expressway, Zhendan Expressway, Yanjiang Expressway, Jiangyin Bridge, Sujiahang Expressway, Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge, etc. As at the end of the Reporting Period, 17 road and bridge projects were directly operated and invested by the Group, and over 910 kilometers of the roads and bridges open to traffic were owned or invested by the Group.

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

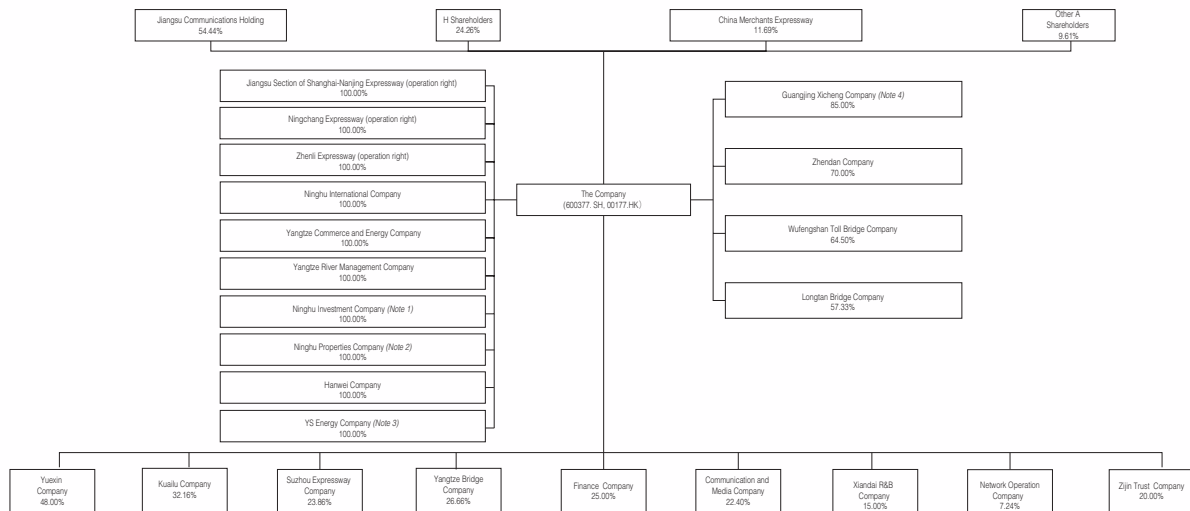
In addition, the Group is also actively exploring and venturing into transportation+, new energy business and financial industry that promotes production with finance, aiming to further enhance profitability and achieve sustainable development of the Group. As at the end of the Reporting Period, the Group directly owned seven wholly-owned subsidiaries, four holding subsidiaries and 15 associates and joint ventures, with total assets of the Company of approximately RMB79,788 million and net assets attributable to the shareholders of the Company of approximately RMB32,210 million.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY OVERVIEW AND PRINCIPAL OPERATIONS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

Core assets of the Group and subsidiaries directly controlled or invested by the Group are as follows:



**Note 1:** Ninghu Investment Company, a subsidiary of the Company, holds 100% equity interest in Factoring Company, 100% equity interest in Kunshan Feng Yuan Real Estate Development Co., Ltd. (崑山豐源房地產開發有限公司) and 39.00% equity interest in Luode Fund Company. Among them, in February 2023, Ninghu Investment Company, Jiangsu Communications Holding, YS Capital and Factoring Company signed an equity transfer agreement, pursuant to which Ninghu Investment Company would transfer its 100% equity interest in Factoring Company, of which 80% of the equity interest would be transferred to Jiangsu Communications Holding and 20% of the equity interest would be transferred to YS Capital. Upon completion of this transfer, the Company will no longer hold any equity interests in the Factoring Company and will no longer include it in the Company's consolidated financial statements. (In July 2023, Guangzhou Municipal Financial Regulatory Bureau granted approval for the change of shareholders of Factoring Company. As at the date of this report, Ninghu Investment Company had received the entire consideration for the transfer, being RMB346 million. All parties have completed the transfer and are in the process of handling the industrial and commercial changes registration.)

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

**Note 3:** YS Energy Company, a wholly-owned subsidiary of the Company, holds 100% equity interest in Sujiakong Clean Energy Xuzhou Co., Ltd. (蘇交控清潔能源徐州有限公司), 100% equity interest in Sujiakong New Energy Technology Fengxian Co., Ltd. (蘇交控新能源科技豐縣有限公司), 70% equity interest in Sujiakong Fengxian Renewable Energy Co., Ltd. (蘇交控豐縣再生能源有限公司), 100% equity interest in Sujiakong Clean Energy Tongshan Co., Ltd. (蘇交控清潔能源銅山有限公司), 100% equity interest in Sujiakong Fengxian Agricultural Science and Technology Co., Ltd. (蘇交控豐縣農業科技有限公司), 90% equity interest in Liyang Youke Energy Co., Ltd. (溧陽市優科能源有限公司), 100% equity interest in Jiangsu Communications Holding Renewable Energy Jiangsu Company, 72% equity interest in Rudong Company, 80% equity interest in Yancheng Yunshan Photovoltaic Power Company, Limited (鹽城雲衫光伏發電有限公司), 70% equity interest in Changzhou Jintanheyi New Energy Technology Co., Ltd. (常州金壇禾一新能源科技有限公司), 49% equity interest in Sujiakong Clean Energy Suqian Co., Ltd. (蘇交控清潔能源宿遷有限公司), 20% equity interest in Three Gorges Nantong Company (As approved at the seventeenth meeting of the tenth session of Board of Directors of the Company, it is agreed that YS Energy Company could acquire 4% equity interest (i.e. capital contribution of RMB73.6 million) held by Jiangsu Dongdian New Energy Technology Engineering Company Limited (江蘇東電新能源科技工程有限公司), an original shareholder of Three Gorges Nantong Company, at a consideration of RMB0. Upon completion of the equity transaction, the percentage of shareholding of YS Energy Company in Three Gorges Nantong Company will increase from 20% to 24%, and the registered capital will increase to RMB441.6 million. As of the date of this report, the equity acquisition is still in progress), 30% equity interest in Longyuan Donghai Wind Power Co., Ltd. (龍源東海風力發電有限公司) and 49% equity interest in Jiangsu Nengtou Xincheng Photovoltaic Power Co., Ltd. (江蘇能投新城光伏發電有限公司).

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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

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

Applicable     Not Applicable

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

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

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

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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 2. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

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

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

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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION

The year of 2023 is a crucial linking year for the implementation of the “14th Five-Year” plan in China. In the first half of 2023, China achieved a year-on-year GDP growth of 5.5%. With the overall economic recovery and improvement, there was a resurgence in transportation demand. Relying on the important strategic opportunities, the Group took the main business as the support and innovation as drive, resolutely pursuing the path of high-quality development. All tasks and works were promoted in a solid and orderly manner, leading to further improvement in operational efficiency.

As at the end of June 2023, the total assets of the Company amounted to approximately RMB79,788 million and the net assets attributable to shareholders of the Company amounted to approximately RMB32,210 million. During the Reporting Period, the Company’s operating revenue increased by approximately 46.37% year-on-year to approximately RMB7,136 million, total profits increased by approximately 41.83% year-on-year to approximately RMB3,216 million, net profit attributable to shareholders of the Company amounted to approximately RMB2,482 million and earnings per share amounted to approximately RMB0.4927. The operating net cash flow amounted to approximately RMB3,631 million and the weighted average return on net assets was 7.47%.

#### 1. Road and bridge operations

##### (i) Investment in main business.

**The construction of the Longtan Bridge and the North Connection Project was in order.** During the Reporting Period, approximately RMB351 million was invested in the construction of the Longtan Bridge project, with a accumulated investment of approximately RMB3,487 million, accounting for 55.76% of the total project investment. As a key project to connect the under-construction Longtan Bridge to the expressway network, the construction of the Longtan Bridge North Connection Project commenced in August 2022. During the Reporting Period, approximately RMB394 million was invested in the construction, with a accumulated investment of approximately RMB2,040 million, accounting for 29.21% of the total project investment. **The Xiyi Expressway South Section Widening Project was in steady progress.** The construction of the project commenced on 6 January 2023, and will be opened to traffic by the end of June 2026. During the Reporting Period, the investment in the construction of the Xiyi Expressway South Section Widening Project amounted to approximately RMB258 million, with a accumulated investment of approximately RMB875 million, accounting for 11.28% of the total project investment. The expansion will be able to greatly improve the capacity of Xiyi Expressway, alleviate traffic pressure, enhance service levels and create economic and social benefits. **The Expansion Project of Jiangsu Section of Shanghai-Nanjing Expressway was under preparation.** During the Reporting Period, the Company carried out a preliminary study on the expansion project of Jiangsu Section of Shanghai-Nanjing Expressway, and prepared the planning scheme. The expansion of Shanghai-Nanjing Expressway will be conducive to enhancing the capacity and service levels of the national corridor, and help the five cities in southern Jiangsu to develop as a metropolitan area.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

#### 1. Road and bridge operations (Continued)

##### (ii) Operation and maintenance of roads and bridges.

**With safety as the foundation, adhering to integrity and innovation.** During the Reporting Period, the Company strengthened road safety management, laid emphasis on improving traffic safety facilities of high-traffic flow risk sections and completed the transformation of multiple high-risk sections; promoted the application of new highlight markings and increased the number of new delineation lines along the Shanghai-Nanjing Expressway to effectively improve the guidance effectiveness for night time driving on expressways and reduce accident rates; under the guidance of the Highway Bureau of the Ministry of Transport, the Company took the lead in organising the 2023 emergency drill for extra long underwater tunnels and strengthened interdepartmental emergency coordination, establishing a scientific, standardized, and efficient rescue system, while setting a benchmark for highway underwater tunnel rescue and were highly recognised by the industry experts. **With multiple efforts put in, upgrading maintenance.** Through highly integrated project management and control measures, the Company efficiently promoted intensive maintenance work, controlled maintenance costs, effectively saved construction time, and contributed to the improvement in traffic efficiency; intensified the whole lifecycle management of road maintenance, utilizing scientific maintenance methods to enhance roads' performance and lifespan. During the Reporting Period, MQI<sup>1</sup> and PQI<sup>2</sup> on the road sections under the Company's management attained 96.45 and 96.55, respectively, and the ratio of Category 1 and 2 bridges<sup>3</sup> remained at 100%; the Company continuously explored the unmanned intelligent construction technology and enhanced its scientific research and innovation ability. During the Reporting Period, the Company was honored for its national and provincial outstanding achievements in several QC<sup>4</sup> subjects, and was awarded the first prize for the project titled "25 Years of Comprehensive Technology Research and Development and Tracking Verification and Demonstration of Efficient Maintenance of Asphalt Pavement on Shanghai-Nanjing Expressway" at the 19th Modernization and Innovation Achievement of Jiangsu Province Association of Communications Enterprises. **With intelligence empowering, fostering synchronized development.** The large traffic flow control system was continuously upgraded, and the dynamic control across all lanes has been achieved, further enhancing the efficiency of traffic flow and emergency response capability in high-traffic sections; as pilot projects, Suzhou Toll Station and Yangchenghu Service Area have undergone intelligent upgrades, introducing such functions as self-service passage and parking guidance to optimise the highway travel experience for users; a comprehensive operational management platform for the Company was developed to establish a digital hub, strengthen big data analysis capabilities, and effectively enhance the level of scientific decision-making; the comprehensive implementation of the "Quasi-free Flow" was steadily progressing with the completion of the scheme design during the Reporting Period, and it was estimated that over 60 self-service lanes would be added. By utilizing new toll collection robots instead of traditional manual toll collection, it was expected to achieve a labor cost saving of over 20% per toll station. **With green development, pioneering initiatives.** Taking the Wuxi section of Shanghai-Nanjing Expressway as a pilot project, based on real-time monitoring data of traffic flow and noise along the same section, a calculation model, verified using actual measurement data, has been established to quantify and analyze the impact of traffic flow on noise along the expressway, to provide technical support for assessing the future impact of noise along the expressway and serve as a scientific basis for planning and decision-making in noise control and prevention, aiming to continue a new chapter in green development.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

#### 1. Road and bridge operations (Continued)

- <sup>1</sup> MQI: The Maintenance Quality Indicator is used to describe the technical condition of a specific section of a highway and the level of maintenance required. MQI values ranging from 90 to 100 are considered excellent, indicating that the road condition is good and does not require extensive repairs or refurbishments.
- <sup>2</sup> PQI: The Pavement Quality Index is an index used to assess the quality of road surface, typically applied in evaluating the pavement surface situation. The PQI value is calculated based on factors such as smoothness of the road surface, longitudinal and transverse slope, cracks, and damages. PQI values ranging from 90 to 100 are considered excellent.
- <sup>3</sup> According to the Standards for Technical Condition Evaluation of Highway Bridges (《公路橋樑技術狀況評定標準》)(JTGT H21-2011), the overall technical condition evaluation ratings include Category 1, Category 2, Category 3, Category 4, and Category 5, among which Category 1 refers to bridges with brand new condition and perfect function, while Category 2 refers to bridges with mild impairment and normal function.
- <sup>4</sup> QC: The Quality Control refers to using inspection, testing, and other technical means to ensure that products or services meeting the expected quality standards.

#### (iii) Road and bridge operations.

During the Reporting Period, the Company and its subsidiaries have shown a steady and progressive development in the toll road business, with a year-on-year increase in traffic volume on the road network under its operation. Accordingly, the Group recorded a toll revenue of approximately RMB4,522,386,000, representing a year-on-year increase of approximately 35.67%, and accounting for approximately 63.37% of the total operating revenue of the Group. During the Reporting Period, the data of the operations of each of the road and bridge projects is set out as below:

Project	Indicator	The Reporting Period	The corresponding period of the previous year	Year-on-year (%)
Shanghai-Nanjing Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>95,336</b>	48,209	97.76
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>18,891</b>	18,716	0.94
	Total traffic volume ( <i>vehicle/day</i> )	<b>114,228</b>	66,925	70.68
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>14,296</b>	10,504	36.11
Ningchang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>41,717</b>	23,854	74.88
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>12,194</b>	11,765	3.64
	Total traffic volume ( <i>vehicle/day</i> )	<b>53,910</b>	35,619	51.35
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>2,690</b>	2,200	22.24

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

## 1. Road and bridge operations (Continued)

## (iii) Road and bridge operations. (Continued)

Project	Indicator	The Reporting Period	The corresponding period of the previous year	Year-on-year (%)
Zhenli Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	16,955	8,250	105.51
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	6,297	7,924	-20.53
	Total traffic volume ( <i>vehicle/day</i> )	23,253	16,174	43.76
	Average daily toll revenue ( <i>RMB'000/day</i> )	973	983	-1.07
Xicheng Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	71,157	34,985	103.39
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	15,344	13,409	14.43
	Total traffic volume ( <i>vehicle/day</i> )	86,501	48,394	78.74
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,611	1,102	46.10
Guangjing Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	60,828	30,429	99.90
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	14,947	14,172	5.46
	Total traffic volume ( <i>vehicle/day</i> )	75,775	44,601	69.89
	Average daily toll revenue ( <i>RMB'000/day</i> )	756	568	33.13
Xiyi Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	28,428	14,423	97.10
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	6,179	6,423	-3.79
	Total traffic volume ( <i>vehicle/day</i> )	34,608	20,846	66.02
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,305	1,020	27.96
Wuxi Huantaihu Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	32,790	12,898	154.23
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	3,691	3,931	-6.11
	Total traffic volume ( <i>vehicle/day</i> )	36,480	16,829	116.77
	Average daily toll revenue ( <i>RMB'000/day</i> )	316	195	61.83

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

## 1. Road and bridge operations (Continued)

## (iii) Road and bridge operations. (Continued)

Project	Indicator	The Reporting Period	The corresponding period of the previous year	Year-on-year (%)
Jiangyin Bridge	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>74,907</b>	36,709	104.06
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>21,728</b>	17,995	20.75
	Total traffic volume ( <i>vehicle/day</i> )	<b>96,635</b>	54,704	76.65
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>3,294</b>	2,323	41.8
Sujiahang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>47,783</b>	25,215	89.50
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>8,102</b>	8,072	0.37
	Total traffic volume ( <i>vehicle/day</i> )	<b>55,885</b>	33,287	67.89
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>2,466</b>	1,771	39.22
Yanjiang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>44,877</b>	20,507	118.84
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>16,622</b>	16,711	-0.54
	Total traffic volume ( <i>vehicle/day</i> )	<b>61,498</b>	37,218	65.24
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>5,195</b>	3,844	35.14
Changjia Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>35,288</b>	14,917	136.56
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>25,234</b>	25,998	-2.94
	Total traffic volume ( <i>vehicle/day</i> )	<b>60,523</b>	40,915	47.92
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>1,220</b>	1,084	12.55
Zhendan Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	<b>18,942</b>	10,934	73.25
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	<b>2,914</b>	3,403	-14.35
	Total traffic volume ( <i>vehicle/day</i> )	<b>21,857</b>	14,336	52.46
	Average daily toll revenue ( <i>RMB'000/day</i> )	<b>247</b>	201	22.76



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

## 1. Road and bridge operations (Continued)

## (iii) Road and bridge operations. (Continued)

Project	Indicator	The Reporting Period	The corresponding period of the previous year	Year-on-year (%)
Changyi Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	25,562	13,325	91.84
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	8,174	7,741	5.59
	Total traffic volume ( <i>vehicle/day</i> )	33,736	21,066	60.15
	Average daily toll revenue ( <i>RMB'000/day</i> )	345	278	23.95
Yichang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	16,359	10,084	62.23
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	5,718	7,145	-19.97
	Total traffic volume ( <i>vehicle/day</i> )	22,077	17,229	28.14
	Average daily toll revenue ( <i>RMB'000/day</i> )	358	374	-4.33
Wufengshan Toll Bridge	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	30,750	10,360	196.82
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	7,968	4,498	77.14
	Total traffic volume ( <i>vehicle/day</i> )	38,718	14,858	160.59
	Average daily toll revenue ( <i>RMB'000/day</i> )	2,089	990	111.05

Note 1: The 17 toll road and bridge projects controlled or invested by the Group included Longtan Bridge and the North Connection of Longtan Bridge in addition to the 15 toll roads and bridges projects listed in the table above. Of which, Luma First Class Highway was operated by Xiyi Expressway, and the data of the operation of Xiyi Expressway included the data of the operation of Luma First Class Highway. The Luma First Class Highway was approved by the Jiangsu Provincial Government to be repurchased by the Wuxi Municipal Government in September 2022, and related work is in progress.

Note 2: Due to the closure and control measures implemented on certain peripheral highways during the same period last year, the traffic was diverted to Zhenli Expressway, with a relatively high base, and Zhenli Expressway therefore recorded a year-on-year decrease in toll revenue during the Reporting Period.

Note 3: Due to the impact of traffic diversion upon the opening of Jiangsu Section of Liyang-Ningde of Liguang Expressway to traffic in November 2022, Yichang Expressway recorded a year-on-year decrease in toll revenue.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

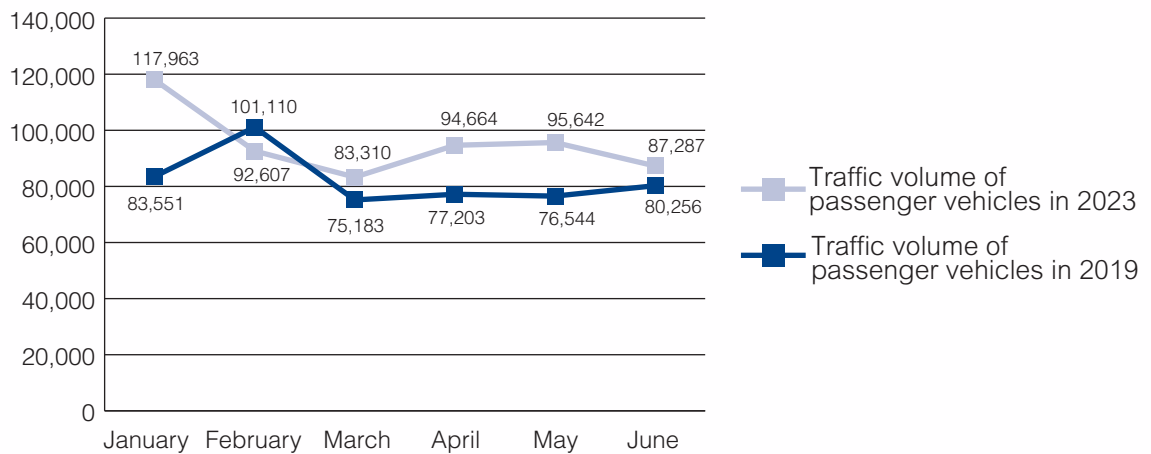
### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

#### 1. Road and bridge operations (Continued)

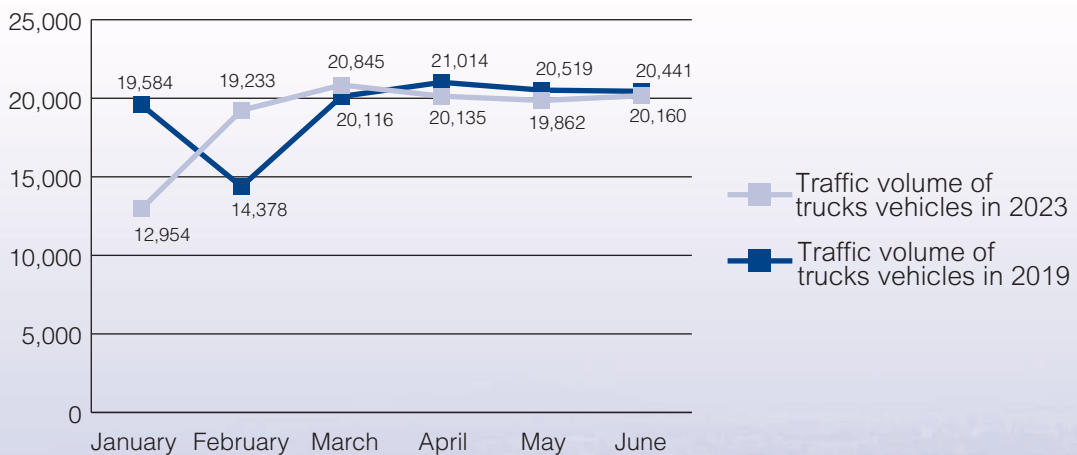
##### (iii) Road and bridge operations. (Continued)

During the Reporting Period, the average daily toll income of Shanghai-Nanjing Expressway amounted to approximately RMB14,295,920, representing a year-on-year increase of approximately 36.11%. Considering the relatively large fluctuation of the traffic volume of the expressway from 2020 to 2022, the Company compares the traffic volume of passenger vehicles and trucks vehicles and average daily traffic volume data of Shanghai-Nanjing Expressway from January to June 2023 with the same period of 2019, as shown in the chart below:

Comparison of traffic volume of passenger vehicles of Shanghai-Nanjing Expressway



Comparison of traffic volume of trucks vehicles of Shanghai-Nanjing Expressway



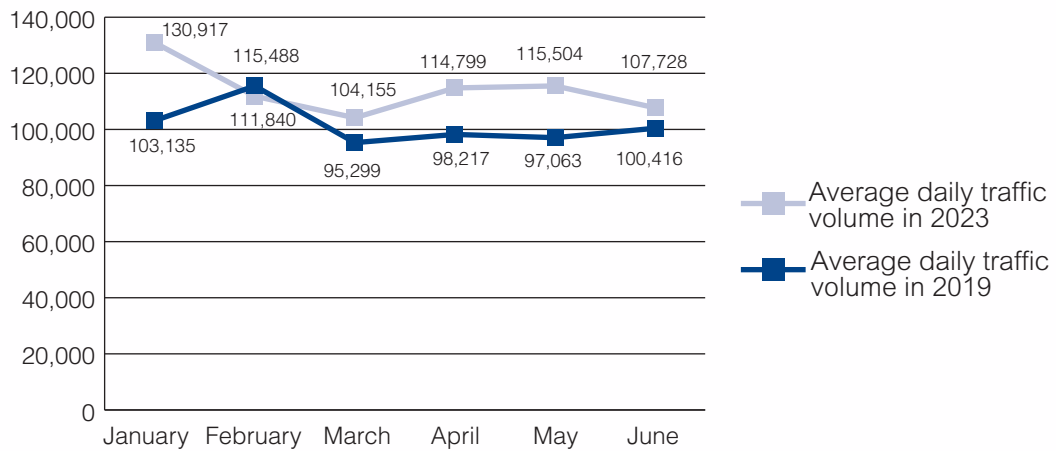
## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

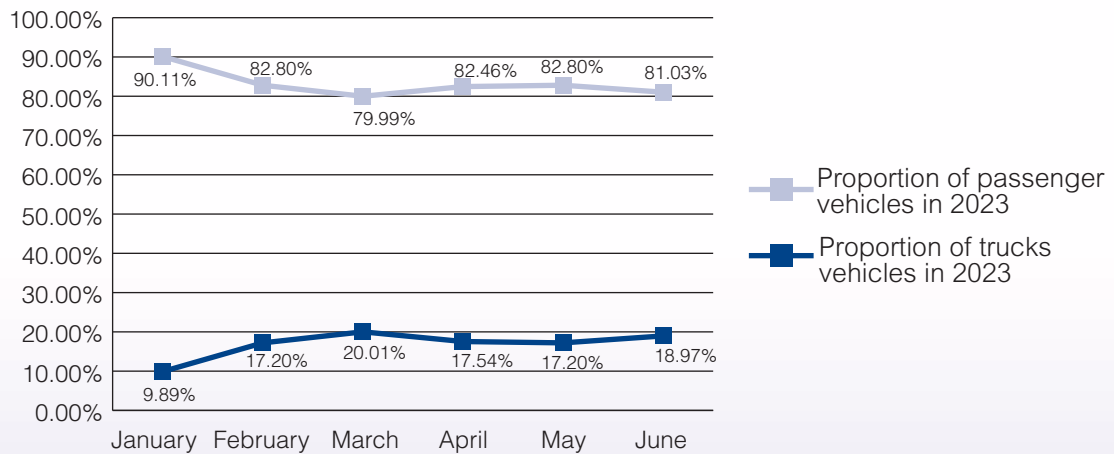
#### 1. Road and bridge operations (Continued)

##### (iii) Road and bridge operations. (Continued)

Comparison of total average daily traffic volume of Shanghai-Nanjing Expressway



Proportion of traffic volume of passenger vehicles and trucks vehicles of Shanghai-Nanjing Expressway from January to June 2023



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

#### 2. Ancillary business

**Brand building presenting highlights.** The Company cultivated self-own brands, registered intellectual property rights, and innovatively developed nearly 30 exclusive cultural and creative products, showcasing thematic culture in multiple dimensions and continuously strengthening brand effect; upgraded Guangling Themed Service Area in Yangzhou, to enhance the customers' immersive experience and improve the recognizability and memorability of the service area through three-dimensional display, cultural walls, publicity by using MG animation<sup>5</sup> videos and other methods; thoroughly operated the "big platform" investment attraction model in the service area, and launched the first innovative store of highway network version of SuGuo supermarket in China, to enhance the operational efficiency of the service area. **Optimising and improving service quality.** During the Reporting Period, the Company upgraded the cloud gateway of ETC contactless payment system, retail management system<sup>6</sup> and intelligent fuel dispenser at gas stations along the entire line of Shanghai-Nanjing Expressway, which further optimised the experience of drivers and passengers, served the public and empowered intelligent transportation while improving the stability of the system and the efficiency of data transmission. **The pace of low-carbon transformation was accelerating.** Guided by the goal of "dual carbon", the Company took the Xianrenshan Service Area as a pilot project to explore the construction of zero-carbon service area, designed transformation programs from building energy saving, equipment energy saving, energy transformation and other dimensions, and pushed the service area to realize zero-carbon operation, and made efforts to promote the "carbon neutrality" of highway industry's operation and better supported the construction of a new development landscape.

During the Reporting Period, the Group's ancillary service business achieved revenue of approximately RMB900,407,000, representing an increase of 101.11% as compared to the same period last year. Of which, revenue from service area leasing business amounted to approximately RMB57,552,000, representing a year-on-year increase of 18.06%, mainly due to the termination of the original leasing contracts of some service areas and the reduction of rentals in accordance with relevant state policies in the same period last year; as a result of the increase in the sales volume of oil, the revenue from sales of oil amounted to approximately RMB831,146,000, representing a year-on-year increase of 112.94%, and gross operating profit from oil increased by 261.36% year-on-year. As affected by the year-on-year increase in the gross operating profit of the sales of oil business, the gross operating profit of the ancillary services business presented a significant year-on-year increase.

<sup>5</sup> MG animation: Motion Graphics is a form of creation that combines graphic design with animation techniques. Different from traditional animation, MG focuses more on the use of graphics and text to convey information and present concepts, and is characterized by strong visual impact, dynamism and attractiveness.

<sup>6</sup> Retail management system: refers to the retail management system of gas stations at service area, which is used for the management, control, data collection and analysis of fuel dispensers, cashier management, payment management, invoice management, purchase-sale-stock management and other comprehensive management systems.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

#### 3. New energy business

In 2022, the Company acquired 100% equity interest in YS Energy Company to enter into the new energy industry. As at the end of the Reporting Period, the total installed capacity of the grid-connected projects of YS Energy Company reached 526.6 MW (including the installed capacity of equity participation), and all the power stations held by YS Energy Company had been put into operation, producing a total of 480 million kWh of clean energy power during the Reporting Period. Taking into account the actual situation of photovoltaic project resource endowment in Jiangsu Province, YS Energy Company has actively promoted the investment and construction of several interoperable photovoltaic projects, with a total installed capacity of the project under construction reaching approximately 35.62 MW. In addition, the Company carried out in-depth research on the topic of “Transportation + Energy Integration Path and Development Mode Research”, thoroughly conducting research on the new mode of modern transportation energy supply, and tried to build the operation and management platform of carbon assets of Jiangsu Expressway, supported the realisation of green and low-carbon development of the whole lifecycle of Jiangsu Expressway network, and helped Jiangsu Expressway to realise the carbon emission peak and carbon neutrality.

Since the acquisition of YS Energy Company, its revenue scale and profit level have continued to grow, showing high growth and stable profitability. During the Reporting Period, benefiting from weather and other factors, the offshore wind power project of YS Energy Company recorded a year-on-year increase of on-grid electricity consumption, and the Group achieved revenue of approximately RMB351,428,000 from electricity sales, representing a year-on-year increase of approximately 9.61%.

#### 4. Property business

The Group’s real estate development and sales were operated by its subsidiaries Ninghu Properties Company and Hanwei Company. During the Reporting Period, the Group pushed forward the construction of projects under construction in an orderly manner and actively promoted destock of existing projects. During the Reporting Period, the Group achieved carry-forward sales revenue of approximately RMB245,487,000, representing a year-on-year decrease of 10.46%, mainly due to the smaller scale of property projects delivered as compared to the same period of the previous year.

For the cost of property development and the products ready-for-sale, please refer to “7. Inventories” of “Section X Financial Report”.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 3. DISCUSSION AND ANALYSIS OF THE OPERATION (CONTINUED)

#### 5. Other businesses

**First, the investment income of investee companies.** During the Reporting Period, benefiting from the increase in traffic volume of the road network, the Group's investment income from roads and bridges companies in which the Group held equity reached approximately RMB353,694,000, representing a year-on-year increase of approximately 49.87%; and an investment income from financial companies in which the Group held equity amounted to approximately RMB43,614,000, representing a year-on-year decrease of approximately 30.27%. **Second, gain from other equity instruments and other non-current financial assets.** During the Reporting Period, the Group received accumulated dividends of approximately RMB113,871,000 from Jiangsu Leasing Company and CDB Kai Yuan Phase II Fund, representing a year-on-year decrease of approximately 71.39%, which was mainly due to the postponement of distribution of dividends from Bank of Jiangsu invested by the Company as compared to last year. **Third, income from its subsidiaries engaged in such businesses as advertising operation, factoring and management services.** During the Reporting Period, these businesses achieved revenue of approximately RMB112,463,000, representing a year-on-year increase of approximately 52.67%, mainly due to the increase in revenue of its subsidiaries from factoring business and new income from the hotel services.

**Major changes in the business operations of the Company during the Reporting Period, and events occurring in the Reporting Period that have or expected to have a significant impact on the business operations of the Company**

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

#### (I) Analysis of principal businesses

##### 1 Table of analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Item	The Reporting Period	The corresponding period of the previous year	Change (%)
Operating revenue	<b>7,136,011,953.47</b>	4,875,399,621.13	46.37
Operating costs	<b>3,926,662,277.70</b>	2,795,363,467.49	40.47
Selling expenses	<b>5,803,128.77</b>	6,093,714.35	-4.77
Administrative expenses	<b>109,627,395.99</b>	103,023,993.20	6.41
Financial expenses	<b>533,463,186.75</b>	549,500,912.66	-2.92
Research and development (R&D) expenses	-	-	-
Net cash flow from operating activities	<b>3,630,954,437.28</b>	2,323,712,815.35	56.26
Net cash flow from investing activities	<b>-2,279,632,859.00</b>	-1,892,015,616.29	20.49
Net cash flow from financing activities	<b>-1,744,002,369.58</b>	-292,751,632.62	495.73
Gain on change in fair value	<b>75,602,122.87</b>	35,105,006.37	115.36
Investment income	<b>613,519,419.63</b>	826,449,841.39	-25.76
Gains from disposal of assets	<b>4,789,530.84</b>	29,346,091.26	-83.68
Income tax	<b>628,491,894.66</b>	447,454,541.12	40.46
Other comprehensive income, net of tax	<b>110,717,755.28</b>	741,931,098.21	-85.08

*Note:* Retroactive adjustments were made to the data of the previous year. For details, please refer to Explanation of reasons for retrospective adjustment or restatement in "Section II Company Information and Principal Financial Indicators – 7. Key Accounting Data and Principal Financial Indicators" in this report

**Reasons for the change in operating revenue:** It was mainly due to the corresponding increase in operating revenue from principal business of road and bridge operations during the Reporting Period as a result of factors including the increase in the traffic flow of the operating road network, as well as the year-on-year increase in investment in the construction of road and bridge projects, which resulted in the corresponding increase in revenue during the construction period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (I) Analysis of principal businesses (Continued)

##### 1 Table of analysis of changes in relevant items in the financial statements (Continued)

**Reasons for the change in operating costs:** It was mainly due to the corresponding increase in amortization of road operation rights during the Reporting Period as a result of the increase in traffic flow; the corresponding increase in oil procurement costs due to the increase in the sales volume of oil; and the year-on-year increase in the construction period costs.

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

**Reasons for the change in administrative expenses:** It was mainly due to the rigid increase in labour costs during the Reporting Period.

**Reasons for change in financial expenses:** It was mainly due to the year-on-year decrease in the comprehensive loan interest rate of the Company's interest-bearing debts the interest accrued on which was recognized as expenses and the decrease in financial expenses accordingly as a result of proactive and effective financing measures during the Reporting Period.

**Reasons for the changes in R&D expenses:** None.

**Reasons for the change in net cash flow from operating activities:** It was mainly due to the strong growth in revenue from principal activities during the Reporting Period as compared to the same period last year, as a result of the increase in traffic volume of the road network.

**Reasons for the change in net cash flow from investing activities:** It was mainly due to the year-on-year increase in construction investment in road and bridge projects under construction during the Reporting Period.

**Reasons for the change in net cash flow from financing activities:** It was mainly due to the year-on-year increase in the Company's net debt repayment during the Reporting Period.

**Reasons for the change in gain on change in fair value:** It was mainly due to the year-on-year increase in the growth of fair value of other non-current financial assets held by subsidiaries of the Company during the Reporting Period.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (I) Analysis of principal businesses (Continued)

##### 1 Table of analysis of changes in relevant items in the financial statements (Continued)

**Reasons for change in investment income:** It was mainly due to the postponement of distribution of dividend from Bank of Jiangsu during the Reporting Period as compared to last year, resulting in a year-on-year decrease in investment income. As of the date of this report, the Company has received the dividend payment from Bank of Jiangsu in July 2023.

**Reasons for the change in gain from disposal of assets:** It was mainly due to the disposal of the assets of Nanquan Toll Station of Huantaihu Expressway during the same period last year.

**Reasons for the change in income tax:** It was mainly due to the year-on-year increase in the Group's taxable income during the Reporting Period.

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



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

## (I) Analysis of principal businesses (Continued)

## 1 Table of analysis of changes in relevant items in the financial statements (Continued)

## (1) Principal operating activities by industry and region

Unit: Yuan Currency: RMB

By industry	Operating revenue	Operating costs	Principal operating activities by industry			
			Gross profit Margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit margin (%)
<b>Toll roads</b>	4,522,385,502.88	1,605,164,730.55	64.51	35.67	9.74	Increased by 8.39 percentage points <sup>(note 2)</sup>
Shanghai-Nanjing Expressway	2,587,561,515.16	819,032,856.47	68.35	36.11	17.47	Increased by 5.02 percentage points
Guangjing Expressway and Xicheng Expressway	428,290,778.80	100,115,895.57	76.62	41.69	-43.57	Increased by 35.32 percentage points
Ningchang Expressway and Zhenli Expressway	662,912,930.57	227,251,943.36	65.72	15.04	-4.94	Increased by 7.21 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	293,529,522.24	187,787,993.95	36.02	33.41	66.41	Decreased by 12.69 percentage points <sup>(note 2)</sup>
Zhendan Expressway	44,766,021.04	35,468,758.43	20.77	22.76	28.18	Decreased by 3.35 percentage points
Changyi Expressway	62,422,260.18	51,664,516.37	17.23	23.95	12.48	Increased by 8.43 percentage points
Yichang Expressway	64,826,188.79	47,053,251.95	27.42	-4.33	-26.51	Increased by 21.90 percentage points
Wufengshan Toll Bridge	378,076,286.10	136,789,514.45	63.82	111.05	38.84	Increased by 18.82 percentage points
<b>Ancillary services</b>	900,406,623.93	892,236,576.39	0.91	101.11	75.92	Increased by 14.19 percentage points <sup>(note 3)</sup>
<b>Property sales</b>	245,487,117.95	168,806,371.56	31.24	-10.46	-17.01	Increased by 5.42 percentage points <sup>(note 4)</sup>
<b>Electricity sales</b>	351,427,537.00	171,257,113.09	51.27	9.61	8.02	Increased by 0.72 percentage point
<b>Revenue/cost during the construction period</b>	1,003,842,165.73	1,003,842,165.73	-	135.74	135.74	-
<b>Other businesses</b>	112,463,005.98	85,355,320.38	24.10	52.67	126.47	Decreased by 24.73 percentage points <sup>(note 5)</sup>
<b>Total</b>	<b>7,136,011,953.47</b>	<b>3,926,662,277.70</b>	<b>44.97</b>	<b>46.37</b>	<b>40.47</b>	<b>Increased by 2.31 percentage points</b>

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (I) Analysis of principal businesses (Continued)

##### 1 Table of analysis of changes in relevant items in the financial statements (Continued)

##### (1) Principal operating activities by industry and region (Continued)

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

*Note 2:* During the Reporting Period, due to the impact of the increase in volume of traffic on the operating road network, the toll revenue from the Group's toll road business recorded an increase, and the gross profit margin of the toll road business increased as compared to the corresponding period of the previous year. As affected by the overhaul of Huantaihu Expressway during the Reporting Period, the road maintenance costs of Huantaihu Expressway increased year-on-year, and the gross profit margin of toll business decreased accordingly.

*Note 3:* During the Reporting Period, the sales volume of oil and the difference in the trading price of refined oil increased. As a result, the gross profit margin of the ancillary services business increased year-on-year.

*Note 4:* The costs involved in the settlement of works of projects delivered by the subsidiaries in the corresponding period of the previous year is relatively high, as a result, the gross profit margin of the property sales business of the subsidiaries during the Reporting Period increased year-on-year.

*Note 5:* The hotel project of Ninghu Properties Company, a subsidiary, which commenced operation in January 2023, is currently in the early stage of operation and its revenue has yet to be cultivated, as a result of which, the operating gross profit margin of other businesses decreased year-on-year during the Reporting Period.

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

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



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

## (I) Analysis of principal businesses (Continued)

## 1 Table of analysis of changes in relevant items in the financial statements (Continued)

## (2) Analysis of costs

During the Reporting Period, accumulated operating costs amounted to approximately RMB3,926,662,000, representing a year-on-year increase of approximately 40.47%. The cost structure of each business category is set out below:

Unit: Yuan Currency: RMB

By industry	Components of costs	Amount for the Reporting Period	By industry		Change in percentage of the amount for the Reporting Period compared with the corresponding period last year (%)	Explanation	
			Percentage in total costs for the Reporting Period (%)	Amount for the corresponding period last year			Percentage in total costs for the corresponding period last year (%)
Toll roads	-	1,605,164,730.55	40.88	1,462,722,579.91	52.33	9.74	
-	Depreciation and amortization	954,304,730.65	24.31	768,758,316.02	27.50	24.14	Mainly due to the increase in volume of traffic of the road network during the Reporting Period and the corresponding increase in amortization of road operation rights.
-	Costs on maintenance	174,640,422.72	4.45	243,723,517.25	8.72	-28.34	Mainly due to the overhaul of Xicheng Expressway during the corresponding period last year, which resulted in a relatively high base.
-	Costs on system maintenance	14,177,289.43	0.36	8,592,409.06	0.31	65.00	Mainly due to the commencement of the upgrade operation of the toll communication monitoring system during the Reporting Period.
-	Costs on toll collection	81,445,797.62	2.07	69,282,647.97	2.48	17.56	Mainly due to the year-on-year increase in costs on toll collection as a result of the increase in toll revenue and the corresponding increase in road network management fees during the Reporting Period.
-	Labour costs	380,596,490.13	9.69	372,365,689.61	13.32	2.21	
Ancillary services	-	892,236,576.39	22.72	507,196,431.13	18.14	75.92	
-	Raw materials	698,075,314.79	17.78	335,660,746.87	12.01	107.97	Mainly due to the corresponding increase in oil procurement costs due to the increase in oil sales volume.
-	Depreciation and amortization	33,815,677.22	0.86	32,592,116.54	1.16	3.75	

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (I) Analysis of principal businesses (Continued)

#### 1 Table of analysis of changes in relevant items in the financial statements (Continued)

#### (2) Analysis of costs (Continued)

By industry	Components of costs	Amount for the Reporting Period	By industry		Change in percentage of the amount for the Reporting Period compared with the corresponding period last year (%)	Explanation	
			Percentage in total costs for the Reporting Period (%)	Amount for the corresponding period last year			
-	Labour costs	106,450,533.91	2.71	105,028,080.99	3.76	1.35	
-	Other costs	53,895,050.47	1.37	33,915,486.73	1.21	58.91	Mainly due to the closure and lockdown of certain service areas during the corresponding period last year, resulting in the decrease in relevant costs.
Property sales	-	168,806,371.56	4.30	203,395,286.20	7.28	-17.01	Mainly due to the smaller scale of delivery of property projects by the subsidiaries during the Reporting Period as compared with the corresponding period of the previous year.
Electricity sales	-	171,257,113.09	4.36	158,537,917.77	5.67	8.02	Mainly due to the year-on-year increase in the on-grid electricity consumption of subsidiaries during the Reporting Period.
Construction period costs	-	1,003,842,165.73	25.57	425,821,793.86	15.23	135.74	Mainly due to the year-on-year increase in investment in the construction of road and bridge projects during the Reporting Period.
Other business	-	85,355,320.38	2.17	37,689,458.62	1.35	126.47	Mainly due to the year-on-year increase in interest expenses for the factoring business of the subsidiaries and the operating costs of the hotel projects.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

## (I) Analysis of principal businesses (Continued)

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

Applicable  Not Applicable

## (II) Explanation on major changes in profits caused by non-principal business

Applicable  Not Applicable

## (III) Analysis of assets and liabilities

Applicable  Not Applicable

## 1. Assets and Liabilities

Unit: Yuan Currency: RMB

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period as compared to that as at the end of the previous year (%)	Explanations on changes
Cash at bank and on hand	541,524,063.19	0.68	932,931,344.38	1.19	-41.95	Mainly due to the repayment of part of the Group's borrowings with its own funds during the Reporting Period.
Accounts receivable	1,291,463,472.50	1.62	1,127,669,970.08	1.44	14.52	Mainly due to the increase in the amount of state subsidies receivable for on-grid power stations as at the end of the Reporting Period as compared to the beginning of the period.
Inventories	2,403,919,945.96	3.01	2,585,018,115.85	3.29	-7.01	Mainly due to the delivery and transfer of real estate projects of the subsidiaries during the Reporting Period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 1. Assets and Liabilities (Continued)

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period as compared to that as at the end of the previous year (%)	Explanations on changes
Long-term equity investments	11,527,519,206.01	14.45	11,089,989,971.83	14.13	3.95	Mainly due to the investment income contributed by associates during the Reporting Period.
Fixed assets	7,784,659,466.21	9.76	8,045,978,815.98	10.26	-3.25	Mainly due to the provision for depreciation during the Reporting Period.
Short-term borrowings	1,876,265,454.69	2.35	2,434,124,067.61	3.10	-22.92	Mainly due to the increase in short-term loans from financial institutions during the Reporting Period as compared to the beginning of the period.
Contract liabilities	63,256,223.45	0.08	162,928,919.15	0.21	-61.18	Mainly due to the delivery of real estate projects of the subsidiaries during the Reporting Period.
Long-term borrowings	16,543,565,723.06	20.73	16,053,597,366.94	20.46	3.05	Mainly due to the increase in borrowings for road and bridge projects under construction and other long-term bank loans during the Reporting Period as compared to the beginning of the period.
Financial assets held for trading	4,756,944,083.24	5.96	3,474,620,148.26	4.43	36.91	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared to the beginning of the period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

## (III) Analysis of assets and liabilities (Continued)

## 1. Assets and Liabilities (Continued)

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period as compared to that as at the end of the previous year (%)	Explanations on changes
Bills receivable	1,550,000.00	0.00	950,000.00	0.00	63.16	Mainly due to the increase in subsidiaries' bank acceptance bills receivable as at the end of the Reporting Period as compared to the beginning of the period.
Prepayments	20,388,590.21	0.03	7,737,346.20	0.01	163.51	Mainly due to the increase in prepayments for oil as at the end of the Reporting Period as compared to the beginning of the period.
Other receivables	90,045,437.12	0.11	62,758,902.02	0.08	43.48	Mainly due to the cash dividends declared but not yet paid by associates during the Reporting Period.
Bills payable	283,840,000.00	0.36	366,000,000.00	0.47	-22.45	Mainly due to the decrease in bank acceptances bills issued by Factoring Company, a subsidiary of the Company, as at the end of the Reporting Period as compared to the beginning of the period.
Other payables	2,679,752,285.45	3.36	288,042,394.72	0.37	830.33	Mainly attributable to the cash dividends declared but not yet paid as at the end of the Reporting Period.
Non-current liabilities due within one year	2,557,897,625.48	3.21	1,815,208,560.25	2.31	40.91	Mainly due to transfer into of long-term borrowings and bonds payable due within one year in the Reporting Period.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 1. Assets and Liabilities (Continued)

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period as compared to that as at the end of the previous year (%)	Explanations on changes
Other current liabilities	4,439,659,065.80	5.56	5,359,728,092.37	6.83	-17.17	Mainly due to the redemption of ultra short-term notes during the Reporting Period, resulting in a decrease in the balance as compared to the beginning of the period.
Bonds payable	8,978,499,843.30	11.25	9,972,337,481.34	12.71	-9.97	Mainly due to the adjustment to bonds payable due within one year during the Reporting Period.
Special reserve	2,041,483.04	0.00	577,468.02	0.00	253.52	Mainly due to the provision for safety production expenses by subsidiaries during the Reporting Period.
Total assets	79,787,685,491.34	100.00	78,458,345,074.07	100.00	1.69	
Total gearing ratio	51.72%	-	51.63%	-	Increased by 0.09 percentage point	
Net gearing ratio	107.11%	-	106.74%	-	Increased by 0.37 percentage point	

#### Other explanations

During the Reporting Period, the aggregated amount of wealth management products purchased by the Group from any bank did not reach or exceed 5% of the total assets (adjusted by deducting dividends payable according to the Listing Rules) or market value of the Group.

Total gearing ratio is calculated by dividing liabilities by total assets; and net gearing ratio is calculated by dividing liabilities by shareholders' equity.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 2. Overseas Assets

Applicable  Not Applicable

##### (1) Amount of assets

Including: Overseas assets in the amount of USD15,005.61, representing 0.000131% of the Group's total assets.

The overseas assets mainly represented the balance of monetary funds and accounts receivable of Ninghu International Company at the end of the Reporting Period.

##### (2) Relevant explanation on high proportion of overseas assets

Applicable  Not Applicable

Other explanations

Nil.

##### 3. Major restricted assets as at the end of the Reporting Period

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Book value as at the end of the Reporting Period	Reasons for restriction
Bank deposits		– Security deposits for mortgage loans to customers
Bank deposits		– Supervised proceeds from pre-sale
Bank deposits	9,192,000.00	Security deposits for notes
Intangible assets	24,134,633,285.17	Pledge of toll road operation rights of expressways
Accounts receivable	725,606,629.13	Pledge of right to charge electricity tariffs receivable
Total	<u>24,869,431,914.30</u>	

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 3. Major restricted assets as at the end of the Reporting Period (Continued)

###### (1) Explanation for restricted bank deposits

As at the end of the Reporting Period, the Group's other cash at bank and on hand was security deposits for notes of RMB9,192,000, which were the deposits collected by financial institutions on a pro-rata basis for commercial bills drawn by Longtan Bridge Company in accordance with regulatory requirements.

###### (2) Explanation for restricted intangible assets

Guangjing Xicheng Company, a subsidiary of the Group, entered into a loan contract with Wuxi Branch of Industrial and Commercial Bank of China in respect of a loan of RMB1,200,000,000 in aggregate, which was secured by the toll road operation right of Guangjing Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB330,000,000.

Wufengshan Toll Bridge Company, a subsidiary of the Group, entered into loan contracts with the Jiangsu Sub-branch (directly administered) of China Construction Bank, the Jiangsu Branch of China Development Bank, the Jiangsu Branch of Bank of Communications, the Nanjing Branch of Postal Savings Bank of China, the Nanjing Chengnan Sub-branch of Industrial and Commercial Bank of China and the Nanjing Branch of China Merchants Bank with a total amount of RMB2,000,000,000, RMB2,500,000,000, RMB1,500,000,000, RMB1,200,000,000, RMB1,500,000,000 and RMB2,500,000,000, respectively, which were secured by the toll road operation rights of the expressway of Wufengshan Toll Bridge and the North-South Approach Expressways. As at the end of the Reporting Period, the loan balance amounted to RMB1,559,500,000, RMB366,500,000, RMB862,740,000, RMB975,546,000, RMB357,500,000 and RMB1,168,000,000, respectively.

Longtan Bridge Company, a subsidiary of the Group, entered into loan contracts with the Jiangsu Branch of China Development Bank, the Jiangsu Branch of China Merchants Bank and the Jiangsu Branch of Bank of China with a total amount of RMB2,000,000,000, RMB1,000,000,000 and RMB1,200,000,000, respectively, which were secured by the toll road operation rights of Longtan Cross-river Channel. As at the end of the Reporting Period, the loan balance amounted to RMB51,000,000, RMB200,000,000 and RMB100,000,000, respectively.

Longtan Bridge Company, a subsidiary of the Group, entered into a loan contract with the Jiangsu Branch of China Development Bank with a total amount of RMB1,000,000,000, which was secured by the toll road operation rights of Longtan Bridge North Connection Project. As at the end of the Reporting Period, the loan balance amounted to RMB1,000,000.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 3. Major restricted assets as at the end of the Reporting Period (Continued)

###### (2) Explanation for restricted intangible assets (Continued)

Changyi Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Chengzhong Sub-branch of Agricultural Bank of China and the Wuxi Branch of Industrial and Commercial Bank of China with a total amount of RMB500,000,000, RMB382,900,000 and RMB2,000,000,000, respectively, which were secured by the toll road operation rights of Changyi Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB48,310,000, RMB360,000,000 and RMB550,500,000, respectively.

Yichang Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Branch of Industrial and Commercial Bank of China, the Jiangsu Branch of China Development Bank, and Bank of Communications with a total amount of RMB500,000,000, RMB2,400,000,000, RMB2,000,000,000 and RMB300,000,000, respectively, which were secured by the toll road operation rights of Yichang Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB377,660,000, RMB475,000,000, RMB378,000,000 and RMB93,340,000, respectively.

###### (3) Explanation for restricted accounts receivable

Rudong Company, a subsidiary of the Group, entered into a loan contract with the Jiangsu Branch of China Development Bank with a total amount of RMB4,000,000,000, and entered into an agreement on alteration in March 2023 to revise the total loan amount to be RMB2,663,000,000. The loan contract is secured by electricity charge collection rights of the project in addition to the guarantee provided by the Company. As at the end of the Reporting Period, the loan balance amounted to RMB2,497,000,000.

##### 4. Other explanations

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 4. Other explanations (Continued)

##### (1) Capital expenditure

During the Reporting Period, the Group incurred investment expenditure (as planned) in a sum of approximately RMB1,122,268,000, representing an increase of approximately RMB332,574,000 or approximately 42.11% from RMB789,694,000 in the corresponding period of the prior year, mainly due to the year-on-year increase in investments in the construction of road and bridge projects of the Group during the Reporting Period. The investment projects conducted by the Group and amount incurred during the Reporting Period are as follows:

Names of Investment Projects	Amount (RMB)
Longtan Bridge and North Connection Project	745,854,596.29
Xiyi Expressway South Section Widening Project	257,987,569.44
Investment in Sujiaokong Clean Energy Suqian Co., Ltd. (Note)	100,000.00
Investment in Jiangsu Communications Holding Renewable Energy Jiangsu Co., Ltd. (Note)	22,117,000.00
Investment in Changzhou Jintan Heyi New Energy Technology Co., Ltd.* (常州金坛禾一新能源科技有限公司) (Note)	1,904,000.00
Alteration and expansion of the service areas and toll collection points	2,409,419.83
Three major systems and information construction project	2,747,001.78
Photovoltaic Power Generation Project	23,631,650.63
Other capital expenditure of the Group	65,516,704.95
Total	<u>1,122,267,942.92</u>

Note: These three items represent the capital investment in subsidiaries of the Company.

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

The Group attached great importance to maintaining a reasonable capital structure and continuously improved its profitability in order to maintain the Group's good credit rating and sound financial position. As at the end of the Reporting Period, the total liabilities of the Group amounted to approximately RMB41,263,508,000. The overall gearing ratio of the Group was approximately 51.72%, an increase of approximately 0.09 percentage point from the end of the previous period. In view of the Group's stable and abundant operating cash flow and sound capacity of financing and capital management, the management believes that the gearing ratio remained at a safe level at the end of the Reporting Period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 4. Other explanations (Continued)

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

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and reduced financing costs. Through adopting a proactive financing strategy, the Company was able to meet the funding needs of its operation and management and project investment and controlled the financing costs effectively. The Group's borrowing requirements are not subject to seasonality. During the Reporting Period, an additional fund of RMB9,424,000,000 was obtained through direct financing. As at 30 June 2023, the Group's borrowings amounted to RMB19,786,155,990, of which RMB5,334,923,030 were fixed-rate loans. As at the end of the Reporting Period, the balance of the principal of the interest-bearing liabilities amounted to approximately RMB34,112,331,050, representing a decrease of approximately RMB1,314,326,430 as compared with the beginning of the period, of which short-term interest-bearing liabilities accounted for approximately 18.39% and long-term interest-bearing liabilities accounted for approximately 81.61%; and the rate of the consolidated borrowing costs on interest-bearing liabilities of the Group was approximately 3.26%, representing a year-on-year decrease of approximately 0.32 percentage point, approximately 0.78 percentage point lower than the loan prime rate (LPR) for the same period (the amounts stated above are exclusive of interest). Details of the main financing activities during the Reporting Period are set out in Section IX Information on Bonds.

##### (4) Credit policy

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

##### (5) Contingencies

As a common practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide joint and several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased property is completed and the Building Right Encumbrances Certificate is submitted to the bank. As of 30 June 2023, the outstanding guarantees amounted to approximately RMB181,504,000.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Analysis of assets and liabilities (Continued)

##### 4. Other explanations (Continued)

##### (6) Foreign exchange risks

The Group currently operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and major capital expenditures are all settled in Renminbi except for dividend payments for H Shares and the Group has no investment in foreign currency. The Group obtained a loan of USD9,800,000 from the Spanish Government in 1998 at the interest rate of 2% per annum. The Group shall make annual payment in relation to the repayment of the principal and interest until the loan matures on 18 July 2027. As of 30 June 2023, the balance of the loan was equivalent to approximately RMB9,846,000, against which no foreign exchange hedging arrangements were made by the Group. Fluctuation in exchange rates will have no material impact on the Group's performance.

#### (IV) Analysis of investment

##### 1. Overall analysis of external equity investment

Applicable     Not Applicable

During the Reporting Period, the Group had no material equity investments. Material non-equity investments are mainly in the construction of road and bridge project, and the details of financial assets measured at fair value are as follows:

##### (1) Material equity investments

Applicable     Not Applicable



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (IV) Analysis of investment (Continued)

##### 1. Overall analysis of external equity investment (Continued)

##### (2) Material non-equity investments

Applicable     Not Applicable

**Investment in the construction of road and bridge project.** During the Reporting Period, the Group continued to efficiently advance the construction of road and bridge projects under construction in an orderly fashion. In the first half of 2023, the investment in the construction of the Longtan Bridge project amounted to approximately RMB351 million, and the accumulated investment in the construction of the project amounted to approximately RMB3,487 million, accounting for 55.76% of the total investment for the project. The investment in the construction of the Longtan Bridge North Connection Project amounted to approximately RMB394 million, and the accumulated investment in the construction of the project amounted to approximately RMB2,040 million, accounting for 29.21% of the total investment for the project. During the Reporting Period, the investment in the construction of the Xiyi Expressway South Section Widening Project amounted to approximately RMB258 million, and the accumulated investment in the construction of the project amounted to approximately RMB875 million, accounting for 11.28% of the total investment for the project.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (IV) Analysis of investment (Continued)

##### 1. Overall analysis of external equity investment (Continued)

##### (3) Financial assets measured at fair value

Applicable  Not Applicable

Unit: '0,000 Yuan Currency: RMB

Assets class	Opening balance	Gains or losses		Impairment provision made for the period	Purchases during the period	Disposals/ redemptions during the period	Other changes	Closing balance
		arising from changes in fair value for the period	Accumulative fair value changes included in equity					
Private equity funds	240,471.52	4,233.06	0.00	0.00	-	1,903.98	0.00	242,800.60
Stocks	698,944.81	-	11,764.02	0.00	-	-	0.00	710,708.83
Others	394,726.07	3,327.15	-	0.00	870,207.56	742,108.25	0.00	526,152.53
<b>Total</b>	<b>1,334,142.40</b>	<b>7,560.21</b>	<b>11,764.02</b>	<b>0.00</b>	<b>870,207.56</b>	<b>744,012.23</b>	<b>0.00</b>	<b>1,479,661.96</b>

*Note:* Private equity funds include CDB Kai Yuan Phase II Fund, Zhongbei Zhiyuan Fund and Luode Huizhi Fund held by the Company during the Reporting Period. For details, please refer to "Investments in Private Equity Funds" below.

Stocks include shares of Bank of Jiangsu and Jiangsu Financial Leasing Company held by the Company during the Reporting Period. For details, please refer to the table below entitled "Investment in securities".

Others include Fuanda Advantageous Growth Fund, wealth management products and convertible bonds issued by Jiangsu Leasing Company held by the Company during the Reporting Period. During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, held Fuanda Advantageous Growth Fund purchased in 2011, being approximately 10,000,000 units in total with a net value of approximately RMB30,613,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. There was an increase in fair value of approximately RMB1,331,000 during the Reporting Period with an increase in accumulated fair value of approximately RMB21,945,000.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (IV) Analysis of investment (Continued)

##### 1. Overall analysis of external equity investment (Continued)

##### (3) Financial assets measured at fair value (Continued)

Investment in securities

Applicable  Not Applicable

Unit: '0,000 Yuan Currency: RMB

Type of securities	Stock code	Abbreviation of securities	Initial investment cost	Source of funds	Opening carrying amount	Gains or losses arising from changes in fair value for the period	Accumulative fair value changes included in equity	Purchases during the period	Disposals during the period	Investment gains or losses for the period	Closing carrying amount	Accounting Accounts
Stocks	600919	Bank of Jiangsu Jiangsu Financial	462,953.09	Own funds	570,712.81	-	4,697.22	-	-	-	575,410.03	Investments in other equity instruments
Stocks	600901	Leasing	27,089.85	Own funds	128,232.00	-	7,066.80	-	-	8,190.00	135,298.80	Investments in other equity instruments
Total	/	/	490,042.94	/	698,944.81	-	11,764.02	-	-	8,190.00	710,708.83	/

*Note:* As at 30 June 2023, the Group held 782,870,800 shares in Bank of Jiangsu (stock code: 600919) with a market value of approximately RMB5,754,100,380, representing approximately 7.21% of the total assets of the Group. Bank of Jiangsu was opened for business on 24 January 2007 and is one of the 19 systemically important banks in China and the largest corporate bank in Jiangsu Province. By the end of the first quarter of 2023, the total assets of Bank of Jiangsu exceeded RMB3 trillion, with the revenue and net profit continuing to maintain double-digit growth, and ranked 68th among the top 1,000 global banks in 2023 published by The Banker, a British magazine, maintained its position as one of the top 100 global banks. In February 2023, Bank of Jiangsu was elected as the representative of the Central and East Asia Regional Banking Council of the United Nations Environment Programme Financial Initiative (UNEP FI), becoming the only financial institution in the region elected to the Banking Council of the UNEP FI. The Company has continuously invested in the equity of Bank of Jiangsu since 2013, and has continuously received cash dividends, effectively enhancing the Company's profit level. Bank of Jiangsu demonstrated a solid performance in recent years. The Group's investment in Bank of Jiangsu is based on the Company's confidence in its future development and recognition of its value growth, which is conducive to expanding the profitability channels of the Company and creating greater value for the shareholders.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (IV) Analysis of investment (Continued)

##### 1. Overall analysis of external equity investment (Continued)

##### (3) Financial assets measured at fair value (Continued)

Explanation on investment in securities

Applicable  Not Applicable

Investment in private equity funds

Applicable  Not Applicable

Private equity funds include CDB Kai Yuan Phase II Fund, Zhongbei Zhiyuan Fund and Luode Huizhi Fund held by the Company during the Reporting Period. During the Reporting Period, Ninghu Investment Company held the CDB Kai Yuan Phase II Fund subscribed in 2016, with a net value of approximately RMB1,686,932,000 at the beginning of the Reporting Period and an investment cost of RMB1,113,021,000. The investment recovered during the Reporting Period was approximately RMB19,040,000, with an investment income of approximately RMB31,971,000. As at the end of the Reporting Period, its net value was approximately RMB1,692,695,000. There was an increase in fair value of approximately RMB24,803,000 during the Reporting Period with an increase in accumulated fair value of approximately RMB598,714,000. During the Reporting Period, Ninghu Investment Company held Zhongbei Zhiyuan Fund subscribed in 2019, where the net value at the beginning of the Reporting Period was approximately RMB253,903,000, the investment cost was RMB270,000,000. The net value at the end of the Reporting Period was approximately RMB253,935,000. The increase in fair value during the Reporting Period was approximately RMB32,000, and the accumulated decrease in fair value was approximately RMB16,065,000. During the Reporting Period, Ninghu Investment Company held Luode Huizhi Fund subscribed in 2020, where the net value at the beginning of the Reporting Period was approximately RMB463,880,000, the investment cost was RMB500,000,000, and the net value at the end of the Reporting Period was approximately RMB481,376,000. The increase in fair value during the Reporting Period was approximately RMB17,496,000 with a decrease in accumulated fair value of approximately RMB18,624,000.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (IV) Analysis of investment (Continued)

##### 1. Overall analysis of external equity investment (Continued)

##### (3) Financial assets measured at fair value (Continued)

Investment in derivatives

Applicable  Not Applicable

#### (V) Material disposal of assets and equity interests

Applicable  Not Applicable

On 17 February 2023, as approved at the fifteenth meeting of the tenth session of the board of directors of the Company, Ninghu Investment Company, a wholly-owned subsidiary of the Company, transferred its 100% equity interest in Factoring Company to Jiangsu Communications Holding and YS Capital. On 27 February 2023, Ninghu Investment Company, a wholly-owned subsidiary of the Company, Factoring Company entered into the Equity Interest Transfer Agreement with Jiangsu Communications Holding and YS Capital. According to the assessment results filed by the state-owned asset management department, the transaction price is RMB346 million, of which: the consideration for transfer of the 80% equity interest to Jiangsu Communications Holding is RMB276.8 million while the consideration for the transfer of the 20% equity interest to YS Capital is RMB69.2 million. Upon the completion of the transfer, the Company will no longer hold any equity interest in Factoring Company and will no longer include it into the Company's consolidated financial statements. Please refer to the announcement of the Company dated 27 February 2023 for details. In July 2023, Guangzhou Municipal Financial Regulatory Bureau granted approval for the change of shareholders of Factoring Company. As at the date of this report, Ninghu Investment Company had received the entire consideration for the transfer, being RMB346 million. All parties have completed the transfer and are in the process of handling the industrial and commercial changes registration.

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

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (VI) Analysis of major subsidiaries and investee companies (Continued)

##### 1. Operations of major subsidiaries

Unit: Yuan Currency: RMB

Name of company	Principal business	Investment cost	Equity interest attributable to the Company %	Total assets	Net assets	Net profit	Percentage of the Company's net profit %	Year-on-year increase/decrease in net profit %
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85	15,726,731,926.23	8,952,959,895.06	456,934,752.50	17.66	81.47
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,640,488,051.24	378,916,403.22	-18,952,643.77	-	5.57
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	12,369,932,448.48	4,629,256,006.09	93,871,329.41	3.63	-
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	2,154,434,377.98	100	4,074,274,383.89	3,336,398,706.18	79,356,736.71	3.07	76.12
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,473,346,230.16	1,241,355,685.37	638,939.51	0.02	-97.05
Hanwei Company	Real estate development and operation	374,499,800	100	1,519,268,864.81	248,863,854.31	10,350,092.07	0.40	-
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000	100	58,937,334.51	54,104,966.85	680,018.87	0.03	-31.18
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	1,937,260,000	57.33	5,613,293,377.14	3,698,808,845.04	50,704.77	-	-93.61
Ninghu International Company	Overseas infrastructure investment	732,310.87	100	104,508.88	19,102.61	-609.29	-	-97.17
Yangtze Commerce and Energy Company	Operation and management of expressway service areas and other ancillary facilities	100,000,000.00	100	101,000,827.23	100,453,476.23	750,984.31	0.03	-
YS Energy Company	Investment, development and operation management of photovoltaic power generation and wind power generation	2,041,782,181.20	100	6,836,073,488.42	2,754,106,554.45	138,222,916.65	5.34	37.01

*Note 1:* During the Reporting Period, benefiting from the increase in traffic volume of the road network operated by the Group, Guangjing Xicheng Company and Wufengshan Toll Bridge Company, subsidiaries of the Group engaging in road and bridge sector, recorded relatively significant year-on-year increase.

*Note 2:* During the Reporting Period, Ninghu Investment Company recorded a year-on-year increase in its net profit as a result of a year-on-year increase both in the fair value appreciation of its other non-current financial assets and the dividends thereon.

*Note 3:* For the operational performance and changes in the operating results of Ninghu Properties Company and Hanwei Company, please refer to the section headed "Property business" in this report.

*Note 4:* Benefiting from factors such as weather conditions, the on-grid electricity generated by the offshore wind power projects operated by YS Energy Company increased as compared with that of the corresponding period in the previous year, which led to a year-on-year increase in its operating results.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 4. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

#### (VI) Analysis of major subsidiaries and investee companies (Continued)

##### 2. Operations of key associates

During the Reporting Period, the associates of the Group contributed an investment income of approximately RMB461,732,000 to the Group, representing a year-on-year increase of approximately 35.26%, mainly due to the increase in the traffic volume of the road network that resulted in the substantial year-on-year increase in the operating results of the companies in the road and bridge segment, which accounted for a relatively large proportion of the associates. Operating results of certain key associates are set out below:

Unit: Yuan Currency: RMB

Name of Company	Principal business	Investment cost	Equity interest attributable to the Company %	Net profit attributable to the shareholders of the associates	Contribution to investment income	Percentage of the Company's net profit %	Year-on-year increase/decrease %
Suzhou Expressway Company	Mainly responsible for the management and operation of Sujiahang Expressway and Changjia Expressway	957,700,163.00	23.86	272,270,000.05	64,963,622.00	2.51	32.54
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243.00	26.66	689,999,999.97	183,954,000.00	7.11	79.99
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000.00	25.15	379,625,005.54	104,776,501.53	4.05	23.58
Zijin Trust Company	Mainly engaged in trust investment business, etc. approved by laws and regulations or the China Banking Regulatory Commission	1,989,582,000.00	20.00	128,785,814.95	25,757,162.99	1.00	-41.89

#### (VII) Structured entities controlled by the Company

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 5. OTHER DISCLOSURES

#### (I) Possible risks

Applicable  Not Applicable

Taking into consideration the macro environment and current business status, the Group is mainly exposed to the following risks:

#### 1. Risks associated with industry policy

**Risk analysis:** The Group is primarily engaged in the investment, construction, operation and management of toll roads and bridges, and toll revenue is the major source of revenue for the Group. Any adjustment or change in industry policy, national macro-control policy or tax policy will have direct or indirect impact on the Group's operating revenue, and thus the Group is exposed to operational risks arising from industry policy.

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

#### 2. Risks associated with competition pattern

**Risk analysis:** As the expressway network is improving gradually, companies operating in the industry face increasingly fierce competition. The opening of roads and bridges that may serve as alternatives to those of the Group may reduce the market share and revenue growth of the Group; and the on-going expansion of railway network in Jiangsu Province will squeeze the existing market share of the Group and affect the future development of the principal business of the Group.

**Counter-measures:** The Group will establish high quality traffic condition and road appearance to create comfortable travelling environment and establish sound brand image; construct a coordinated platform for road network operation to improve road information sharing and control capacity and the service quality; promote the construction of "smart expressway" to explore the 5G scenario application and increase the dependence of the drivers and passengers on the roads of the Group. Meanwhile, the Group will pay close attention to regional planning of road networks and formulate strategies accordingly in a timely manner and enhance its resilience.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 5. OTHER DISCLOSURES (CONTINUED)

#### (I) Possible risks (Continued)

##### 3. Risks associated with project investment

Risk analysis: The Group's road and bridge projects under construction and new road and bridge projects are affected by local economic, political and other related factors, and hence there is a risk that future returns may fall short of expectations. In addition, investments in financial and quasi-financial products may involve risks of loss and gain due to market fluctuations or systematic risks.

Counter-measures: The Group will improve the mechanism for recruitment and cultivation of professional talents and boost its project research capacity to enhance the forward-looking judgment and increase the chances of successful investment. Besides, the Group will strengthen its internal control measures on external investment and establish scientific investment decision-making procedures to reduce investment risks.

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

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

Counter-measures: It will establish a risk management system and normalized risk appraisal mechanism, stay up-to-date with policies concerning the industry and the developments of the macro-economy and the industry and integrate risk management into real estate projects. Besides, it will reinforce specialized management of projects, build up its capability to gain insights into government policy and market development trends, adopt effective prevention measures, step up efforts to accelerate destocking, and strengthen its management and control of real estate funds so as to minimize risks.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 5. OTHER DISCLOSURES (CONTINUED)

#### (II) Other disclosures

Applicable  Not Applicable

#### 1 Investment plan and financing plan

For the second half of 2023, the main capital expenditures of the Group are expected to be as follows:

Name of Investment Projects	Amount (RMB)
Longtan Bridge and North Connection Project	1,704,145,404.00
Xiyi Expressway South Section Widening Project	1,142,012,431.00
Investment in YS Energy Company's photovoltaic power station project	171,103,349.33
Alteration and expansion of the service areas and toll collection points	18,990,580.17
Three major systems and informatization construction project	112,822,998.21
Other capital expenditure of the Group	37,980,295.05
	<hr/>
Total	<u>3,187,055,057.76</u>

On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategy based on the condition of the capital market, while further optimizing its debt structure and reducing capital risks so as to satisfy its own funding needs for operation and development. Meanwhile, the Group is actively exploring various types of financing channels, which will not only provide the Group with efficient funds support for its development, but also plan ahead for its future layout. As of the end of the Reporting Period, the Group's ultra short-term notes registered with National Association of Financial Market Institutional Investors but not issued with a valid period over one year were approximately RMB6.15 billion; the Group's medium-term notes registered with National Association of Financial Market Institutional Investors but not issued with a valid period over one year were RMB4.5 billion; the Group's green corporate bonds approved for registration by China Securities Regulatory Commission but not issued with a valid period over one year were RMB1.0 billion; and the available unutilized bank loan facilities with a time limit over one year were not less than RMB10.0 billion. The credit line will be sufficient for supporting capital expenditure, debt roll-over and business development of the Group. If other capital expenditure is required under special cases, the Group will adjust its financing plan based on the size of expenditure and the actual cash flow condition.

## SECTION IV CORPORATE GOVERNANCE

### I. OVERVIEW OF GENERAL MEETINGS

Session of the meeting	Date of the meeting	Inquiry index of the designated website for publishing the resolutions	Disclosure date of publishing the resolutions	Resolutions of the meeting
2022 annual general meeting, 2023 first A shareholders' class meeting and 2023 first H shareholders' class meeting	20 June 2023	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	21 June 2023	For details, please refer to the announcement of the Company published on the website of the Shanghai Stock Exchange at www.sse.com.cn on 21 June 2023 and on the website of the Stock Exchange at www.hkexnews.hk on 20 June 2023.

#### Holders of preference shares with restored voting rights requesting to convene an extraordinary general meeting

Applicable  Not Applicable

#### Overview of the general meeting

Applicable  Not Applicable

### II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Applicable  Not Applicable

Name	Position held	Reasons for the change
Chen Yanli	Director	Resigned
Yao Yong Jia	Deputy General Manager	Resigned
Chen Jinjia	Deputy General Manager	Appointed
Xu Haibei	Director	Elected

## SECTION IV CORPORATE GOVERNANCE

### II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY (CONTINUED)

Explanations on changes of Directors, Supervisors and senior management of the Company

Applicable  Not Applicable

Mr. Chen Yanli resigned as a non-executive Director of the Company on 24 March 2023 as he had reached the statutory retirement age, with effect from the election of a new non-executive Director at the 2022 annual general meeting of the Company (20 June 2023). Mr. Yao Yong Jia resigned as a deputy general manager of the Company on 26 May 2023 due to work reasons. Ms. Chen Jinjia was appointed as a deputy general manager at the eighteenth meeting of the tenth session of the Board of the Company on 26 May 2023. Mr. Xu Haibei was elected as a non-executive Director at the 2022 annual general meeting of the Company on 20 June 2023.

### III. PROFIT DISTRIBUTION PLAN OR PLAN FOR CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL

#### Proposed half-yearly profit distribution plan or plan for conversion of capital reserves into share capital

Whether to distribute or convert	No
Number of bonus shares per share ( <i>shares</i> )	0
Amount of cash dividends per share ( <i>Yuan</i> ) (tax inclusive)	0
Number of shares converted per share ( <i>shares</i> )	0

Information on the profit distribution plan or plan for conversion of capital reserves into share capital

Not Applicable

During the Reporting Period, the Board of the Company has recommended not to distribute interim dividends for the six months ended 30 June 2023 (for the corresponding period in 2022: Nil).

## SECTION IV CORPORATE GOVERNANCE

**IV. EQUITY INCENTIVE SCHEME, EMPLOYEE SHARE OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THE IMPACT THEREOF****(I) Equity incentives disclosed in announcements with no further progress or changes after implementation**

Applicable  Not Applicable

**(II) Incentives which have not been disclosed in announcements or have seen further progress**

Equity Incentive Scheme

Applicable  Not Applicable

Other information

Applicable  Not Applicable

Employee Share Ownership Scheme

Applicable  Not Applicable

Other Incentive Measures

Applicable  Not Applicable

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### I. ENVIRONMENTAL INFORMATION

**(I) Statements on environmental protection work of companies and their main subsidiaries that are identified as key pollutant discharging entities as per the announcements published by the environmental protection departments**

Applicable  Not Applicable

**(II) Statements on environmental protection work of companies that are not identified as key pollutant discharging entities**

Applicable  Not Applicable

**1. Administrative penalties due to environmental issues**

Applicable  Not Applicable

**2. Disclosure of other environmental information in accordance with the requirements for key pollutant discharging entities**

Applicable  Not Applicable

**(1) Pollution discharge**

According to the List of Key Entities for Environmental Supervision in Jiangsu Province 2023, the Group is not classified as key entity for environmental supervision. During the Reporting Period, the Group strictly complied with the relevant requirements for the emission of waste gas, waste water, solid waste and noise generated in the course of its business operations to ensure that all emissions are handled in accordance with the standards.

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

**For reducing exhaust emissions:** accuracy and flexibility of hindrance clearance and rescue are enhanced to minimize the increase in fuel consumption and exhaust emissions due to the lengthening of driving distance between points; and the greening and daily maintenance of subgrade slopes and side ditches are strengthened to alleviate the impact of transportation vehicle exhaust emissions on the ambient air quality along the routes.

**For sewage treatment:** For the illegal water discharge by farmers adjacent to highways, targeted investigation measures are taken, with a total of 5 suspected discharge spots found. Through “detailed sorting and precise positioning”, regular tracking and monitoring are carried out to seek to ensure “smooth side ditches, solid subgrade and safe flood season”.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### I. ENVIRONMENTAL INFORMATION (CONTINUED)

#### (II) Statements on environmental protection work of companies that are not identified as key pollutant discharging entities (Continued)

##### 2. Disclosure of other environmental information in accordance with the requirements for key pollutant discharging entities (Continued)

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

**For reducing noise pollution:** As for the key projects related to people's livelihood, the Company searches for noise-sensitive points along the whole route. With Wuxi section of Shanghai-Nanjing Expressway as a pilot, based on real-time monitoring data of traffic flow and noise along the same road section, the Company established a calculation model of traffic volume and noise impact that quantitatively analyzed the impact of traffic flow on the noise along the route, and compiled the "Quantitative Analysis of Traffic Noise Along the Shanghai-Nanjing Expressway" report, which provides scientific references for planning and decision-making on noise management and prevention and control; protective measures such as laying low-noise road pavements, green belts, sound barriers and sound-proof windows are adopted to reduce noise from source, and transmission routes.

###### (3) Environmental emergency plans

With strict adherence of the laws and regulations of the state and industry supervision entities on safe and environment-friendly work, the Company fulfilled the main responsibility for work safety, improved the construction of work safety system, completed the safety enhancement projects, and carried out special activities such as "Work Safety Month" etc.. In 2023, the Company undertook emergency drills for extra-long underwater highway tunnels, and built a platform for emergency rescue and consultation in highlands, enhancing the level of preventive security control and emergency response for underwater highway tunnels in the province. The Company strengthened multi-departmental emergency response and joint logistics and operation and formed a scientific, standardized and efficient rescue system for underwater highway tunnels.

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

As the Group continues to monitor its environmental management, a three-level environmental management system covering the company-level, subsidiary-level and grassroots-level is implemented to thoroughly review the documents of the Company's environmental protection system. It pays close attention to the implementation of various environmental protection systems, progressively establishes and formulates the "Environmental Protection Evaluation Measures" for the grassroots-level units to enhance the publicity and education of environmental protection for the construction personnel and contracted units.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### I. ENVIRONMENTAL INFORMATION (CONTINUED)

#### (II) Statements on environmental protection work of companies that are not identified as key pollutant discharging entities (Continued)

##### 3. Reasons for non-disclosure of other environmental information

Applicable  Not Applicable

#### (III) Follow-up progress or changes of disclosure of environmental information during the Reporting Period

Applicable  Not Applicable

#### (IV) Information on efforts made to facilitate ecological protection, pollution prevention and control, and fulfilment of environmental responsibility

Applicable  Not Applicable

During the Reporting Period, the Group has always been committed to environmental protection and resource conservation in all aspects, particularly in key stages of construction and operation management. It also paid great attention to the impact of business operations on the environment, vigorously promoted the integration of operations with ecological and environmental protection, and endeavored to move towards a better life with a smoother, smarter, greener and healthier environment.

- Active ecological conservation. The application of ecological protection techniques is promoted in daily maintenance. According to the seasonal characteristics of daily maintenance, environmental remediation actions including lawn laying, landscaping, drainage pipeline maintaining, and road marking, etc. are conducted to form green ecological maintenance with low consumption, less pollution, and high efficiency. Through the large-scale use of synchronous surface dressing and hot in-place recycling, and the extensive application of non-stick wheels, we have realized the recycling and reduction of waste materials.
- Effective pollution prevention and control. With the completion of the requirements related to pollution prevention and control, the Company has intensified its efforts to control pollution in the service area, diligently maintained the sewage treatment equipment and fume purification equipment in the service area, strengthened the daily management of water facilities in service areas, ensuring proper maintenance of measuring instruments and facilities, and is committed to building a water-saving highway service area.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### I. ENVIRONMENTAL INFORMATION (CONTINUED)

#### (IV) Information on efforts made to facilitate ecological protection, pollution prevention and control, and fulfilment of environmental responsibility (Continued)

3. Fulfillment of environmental responsibility. The Company reinforces the primary responsibility for the environment, incorporates environmental management into the daily agenda of the Strategy Committee, continues to improve the data collection mechanism, sets annual quantitative environmental targets and breaks them down into responsible departments; promotes the joint efforts of employees to protect the environment, organizes employees to participate in various environmental protection-themed promotion activities such as energy saving and carbon reduction and voluntary service, and actively promotes green office work and green travel.

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

Applicable     Not Applicable

Following the concept of green development, the Group has been promoting the development of maintenance engineering technology and equipment to help transform road maintenance into resource-saving and environmentally friendly. The Company thoroughly optimized the construction plan of the maintenance operation. According to the actual situation of different projects, the Company makes changes according to local conditions and demands, vigorously promotes the use of green and environment-friendly maintenance machinery and equipment such as snow blowers and snow shovels, which reduces the construction occupancy rate and safety risks, and effectively reduces the erosion of chemicals such as snow melting agent on road surfaces, bridges and surrounding greenery, gradually forming a green eco-maintenance of low-consumption, low-pollution, and high-efficiency, and building a quality maintenance project that is in harmonious coexistence and sustainable development with nature.

Combined with the characteristics of high-filling and deep excavation sections of road slopes within its jurisdiction, the Company focuses on the research of highway slope safety monitoring systems, establishes a real-time monitoring platform for slope information, and adopts flexible and effective protective measures to ensure the stability and safety of the subgrade and road surface and increase the road's lifespan while strengthening the protection of road slopes and on this premise, it gradually increases the area of vegetation and builds ecological and humanistic highways.



## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

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

Applicable  Not Applicable

For the purpose of fulfilling the decision and deployment of the provincial party committee and provincial government to carry out the action of “connecting enterprises with villages to pursue the common prosperity” and implementing the requirement of “urban-rural pairing for civilization building”, the Company actively fulfilled the social responsibility of the state-owned enterprises and bravely undertook the corporate mission of “building Jiangsu into a province with strong transportation network” and “sharing development dividends with the public and industrial peers”. The Company set up a special working group in time and organized several field surveys in Shuangxi Village, Dazou County to carry out joint constructions of enterprise-village Party, village infrastructure, ideological and cultural exchanges, and a series of assistance activities, which were well recognized and praised by the locals. During the Reporting Period, in accordance with the deployment requirements of the higher authorities, the Group provided RMB400,000 in funding for village revitalization in Ganyu District, Lianyungang City. The Group took the initiative to identify people’s needs and vigorously launched rural revitalization projects such as the “Yafu Base Assistance”, “Liyang White Tea Picking” and “Fresh Fruit Rapid Transportation Specialized Service”. With the aim of “providing semester greetings and regular follow-up visits, extending help to children to realize dreams”, the Company continued to help students in pairs. Yangtze Commerce and Energy Company took the initiative to help the fruit farmers with living difficulties in the service area to set up agricultural product exhibitions and sales, contributing to the revitalization of the villages with practical actions.

## SECTION VI SIGNIFICANT MATTERS

### I. PERFORMANCE OF UNDERTAKINGS

(I) **Undertakings made by the Company's de facto controller, shareholders, related parties, acquirers and the Company during the Reporting Period or subsisting to the Reporting Period**

Applicable  Not Applicable

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

Applicable  Not Applicable

### III. GUARANTEES IN VIOLATION OF REGULATIONS

Applicable  Not Applicable

### IV. AUDIT OF THE INTERIM REPORT

Applicable  Not Applicable

### V. CHANGES IN MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS IN THE ANNUAL REPORT OF THE PREVIOUS YEAR AND CORRESPONDING TREATMENT

Applicable  Not Applicable

### VI. MATTERS CONCERNING BANKRUPTCY AND RESTRUCTURING

Applicable  Not Applicable

### VII. MATERIAL LITIGATION AND ARBITRATION

The Company was involved in material litigation and arbitration during the Reporting Period

The Company was not involved in any material litigation or arbitration during the Reporting Period

### VIII. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DUE TO NON COMPLIANCE OF LAWS OR REGULATIONS

Applicable  Not Applicable

## SECTION VI SIGNIFICANT MATTERS

### IX. EXPLANATION ON INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Applicable  Not Applicable

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS

#### (I) Related party/connected transaction relating to day-to-day operations

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation

Applicable  Not Applicable

#### Description of Event

#### Enquiry Index

On 28 August 2020, the Company entered into the Agreement Regarding the Lease and Operation of the Gas Station in Zhangzhu Service Area of Yichang Company with its subsidiary, Yichang Company (a subsidiary of a connected subsidiary of the Company), pursuant to which, Yichang Company shall lease its Gas Station in Zhangzhu Service Area to the Company for operation and management, with an operating and lease term of 3 years commencing from the official business commencement date of the gas station in Zhangzhu Service Area. The total amount of the lease shall be no more than RMB5.32 million.

For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 29 August 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 28 August 2020.

On 30 October 2020, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the Management Entrustment Agreement with Xitai Company (being an associate of the controlling shareholder of the Company). The management entrustment will be for a term of 36 months in total commencing on 1 January 2021 and expiring on 31 December 2023; the estimated cap for the costs of the management entrustment will be RMB1.26 million (expected not to exceed RMB430,000 in 2023).

For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 31 October 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 30 October 2020, respectively.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 27 November 2020, the Company and Wufengshan Toll Bridge Company (a connected subsidiary of the Company) entered into the Agreement Regarding the Lease and Operation of the Gas Station in Wufengshan Toll Bridge Service Area, pursuant to which Wufengshan Toll Bridge Company would lease its gas stations in the Wufengshan Toll Bridge Service Area to the Company for operation and management for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area. The expected total amount of the lease for 3 years will be not more than RMB16 million, among which, the expected lease amount will be not more than RMB5.75 million in 2023, and RMB3.25 million in 2024.</p>	<p>For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 November 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 November 2020, respectively.</p>
<p>On 26 March 2021, the Company entered into the framework agreement with Tongxingbao Company (being an associate of the controlling shareholder of the Company) in respect to the SDWAN phase II service project, ETC service charge and other projects of the Company and its wholly-owned subsidiaries for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not more than RMB8.67 million (expected to be not more than RMB1.30 million for 2023); Wufengshan Toll Bridge Company, a subsidiary of the Company, entered into the framework agreement with Tongxingbao Company in respect to Cloud dispatch and SDWAN service and other projects for a term commencing from 1 April 2021 to 31 December 2023 with the agreement amount not more than RMB9.80 million, and the estimated amount would not exceed RMB1.30 million for 2023.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, the Company entered into an annual framework agreement with Cuipingshan Hotel (being an associate of the controlling shareholder of the Company) with respect to the welfare procurement and other projects of the Company and its wholly owned subsidiary for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not more than RMB4.48 million, and the amount would not exceed RMB0.60 million for 2023; Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Cuipingshan Hotel, respectively, with respect to the launch of material procurement and other businesses for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB4.70 million. The estimated amount in 2023 would not exceed RMB1.60 million (the amount payable by Guangjing Xicheng Company not more than RMB1.10 million, the amount payable by Changyi Company not more than RMB0.20 million, and the amount payable by Yichang Company not more than RMB0.30 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the framework agreement with Communications Holding Commercial Operation Company (being an associate of the controlling shareholder of the Company) with respect to the property service, lease and management and other matters of the Company and its wholly-owned subsidiary for a term from 1 April 2021 to 31 December 2023, with the estimated agreement amount not more than RMB2,147,025.83, and the estimated amount would not exceed RMB469,303.83 in 2023.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Information Company (being an associate of the controlling shareholder of the Company), respectively, with respect to the supervision, maintenance of communication system and purchase of parts and components and other matters for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount of not more than RMB33 million, and the estimated agreement amount in 2023 shall not exceed RMB12 million (the agreement amount payable by Guangjing Xicheng Company not more than RMB8 million, the agreement amount payable by Changyi Company not more than RMB2 million, the agreement amount payable by Yichang Company not more than RMB2 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with Jiangsu Communications Holding with respect to the cloud platform technological service project of the Company and its wholly-owned subsidiary for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB4.93 million, and the estimated amount would not exceed RMB1.20 million in 2023.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into entrustment management agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (being an associate of the controlling shareholder of the Company), respectively, with respect to the operation and management matters, whereby their respective daily operation and management affairs (excluding the service areas and petrol stations) were entrusted to the Company, for a term commencing from 1 January 2021 to 31 December 2023. The total agreement amount shall not exceed RMB336 million. In particular, the estimated amount of Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall not exceed RMB71 million and RMB71 million in 2023, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, Guangjing Xicheng Company (a subsidiary of the Company) and its subsidiaries, Changyi Company and Yichang Company intended to enter into relevant purchase agreements with Hetai Expressway Operation Company (an associate of the controlling shareholder of the Company) with respect to purchase of engineering materials for a term commencing on 1 April 2021 and ending on 31 March 2024, with the agreement amount not more than RMB5.85 million. The estimated amounts of Guangjing Xicheng Company, Changyi Company and Yichang Company shall not exceed RMB1.20 million, RMB0.30 million and RMB0.40 million in 2023, respectively. The estimated amounts of Guangjing Xicheng Company, Changyi Company and Yichang Company shall not exceed RMB0.20 million, RMB0.10 million and RMB0.15 million from 1 January 2024 to 31 March 2024, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company, a subsidiary of the Company, entered into the relevant agreements with Expressway Petroleum Company (an associate of the controlling shareholder of the Company) and its wholly-owned subsidiary, Taixing Oil Products Company (an associate of the controlling shareholder of the Company), with respect to the petrol stations leasing in service areas, and the rental price is determined based on the petroleum sales volume, with the guaranteed rental fees of RMB0.50 million. The term of agreements commenced on 1 January 2021 and will end on 31 December 2023 with an agreement amount of not more than RMB78 million based on the estimated petroleum sales volume for 2021 to 2023 (not more than RMB27 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Changyi Company and Yichang Company, the subsidiaries of Guangjing Xicheng Company, a subsidiary of the Company, entered into the framework agreement with Network Operation Company (an associate of the controlling shareholder of the Company), respectively, with respect to the expressway network management services for a term commencing on 1 January 2021 and ending on 31 December 2023, with the agreement amount not more than RMB9 million. In particular, the estimated amounts of Changyi Company and Yichang Company shall not exceed RMB2 million and RMB2 million in 2023, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, Zhendan Company and Wufengshan Toll Bridge Company, the subsidiaries of the Company, entered into the framework agreement with Micro Video Company (an associate of the controlling shareholder of the Company), respectively, in respect to the information system development and maintenance projects of cloud check-in, in particular, the agreement with Wufengshan Toll Bridge Company commences on 1 April 2021 and ending on 31 December 2023 with the agreement amount of not more than RMB3.80 million, and the estimated amount shall not exceed RMB0.60 million in 2023.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the relevant lease agreement with Guangjing Xicheng Company (a connected subsidiary of the Company) and Yangtze Bridge Company (an associate of the controlling shareholder of the Company), respectively, in respect to the vehicle lease and other matters for a term of agreement from 1 January 2021 to 31 December 2023, with an agreement amount of not more than RMB0.81 million. Of which: it is estimated that (1) the lease fee payable by Yangtze River Management Company to Guangjing Xicheng Company shall not exceed RMB0.36 million (not more than RMB0.12 million in 2023); (2) the lease fee payable by Yangtze River Management Company to Yangtze Bridge Company shall not exceed RMB0.45 million (not more than RMB0.15 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the entrusted management agreement with Yangtze Bridge Company (an associate of the controlling shareholder of the Company), Hutong Bridge Company (an associate of the controlling shareholder of the Company), Guangjing Xicheng Company (a connected subsidiary of the Company), Changyi Company (a connected subsidiary of the Company) and Yichang Company (a connected subsidiary of the Company), respectively, in respect to entrusted operation and management for a term commencing on 1 April 2021 and ending on 31 December 2023, with the entrusted management fee payable not exceeding RMB188.39 million. Of which: it is estimated that (1) the entrusted fee payable by Yangtze Bridge Company to Yangtze River Management Company shall not exceed RMB64.38 million (not more than RMB22.83 million in 2023); (2) the entrusted fee payable by Hutong Bridge Company to Yangtze River Management Company shall not exceed RMB34.55 million (not more than RMB12.27 million in 2023); (3) the entrusted fee payable by Guangjing Xicheng Company to Yangtze River Management Company shall not exceed RMB69.34 million (not more than RMB24.60 million in 2023); (4) the entrusted fee payable by Changyi Company to Yangtze River Management Company shall not exceed RMB8.97 million (not more than RMB3.44 million in 2023); (5) the entrusted fee payable by Yichang Company to Yangtze River Management Company shall not exceed RMB11.15 million (not more than RMB4.27 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company entered into the related party transaction agreement with Ninghang Cultural Tourism Company (an associate of the controlling shareholder of the Company) in respect to the employee development training for a term from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB0.75 million (the estimated amount would not exceed RMB0.30 million in 2023); Guangjing Xicheng Company (a subsidiary of the Company) and its subsidiaries, Changyi Company and Yichang Company, entered into the related party transaction agreements with Ninghang Cultural Tourism Company with respect to the employee business skill training for a term commencing on 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB2.85 million. Of which: the estimated amount incurred in 2023 shall not exceed RMB1.10 million (the amount payable by Guangjing Xicheng Company not more than RMB0.65 million, the amount payable by Changyi Company not more than RMB0.20 million, and the amount payable by Yichang Company not more than RMB0.25 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, entered into the relevant framework agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company), respectively, in respect to the entrustment management of service areas for a lease term of 3 years commencing from the official business commencement date of the service areas in Wufengshan Toll Bridge Service Area and Xueyan Service Area. The agreement amount is not more than RMB46.80 million. Of which: the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB28.80 million (not more than RMB8.50 million in the first year of its opening date, not more than RMB9.80 million in the second year of its opening date, and not more than RMB10.50 million in the third year of its opening date); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB18 million (not more than RMB5.50 million in the first year of its opening date, not more than RMB6 million in the second year of its opening date, and not more than RMB6.50 million in the third year of its opening date).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company terminated the service area entrusted management agreement entered into between Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, and Wufengshan Toll Bridge Company (a connected subsidiary of the Company), which was considered and approved at the 28th meeting of the ninth session of the board of directors of the Company, and re-entered into an annual framework agreement with Wufengshan Toll Bridge Company in respect of the entrusted management of Guangling service area in Yangzhou. The performance period of the service area entrusted management agreement commenced from 1 May 2023 and ending on 30 April 2024, with the agreement amount of RMB13.60 million (not more than RMB9.80 million in 2023 and RMB3.80 million in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>
<p>On 26 March 2021, Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, entered into the relevant framework agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company), respectively, in respect of the petrol stations leasing, pursuant to which, Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall lease the petrol stations in service areas to Yangtze Commerce and Energy for operation for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area and Xueyan Service Area, with the agreement amount of not more than RMB20 million. Of which: the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB16 million (not more than RMB6.50 million in 2023); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB4 million (the estimated amount would not exceed RMB1.50 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the property leasing agreement with Railway Group Company (an associate of the controlling shareholder of the Company) with an annual rent of RMB3,973,640, for a term from 1 January 2021 to 31 December 2023, the total rent is approximately RMB11,920,920.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 26 March 2021, Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company entered into relevant agreement with Communication and Media Company (an associate of the controlling shareholder of the Company), respectively, in respect to the lease of advertising media for a term from 1 January 2021 to 31 December 2023, where the estimated total rental for three years payable by Communication and Media Company shall not exceed RMB20.40 million. In particular, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB17 million (expected not to exceed RMB9 million in 2023), the agreement amount payable by Changyi Company shall not exceed RMB1.50 million (not more than RMB0.70 million in 2023), and the agreement amount payable by Yichang Company shall not exceed RMB1.90 million (not more than RMB0.80 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 22 December 2021, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) cooperated with Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) to conduct the toll service outsourcing project, and signed a toll service outsourcing agreement, for a term from 22 December 2021 to 30 November 2024. The total outsourcing service fee was estimated not to exceed RMB11 million. The estimated outsourcing service fee would not exceed RMB3.70 million in 2023 and RMB3.60 million in 2024.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 23 December 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 22 December 2021.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its subsidiaries, being Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries, namely Changyi Company and Yichang Company, entered into annual framework agreements with Micro Video Company (an associate of the controlling shareholder of the Company) in respect of the cloud services for the digital transformation. The term of the agreements commenced on 1 May 2022 and will end on 30 April 2023, and the agreement amount shall not exceed RMB4,233,900, among which, the amount of the agreement between the Company and Micro Video Company shall not exceed RMB3.1 million (with an estimated amount of not exceeding RMB1.10 million in 2023); the amount of the agreement between Wufengshan Toll Bridge Company and Micro Video Company shall not exceed RMB0.65 million (with an estimated amount of not exceeding RMB180,000 in 2023); the amount of the agreement between Guangjing Xicheng Company and Micro Video Company shall not exceed RMB311,200 (with an estimated amount of not exceeding RMB101,200 in 2023); the amount of the agreement between Changyi Company and Micro Video Company shall not exceed RMB26,000 (with an estimated amount of not exceeding RMB9,000 in 2023); the amount of the agreement between Yichang Company and Micro Video Company shall not exceed RMB146,700 (with an estimated amount of not exceeding RMB49,000 in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and Wufengshan Toll Bridge Company (a subsidiary of the Company), entered into annual framework agreements with Information Company (an associate of the controlling shareholder of the Company) in relation to the construction and maintenance services of the electromechanical system, spare parts entrusted management services and smart service area development and application management services, among which, the term for the construction and maintenance services of the electromechanical system between the Company and Information Company commenced on 1 May 2022 and will end on 30 April 2023, with an amount not exceeding RMB33 million (with an estimated amount of not exceeding RMB11 million in 2023); the term for the spare parts entrusted management services between the Company and Information Company commenced on 1 May 2022 and will end on 30 April 2023, with an amount not exceeding RMB7 million (with an estimated amount of not exceeding RMB2 million in 2023); the term for the smart service area development and application management services between the Company and Information Company commenced on 1 May 2022 and will end on 30 April 2023, with an amount not exceeding RMB3 million (with an estimated amount of not exceeding RMB1 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its subsidiaries Zhendan Company, Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries, namely Yichang Company and Changyi Company, entered into annual framework agreements with Tongxingbao Company (an associate of the controlling shareholder of the Company) in respect of cloud dispatch technology services and SD-WAN services and other network system services, road network technology services, ETC contactless payment system services and ETC customer service outlets leasing, among which, the term for the road network technology services between the Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB9 million; the term for the road network technology services between Guangjing Xicheng Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB6.7 million (with an estimated amount of not exceeding RMB2.20 million in 2023); the term for the road network technology services between Changyi Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB0.85 million (with an estimated amount of not exceeding RMB0.35 million in 2023); the term for the road network technology services between Yichang Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB0.90 million (with an estimated amount of not exceeding RMB0.40 million in 2023); the term for the road network technology services between Zhendan Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.25 million; the term for the road network technology services between Wufengshan Toll Bridge Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB1.30 million; the term for the cloud dispatch technology services between the Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB2 million (with an estimated amount of not exceeding RMB0.67 million in 2023); the term for the cloud dispatch technology services between Zhendan Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB60,000 (with an estimated amount of not exceeding RMB20,000 in 2023); the</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

###### Description of Event

###### Enquiry Index

term for the cloud dispatch technology services between Guangjing Xicheng Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.2 million; the term for the cloud dispatch technology services between Changyi Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB10,000; the term for the cloud dispatch technology services between Yichang Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.1 million; the term for the SD-WAN services between the Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB1.20 million; the term for the SD-WAN services between Guangjing Xicheng Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.40 million; the term for the SD-WAN services between Changyi Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB60,000; the term for the SD-WAN services between Yichang Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB30,000; the term for the SD-WAN services between Zhendan Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.10 million; the term for the ETC customer service outlets leasing between the Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB0.80 million (with an estimated amount of not exceeding RMB0.27 million in 2023); the term for the ETC customer service outlets leasing between Guangjing Xicheng Company and Tongxingbao Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB30,000; the term for the ETC contactless payment system services between the Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB2.10 million (with an estimated amount of not exceeding RMB0.70 million in 2023).



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its subsidiaries, being Zhendan Company, Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries, namely Changyi Company and Yichang Company, entered into annual framework agreements with Xiandai R&amp;B Company (an associate of the controlling shareholder of the Company) in respect of the highway maintenance and construction services, bridge expansion and joint replacement services, greening improvement and environmental improvement services, traffic safety facilities improvement services, among which, the term for the highway maintenance and construction services agreement between the Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB171.87 million (with an estimated amount of not exceeding RMB39.62 million in 2023); the term for the highway maintenance and construction services agreement between Guangjing Xicheng Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB149.83 million (with an estimated amount of not exceeding RMB8.20 million in 2023); the term for the highway maintenance and construction services agreement between Changyi Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB1.40 million (with an estimated amount of not exceeding RMB0.60 million in 2023); the term for the highway maintenance and construction services agreement between Yichang Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB2.30 million (with an estimated amount of not exceeding RMB0.80 million in 2023); the term for the highway maintenance and construction services agreement between Zhendan Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB4.36 million (with an estimated amount of not exceeding RMB1.45 million in 2023); the term for the highway maintenance and construction services agreement between the Wufengshan Toll Bridge Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB4.17 million (with an estimated amount of not exceeding RMB1.39 million in 2023); the term for the bridge expansion and joint replacement services agreement between the Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB12.81 million (with an estimated amount of not exceeding RMB2.81 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its subsidiaries, being Zhendan Company, Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries, namely Changyi Company and Yichang Company, entered into annual framework agreements with Maintenance Technology Company (an associate of the Company's controlling shareholder) in respect of the comprehensive maintenance technology services, basic membership fees of the council and bridge navigation safety risk investigation and comprehensive assessment consulting services, among which, the term for the comprehensive maintenance technology services between the Company and Maintenance Technology Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB15.26 million (with an estimated amount of not exceeding RMB1 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company and Huatong Engineering Company (an associate of the controlling shareholder of the Company) entered into an annual framework agreement in relation to the dynamic weighing system operation and maintenance services and bridge maintenance and reinforcement projects, among which, the term for the bridge maintenance and reinforcement services between the Company and Huatong Engineering Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB19.50 million (with an estimated amount of not exceeding RMB1.50 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its wholly-owned subsidiaries Ninghu Investment Company and its wholly-owned subsidiary, namely Factoring Company, Yangtze River Management Company and Guangjing Xicheng Company (a subsidiary of the Company) entered into annual framework agreements with Communications Holding Commercial Operation Company (an associate of the Company's controlling shareholder) in respect to office leasing and material procurement, among which, the term for the office leasing between Ninghu Investment Company and Communications Holding Commercial Operation Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.85 million; the term for the office leasing between Factoring Company and Communications Holding Commercial Operation Company is from 1 January to 30 April 2023, and the amount shall not exceed RMB0.45 million; the term for the material procurement services between Yangtze River Management Company and Communications Holding Commercial Operation Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB0.12 million (with an estimated amount of not exceeding RMB40,000 in 2023); the term for the material procurement services between Guangjing Xicheng Company and Communications Holding Commercial Operation Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB0.45 million (with an estimated amount of not exceeding RMB50,000 in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its wholly-owned subsidiaries Yangtze River Management Company, Ninghu Investment Company and its wholly-owned subsidiary, namely Factoring Company, Ninghu Properties Company and Guangjing Xicheng Company (a subsidiary of the Company) and its subsidiaries, Changyi Company and Yichang Company entered into annual framework agreements with Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) in respect of the human resources services, with agreement term from 1 January 2022 to 30 April 2023 and an agreement amount of not exceeding RMB20 million, among which, the amount of the agreement for the Company shall not exceed RMB15.70 million (with an estimated amount of not exceeding RMB6.28 million in 2023), the amount of the agreement for Yangtze River Management Company shall not exceed RMB0.90 million (with an estimated amount of not exceeding RMB0.36 million in 2023), the amount of the agreement for Guangjing Xicheng Company shall not exceed RMB2 million (with an estimated amount of not exceeding RMB0.80 million in 2023), the amount of the agreement for Changyi Company shall not exceed RMB0.50 million (with an estimated amount of not exceeding RMB0.20 million in 2023), the amount of the agreement for Yichang Company shall not exceed RMB0.60 million (with an estimated amount of not exceeding RMB0.24 million in 2023), the amount of the agreement for Ninghu Investment Company shall not exceed RMB0.10 million (with an estimated amount of not exceeding RMB40,000 in 2023), the amount of the agreement for Factoring Company shall not exceed RMB0.10 million (with an estimated amount of not exceeding RMB40,000 in 2023), the amount of the agreement for Ninghu Properties Company shall not exceed RMB0.10 million (with an estimated amount of not exceeding RMB40,000 in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company and Expressway Petroleum Company (an associate of the Company's controlling shareholder) entered into an annual framework agreement in relation to the lease of 7 gas stations in 4 service areas of Ningchang Zhenli Section, with an agreement term from 1 January 2022 to 30 April 2023 and an agreement amount of not exceeding RMB25.60 million (with an estimated amount of not exceeding RMB6.60 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company) entered into annual framework agreements in relation to the leasing of gas stations in Guangling Service Area in Yangzhou and Taihuwan Service Area in Wujin, among which, the term for the service areas gas station leasing for Wufengshan Toll Bridge Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB3.10 million (with an estimated amount of not exceeding RMB0.70 million in 2023); the term for the service areas gas station leasing for Suxichang South Expressway Company is from the opening date to 30 April 2023, and the amount shall not exceed RMB0.95 million (with an estimated amount of not exceeding RMB0.35 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company and its wholly-owned subsidiary, namely Ninghu Investment Company, entered into annual framework agreements with Communication and Media Company (an associate of the controlling shareholder of the Company) in respect of the promotion and production service commission and advertisement operation and publication cooperation, among which, the term for the promotion and production service commission between the Company and Communication and Media Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB5.0623 million (with an estimated amount of not exceeding RMB0.20 million in 2023); the term for the advertisement operation and publication cooperation between Ninghu Investment Company and Communication and Media Company is from 1 May 2022 to 30 April 2025, and the amount shall not exceed RMB121 million (with an estimated amount of not exceeding RMB40 million in 2023, RMB40 million in 2024 and RMB14 million in 2025); the term for the entrusted management fee between Ninghu Investment Company and Communication and Media Company is from 1 May 2022 to 30 April 2025, and the amount shall not exceed RMB17.50 million (with an estimated amount of not exceeding RMB5.80 million in 2023, RMB5.80 million in 2024 and RMB2 million in 2025).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and its wholly-owned subsidiary, namely Ninghu Investment Company and Factoring Company (a wholly-owned subsidiary of Ninghu Investment Company) entered into annual framework agreements with Cuiplingshan Hotel (an associate of the controlling shareholder of the Company) in relation to the procurement of goods and services, with agreement term from 1 May 2022 to 30 April 2023 and an agreement amount of not exceeding RMB3.0039 million (with an estimated amount of not exceeding RMB0.77 million in 2023), among which, the amount for the Company shall not exceed RMB2.9239 million (with an estimated amount of not exceeding RMB0.74 million in 2023), the amount for Ninghu Investment Company shall not exceed RMB30,000 (with an estimated amount of not exceeding RMB10,000 in 2023), the amount for Factoring Company shall not exceed RMB50,000 (with an estimated amount of not exceeding RMB20,000 in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 25 March 2022, the Company and Factoring Company (a wholly-owned subsidiary of the Company) and Guangjing Xicheng Company, Zhendan Company and Wufengshan Toll Bridge Company (all being subsidiaries of the Company) entered into annual framework agreements with Kuailu Company (an associate of the controlling shareholder of the Company) in respect of the vehicle leasing, with agreement term from 1 May 2022 to 30 April 2023 and an agreement amount of not exceeding RMB27.2912 million (with an estimated amount of not exceeding RMB8.8251 million in 2023), among which, the amount for the Company shall not exceed RMB19.5312 million (with an estimated amount of not exceeding RMB6.2551 million in 2023), the amount for Factoring Company shall not exceed RMB40,000 (with an estimated amount of not exceeding RMB20,000 in 2023), the amount for Guangjing Xicheng Company shall not exceed RMB1.45 million (with an estimated amount of not exceeding RMB0.45 million in 2023), the amount for Wufengshan Toll Bridge Company shall not exceed RMB4.66 million (with an estimated amount of not exceeding RMB1.56 million in 2023), the amount for Zhendan Company shall not exceed RMB1.61 million (with an estimated amount of not exceeding RMB0.54 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 25 March 2022, the Company and Changyi Company (a connected subsidiary of the Company) entered into an annual framework agreement in relation to the Company's acceptance of entrusted operation and management of the north section of Changyi Phase I Project, with an agreement term from 1 May 2022 to 30 April 2023 and an agreement amount of not exceeding RMB9.52 million (with an estimated amount of not exceeding RMB3.22 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>
<p>On 16 December 2021, YS Energy Company entered into a lease agreement (Note) with Communications Holding Commercial Operation Company (an associate of controlling shareholder of the Company), under which Communications Holding Commercial Operation Company leases to YS Energy Company a total of 2,304.66 sq.m. of office premises on the 18th and 20th floors of office building A2, and 24 parking spaces on the lower 5 floors, (2) 1 parking space on the lower 3 floors of Zijin Finance Center from 1 January 2022 to 30 September 2025. The transaction amount shall not exceed RMB4,011,700 and RMB9,900 in 2023, RMB4,128,500 and RMB10,200 in 2024, RMB2,122,700 and RMB5,300 from 1 January to 30 September 2025.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>Certain associates agreement (Note) of Jiangsu Communications Holding agreed to provide certain leases of land and roofs to YS Energy Company (as lessee) for the construction and operation of photovoltaic power generation business. According to the industry practice, the term of the agreements signed by YS Energy Company exceeds 3 years, which is usually 20 years from the effective date (the maximum term allowed by the PRC law). In some of the agreements, YS Energy Company has the option to renew for 5 years to cover the entire 25-year design operation period of the photovoltaic power generation business.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 17 June 2022, the Company and its wholly-owned subsidiaries, being Ninghu Investment Company and its wholly-owned subsidiaries, namely Factoring Company, Ninghu Properties Company, Hanwei Company entered into an agreement in relation to the procurement of supplies with Communications Holding Commercial Operation Company (an associate of the controlling shareholder of the Company). The term of the agreement is from 1 July 2022 to 30 April 2023, and the amount of the agreement shall not exceed RMB23,096,000 (with an estimated amount of not exceeding RMB8.68 million in 2023).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 June 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 June 2022, respectively.</p>
<p>On 26 October 2022, the Company entered into an agreement for simulation system development project of occupational skill level certification with Micro Video Company (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 26 December 2022 to 25 July 2023, with an amount not exceeding RMB1,898,800 (estimated to be not more than RMB948,800 in 2023).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 October 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 October 2022.</p>
<p>On 26 October 2022, the Company entered into an agreement for the collection of vehicle ETC tolls with Kuailu Company (an associate of the controlling shareholder of the Company). The term of the agreement commenced from 1 January 2022 to 31 December 2024, with an amount not exceeding RMB3.30 million (estimated to be not more than RMB1.10 million in 2023 and RMB1.20 million in 2024). The settlement fee is subject to the actual toll, amounted to RMB18,400 from January to June 2023.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 October 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 October 2022.</p>



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 15 December 2022, the Company and its subsidiaries, Guangjing Xicheng Company, Zhendan Company and Wufengshan Toll Bridge Company, entered into the Expressway Network Management Services Agreement with Network Operation Company (an associate of controlling shareholder of the Company), respectively, with the term of three years from 1 January 2023 to 30 April 2023. The total amount shall not exceed RMB17.95 million. In particular, the agreement amount of the Company and Network Operation Company shall not exceed RMB13 million, the agreement amount of Guangjing Xicheng Company and Network Operation Company shall not exceed RMB2.70 million, the agreement amount of Zhendan Company and Network Operation Company shall not exceed RMB400,000, and the agreement amount of Wufengshan Toll Bridge Company and Network Operation Company shall not exceed RMB1.85 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company entered into the property leasing supplementary agreement with Kuailu Company (an associate of the controlling shareholder of the Company), extending the lease until 31 March 2023 at a rent of RMB547,100.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company and Sundian Testing Company (an associate of controlling shareholder of the Company) entered into a lease agreement for the Maqun Engineering Management Centre for a term from 1 January 2023 to 30 April 2025 at an annual rent of RMB2,183,400 and a total rent of approximately RMB5,094,600.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 15 December 2022, Jiangsu Communications Holding Renewable Energy Jiangsu Company (a wholly-owned subsidiary of the Company) and Jiangsu East Expressway Management Co., Ltd. (an associate of controlling shareholder of the Company) entered into the Land Use Right Lease Contract for the Jiangsu Eastern Expressway Interchange Distributed PV Power Generation Project in relation to the lease of the land in the expressway interchange area, at a contract amount of RMB1.62 million and with a contract term from 1 January 2023 to 31 December 2042.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, Jiangsu Communications Holding Renewable Energy Jiangsu Company (a wholly-owned subsidiary of the Company) and Jiangsu Ningjingyan Expressway Co., Ltd. (an associate of controlling shareholder of the Company) entered into the Land Use Right Lease Contract for the Jiangsu Ningjingyan Expressway Interchange Distributed PV Power Generation Project in relation to the lease of the land in the expressway interchange area, at a contract amount of RMB9,423,000 and with a contract term from 1 January 2023 to 31 December 2042.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company and its subsidiaries, Zhendan Company, Guangjing Xicheng Company, Changyi Company and Yichang Company, entered into the “Communications Holding Cloud” and Cloud Resource Technology Service Project Agreement with Digital Research Institute (an associate of controlling shareholder of the Company), respectively, for a term from 1 January 2023 to 30 April 2023, with the cumulative amount of the agreements not exceeding RMB5.06 million. In particular, the agreement amount of the Ninghu Company and Digital Research Institute shall not exceed RMB4.11 million, the agreement amount of Zhendan Company and Digital Research Institute shall not exceed RMB110,000, the agreement amount of Guangjing Xicheng Company and Digital Research Institute shall not exceed RMB720,000, the agreement amount of Changyi Company and Digital Research Institute shall not exceed RMB40,000, and the agreement amount of Yichang Company and Digital Research Institute shall not exceed RMB80,000.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 15 December 2022, Hanwei Company (a wholly-owned subsidiary of the Company) entered into a property management agreement with Communications Holding Commercial Operation Company (an associate of controlling shareholder of the Company). The term of the agreement shall commence on 1 January 2023 and end on 30 April 2024, with the agreement amount of not exceeding RMB7.87 million (the estimated amount shall not exceed RMB5.90 million in 2023, and shall not exceed RMB1.97 million from 1 January 2024 and end on 30 April 2024).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 15 December 2022, the Company entered into the power purchase agreement with Nantong Tiandian Xinxing Energy Company Limited (an associate of controlling shareholder of the Company) for a term commencing from 1 January 2023 to 31 December 2025. The transaction amount shall be no more than RMB38.50 million per year, with the total agreement amount in not exceeding RMB115.50 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>
<p>On 17 February 2023, Jiangsu Communications Holding Renewable Energy Jiangsu Company, being a wholly-owned subsidiary of YS Energy Company, which is in turn a wholly-owned subsidiary of the Company, leased the site for the project of 1.06MW distributed photovoltaic power station in the Fanshui Service Area from Jinghu Company (an associate of the controlling shareholder of the Company) and entered into Energy Management Agreement on Distributed Photovoltaic Power Station in the Fanshui Service Area of the Beijing-Shanghai Expressway (《京滬高速公路汜水服務區分布式光伏電站合同能源管理協議》) with Jinghu Company for a term of 20 years. In lieu of paying site rent to Jinghu Company, Jiangsu Communications Holding Renewable Energy Jiangsu Company have given priority to supply energy generated by the photovoltaic power station project to Jinghu Company during the operating period of the agreement, and have offered a 15% discount on the local grid tariff for the same period. The electricity consumption in the service area from 2023 to 2025 is expected to be no more than 800,000 kWh per year, the agreed annual tariff is no more than RMB476,000, and the annual tariff reduction is expected to be no more than RMB84,000.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 February 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 February 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into the annual framework agreement with Micro Video Company (being an associate of the controlling shareholder of the Company) in respect of the cloud check-in services, expressway management and monitoring system cloud services, obstacle clearance and rescue fee payment services, status list services (services to distribute the list of vehicles that owe or evade fees nationwide to prohibit them from entering the expressways for the purpose of recovering fees), retail management system upgrade services and archival system construction services for the Company and its subsidiaries, of which, the agreement term of cloud check-in services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB2.70 million (estimated to be not exceeding RMB1.72 million in 2023, and RMB0.98 million in 2024), and the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB0.30 million (estimated to be not exceeding RMB0.20 million in 2023, and RMB0.10 million in 2024); the agreement term of expressway management and monitoring system cloud services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB0.50 million (estimated to be not exceeding RMB0.30 million in 2023, and RMB0.20 million in 2024), the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB0.15 million (estimated to be not exceeding RMB0.10 million in 2023, and RMB0.05 million in 2024), the agreement amount of Guangjing Xicheng Company not exceeding RMB0.33 million (estimated to be not exceeding RMB0.22 million in 2023, and RMB0.11 million in 2024), the agreement amount of Yichang Company not exceeding RMB0.15 million (estimated to be not exceeding RMB0.10 million in 2023, and RMB50,000 in 2024), the agreement amount of Changyi Company not exceeding RMB60,000 (estimated to be not exceeding RMB40,000 in 2023, and RMB20,000 in 2024); the agreement term of obstacle clearance and rescue fee payment services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB0.455 million (estimated to be not exceeding RMB0.30 million in 2023, and</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

###### Description of Event

###### Enquiry Index

RMB0.155 million in 2024), the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB25,000 (estimated to be not exceeding RMB15,000 in 2023, and RMB10,000 in 2024), the agreement amount of Zhendan Company not exceeding RMB20,000 (estimated to be not exceeding RMB15,000 in 2023, and RMB5,000 in 2024), the agreement amount of Guangjing Xicheng Company not exceeding RMB60,000 (estimated to be not exceeding RMB30,000 in 2023, and RMB30,000 in 2024), and the agreement amount of Yichang Company not exceeding RMB60,000 (estimated to be not exceeding RMB30,000 in 2023, and RMB30,000 in 2024); the agreement term of status list services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of Guangjing Xicheng Company not exceeding RMB0.105 million (estimated to be not exceeding RMB70,000 in 2023, and RMB35,000 in 2024), the agreement amount of Yichang Company not exceeding RMB15,000 (estimated to be not exceeding RMB10,000 in 2023, and RMB5,000 in 2024), and the agreement amount of Changyi Company not exceeding RMB15,000 (estimated to be not exceeding RMB10,000 in 2023, and RMB5,000 in 2024); the agreement term of retail management system upgrade services shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB2.50 million; the agreement term of archival system construction shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB0.14 million, and the agreement amount of Yangtze River Management Company not exceeding RMB0.14 million.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into the annual framework agreement with Information Company (being an associate of the controlling shareholder of the Company) in respect of the monitoring communication system maintenance services, construction and maintenance services of the electromechanical system, service area intelligent management platform maintenance project for the Company and its subsidiaries, of which, the agreement term of monitoring communication system maintenance services shall commence from 1 July 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB1,294,400 (estimated to be not exceeding RMB1,094,400 in 2023, and RMB200,000 in 2024); the agreement term of construction and maintenance services of the electromechanical system shall commence from 1 January 2024 to 30 April 2024, with the agreement amount of Guangjing Xicheng Company not exceeding RMB0.40 million, the agreement amount of Changyi Company not exceeding RMB50,000, and the agreement amount of Yichang Company not exceeding RMB60,000; the agreement term of service area intelligent management platform maintenance project shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of Zhendan Company not exceeding RMB20,000.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>
<p>On 24 March 2023, the Company entered into the annual framework agreement with Jiangsu Communications Holding (being the controlling shareholder of the Company) in respect of the fire rescue station construction services for the Company, for a term of fire rescue stations pilot construction services commencing from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB12,147,800.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Tongxingbao Company (being an associate of the controlling shareholder of the Company) in respect of the network system services such as cloud dispatch technology services and SD-WAN technology services, the road network technology services, ETC customer service outlets leasing and ETC refueling and payment integrated technology services of the Company and its subsidiaries, of which, the agreement term of road network technology services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB30 million (estimated to be not exceeding RMB20 million in 2023, and RMB10 million in 2024), the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB4.30 million (estimated to be not exceeding RMB2.85 million in 2023, and RMB1.45 million in 2024), the agreement amount of Zhendan Company not exceeding RMB1.30 million (estimated to be not exceeding RMB0.85 million in 2023, and RMB0.45 million in 2024), the agreement amount of Guangjing Xicheng Company not exceeding RMB10.10 million (estimated to be not exceeding RMB6.60 million in 2023, and RMB3.50 million in 2024), the agreement amount of Yichang Company not exceeding RMB1.15 million (estimated to be not exceeding RMB0.75 million in 2023, and RMB0.40 million in 2024), the agreement amount of Changyi Company not exceeding RMB0.85 million (estimated to be not exceeding RMB0.55 million in 2023, and RMB0.30 million in 2024); the agreement term of cloud dispatch technology services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB2.00 million (estimated to be not exceeding RMB1.34 million in 2023, and RMB0.66 million in 2024), the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB0.282 million (estimated to be not exceeding RMB0.188 million in 2023, and RMB94,000 in 2024), the agreement amount of Zhendan Company not exceeding RMB57,000 (estimated to be not exceeding RMB38,000 in 2023, and RMB19,000 in 2024), the agreement amount of Guangjing Xicheng Company not exceeding RMB0.60 million (estimated to be not exceeding RMB0.40 million in 2023, and RMB0.20 million in 2024), the agreement amount of Yichang Company not exceeding RMB0.30 million (estimated to be not exceeding RMB0.20 million in 2023, and RMB0.10 million in 2024), the agreement amount of</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

###### Description of Event

###### Enquiry Index

Changyi Company not exceeding RMB60,000 (estimated to be not exceeding RMB40,000 in 2023, and RMB20,000 in 2024); the agreement term of SD-WAN technology services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB5.75 million (estimated to be not exceeding RMB4.55 million in 2023, and RMB1.20 million in 2024), the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB0.41 million (estimated to be not exceeding RMB0.27 million in 2023, and RMB0.14 million in 2024), the agreement amount of Zhendan Company not exceeding RMB0.30 million (estimated to be not exceeding RMB0.20 million in 2023, and RMB0.10 million in 2024), the agreement amount of Guangjing Xicheng Company not exceeding RMB1.57 million (estimated to be not exceeding RMB1.05 million in 2023, and RMB0.52 million in 2024), the agreement amount of Yichang Company not exceeding RMB0.18 million (estimated to be not exceeding RMB0.12 million in 2023, and RMB60,000 in 2024), the agreement amount of Changyi Company not exceeding RMB0.18 million (estimated to be not exceeding RMB0.12 million in 2023, and RMB0.06 million in 2024); the agreement term of ETC customer service outlets leasing shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB0.80 million (estimated to be not exceeding RMB0.60 million in 2023, and RMB0.20 million in 2024), the agreement amount of Guangjing Xicheng Company not exceeding RMB63,000 (estimated to be not exceeding RMB47,000 in 2023, and RMB16,000 in 2024); the agreement amount of ETC refueling and payment integrated technology services shall not exceed RMB3 million (estimated to be not exceeding RMB2 million in 2023, and RMB1 million in 2024).



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Xiandai R&amp;B Company (being an associate of the controlling shareholder of the Company) in respect of sound barrier addition works, sewage pipe renovation and maintenance, service area fire service pipe maintenance, intelligent maintenance area construction, maintenance and discharge business publicity classroom construction works and deicing and snow removal services under severe weather for the Company and the maintenance engineering design project of its subsidiaries, of which, the agreement term of sound barrier addition works shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB7.45 million; the agreement term of sewage pipe renovation and maintenance shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB9 million (estimated to be not exceeding RMB6 million in 2023, and RMB3 million in 2024); the agreement term of service area fire services pipe maintenance shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB3.60 million; the agreement term of intelligent maintenance area construction shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB1.32 million; the agreement term of maintenance and discharge publicity classroom construction work shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB1.25 million; the agreement term of deicing and snow removal project under severe weather shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB18.75 million; the agreement term of maintenance engineering design project shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of Guangjing Xicheng Company not exceeding RMB2.45 million, and the agreement amount of Yichang Company not exceeding RMB0.20 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Sundian Testing Company (being an associate of the controlling shareholder of the Company) in respect of road and bridge inspection and testing services for the Company and its subsidiaries, of which, the agreement term of road and bridge inspection and testing services shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB4.85 million; the agreement amount of Guangjing Xicheng Company not exceeding RMB0.15 million; the agreement amount of Changyi Company not exceeding RMB1.09 million; the agreement amount of Yichang Company not exceeding RMB0.48 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Maintenance Technology Company (being an associate of the controlling shareholder of the Company) in respect of the comprehensive maintenance technology services, service area zero-carbon renovation services, general bridge inspection data docking services, mechanical behaviour research services on existing asphalt pavements for and basic council membership fees of the Company and its subsidiaries, of which, the agreement term of comprehensive maintenance technology services shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB17.10 million, the agreement amount of Guangjing Xicheng Company not exceeding RMB2.67 million, the agreement amount of Changyi Company not exceeding RMB0.37 million, the agreement amount of Yichang Company not exceeding RMB0.43 million, the agreement amount of Zhendan Company not exceeding RMB0.35 million, and the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB0.71 million. The agreement term of basic council membership fees shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB3.92 million, the agreement amount of Guangjing Xicheng Company not exceeding RMB1 million, the agreement amount of Changyi Company not exceeding RMB0.10 million, the agreement amount of Yichang Company not exceeding RMB0.15 million, the agreement amount of Zhendan Company not exceeding RMB0.12 million, the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB0.20 million. The agreement term of service area zero-carbon renovation services shall commence from 1 May 2023 to 30 September 2023, with the agreement amount of the Company not exceeding RMB0.30 million. The agreement term of general bridge inspection data docking services shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB0.50 million. The agreement term of research services on mechanical behavior and performance attenuation law of existing asphalt pavements shall commence from 1 May 2023 to 31 December 2025, with the agreement amount of the Company not exceeding RMB2.70 million (estimated to be not exceeding RMB0.81 million in 2023, RMB0.81 million in 2024, and RMB1.08 million in 2025).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Huatong Engineering Company (being an associate of the controlling shareholder of the Company) in respect of the cross-road bridge active anti-collision warning device addition project in Suzhou section of Shanghai-Nanjing Expressway of the Company and the Mangdao River Bridge online monitoring system project of its subsidiary, of which, the agreement term of addition project of active collision prevention warning device for cross-road bridge in Suzhou section of Shanghai-Nanjing Expressway shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company not exceeding RMB258,000. The agreement term of Mangdao River Bridge online monitoring system project shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB916,000.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Communications Holding Commercial Operation Company (being an associate of the controlling shareholder of the Company) in respect of office leasing, property service and material procurement of the Company and its subsidiaries, of which, the agreement term of property service shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB2,492,000 (estimated to be not exceeding RMB1,661,300 in 2023, and RMB830,700 in 2024); the agreement term of Wufengshan Toll Bridge Company shall commence from 1 September 2023 to 30 April 2024, with the agreement amount not exceeding RMB4,159,200 (estimated to be not exceeding RMB1,942,500 in 2023, and RMB2,216,700 in 2024); the agreement term of Zhendan Company shall commence from 1 December 2023 to 30 April 2024, with the agreement amount not exceeding RMB1,036,900 (estimated to be not exceeding RMB207,400 in 2023, and RMB829,500 in 2024). The agreement term of material procurement shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB2.70 million (estimated to be not exceeding RMB1.58 million in 2023, and RMB1.12 million in 2024); the agreement amount of Ninghu Investment Company shall not exceed RMB160,000 (estimated to be not exceeding RMB110,000 in 2023, and RMB50,000 in 2024); the agreement amount of Yangtze River Management Company shall not exceed RMB120,000 (estimated to be not exceeding RMB80,000 in 2023, and RMB40,000 in 2024); the agreement amount of Guangjing Xicheng Company shall not exceed RMB1.20 million (estimated to be not exceeding RMB800,000 in 2023, and RMB400,000 in 2024); the agreement amount of Changyi Company shall not exceed RMB60,000 (estimated to be not exceeding RMB40,000 in 2023, and RMB20,000 in 2024); the agreement amount of Yichang Company shall not exceed RMB0.12 million (estimated to be not exceeding RMB80,000 in 2023, and RMB40,000 in 2024). The agreement term of office leasing shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of Ninghu Investment Company not exceeding RMB2.47 million (estimated to be not exceeding RMB1.65 million in 2023, and RMB820,000 in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Human Resources Company (being an associate of the controlling shareholder of the Company) in respect of the corporate management consulting services and labour outsourcing services for the Company and its subsidiaries, of which, the agreement term of corporate management consulting services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB22.07 million (estimated to be not exceeding RMB18.25 million in 2023, and RMB3.82 million in 2024); the agreement amount of Yangtze River Management Company being RMB1.70 million (estimated to be not exceeding RMB1.10 million in 2023, and RMB0.60 million in 2024); the agreement amount of Guangjing Xicheng Company being RMB2.70 million (estimated to be not exceeding RMB1.80 million in 2023, and RMB0.90 million in 2024); the agreement amount of Changyi Company being RMB0.75 million (estimated to be not exceeding RMB0.45 million in 2023, and RMB0.30 million in 2024); the agreement amount of Yichang Company being RMB1 million (estimated to be not exceeding RMB0.65 million in 2023, and RMB0.35 million in 2024); the agreement amount of YS Energy Company being RMB0.50 million (estimated to be not exceeding RMB0.30 million in 2023, and RMB0.20 million in 2024); the agreement amount of Ninghu Investment Company being RMB0.15 million (estimated to be not exceeding RMB0.10 million in 2023, and RMB50,000 in 2024); the agreement amount of Ninghu Properties Company being RMB0.10 million (estimated to be not exceeding RMB50,000 in 2023 and 2024). The agreement term of labour outsourcing services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB4.70 million (estimated to be not exceeding RMB3.30 million in 2023, and RMB1.40 million in 2024); the agreement amount of Ninghu Investment Company being RMB0.30 million (estimated to be not exceeding RMB0.20 million in 2023, and RMB0.10 million in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/connecting connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Expressway Energy Company (being an associate of the controlling shareholder of the Company) in respect of the leasing operation of gas stations in Maoshan, Changdanghu, Gehu and Rongbing service areas of the Company and Yixing and Yanqiao service areas of Guangjing Xicheng Company, of which, the agreement term of leasing operation of gas station shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB19 million (estimated to be not exceeding RMB12.40 million in 2023, and RMB6.60 million in 2024); the agreement term of Guangjing Xicheng Company shall commence from 1 January 2024 to 30 April 2024, with the agreement amount of RMB2.45 million (estimated to be not exceeding RMB2.45 million in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>
<p>On 24 March 2023, the Company entered into annual framework agreements with Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (being an associate of the controlling shareholder of the Company) respectively in respect of the leasing of gas stations in the service areas of the Company, of which, the agreement term of service areas gas station leasing of Wufengshan Toll Bridge Company shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB4.50 million (estimated to be not exceeding RMB3.10 million in 2023, and RMB1.40 million in 2024); the agreement term of service areas gas station leasing of Suxichang South Expressway Company shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB3 million (estimated to be not exceeding RMB2.30 million in 2023, and RMB0.70 million in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Communications Media Company (being an associate of the controlling shareholder of the Company) in respect of the promotion and production service commission and advertising operation and publication of the Company and its subsidiaries, of which, the agreement term of promotion and production service commission of the Company shall commence from 1 May 2023 to 30 April 2024 while the agreement term of other receiving service companies shall commence from 1 May 2023 to 31 December 2023, with the agreement amount of the Company being RMB8.68 million (estimated to be not exceeding RMB8.58 million in 2023, and RMB0.10 million in 2024); the agreement amount of Yangtze River Management Company being RMB0.20 million; the agreement amount of Guangjing Xicheng Company being RMB265,000; the agreement amount of Changyi Company being RMB20,000; the agreement amount of Wufengshan Toll Bridge Company being RMB0.65 million; the agreement amount of YS Energy Company being RMB0.60 million. The agreement term of advertising operation and publication shall commence from 1 May 2023 to 30 April 2026, with the agreement amount of Zhendan Company being RMB0.60 million (estimated to be not exceeding RMB134,000 in 2023, RMB200,000 in 2024, RMB200,000 in 2025, and RMB66,000 in 2026); the agreement amount of Wufengshan Toll Bridge Company being RMB0.90 million (estimated to be not exceeding RMB0.20 million in 2023, RMB0.30 million in 2024, RMB0.30 million in 2025, and RMB0.10 million in 2026); the agreement amount of Ninghu Investment Company being RMB3.64 million (estimated to be not exceeding RMB1,213,300 in 2023, RMB1.82 million in 2024, and RMB606,700 in 2025, and no amount estimated to be incurred in 2026).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Cuipingshan Hotel (being an associate of the controlling shareholder of the Company) in respect of the procurement of goods and services by the Company and its subsidiaries, of which, the agreement term of procurement of goods and services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB2.66 million (estimated to be not exceeding RMB2,055,000 in 2023, and RMB605,000 in 2024); the agreement amount of Yangtze River Management Company being RMB621,000 (estimated to be not exceeding RMB321,000 in 2023, and RMB300,000 in 2024); the agreement amount of Guangjing Xicheng Company being RMB1.12 million (estimated to be not exceeding RMB0.62 million in 2023, and RMB0.50 million in 2024); the agreement amount of Changyi Company being RMB0.30 million (estimated to be not exceeding RMB0.15 million in 2023 and 2024); the agreement amount of Yichang Company being RMB318,000 (estimated to be not exceeding RMB168,000 in 2023, and RMB150,000 in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

## X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

## (I) Related party/connected transaction relating to day-to-day operations (Continued)

## 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Kuailu Company (being an associate of the controlling shareholder of the Company) in respect of the provision of official vehicle leasing services by Kuailu Company to the Company and its subsidiaries and the property leasing of No. 1 Shanggao Road, Suzhou of the Company, of which, the agreement term of vehicle leasing shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB22,396,200 (estimated to be not exceeding RMB14,623,100 in 2023, and RMB7,773,100 in 2024); the agreement amount of YS Energy Company not exceeding RMB0.10 million (estimated to be not exceeding RMB60,000 in 2023, and RMB40,000 in 2024); the agreement amount of Wufengshan Toll Bridge Company not exceeding RMB4,032,200 (estimated to be not exceeding RMB2,687,500 in 2023, and RMB1,344,700 in 2024); the agreement amount of Zhendan Company not exceeding RMB1.39 million (estimated to be not exceeding RMB926,000 in 2023, and RMB464,000 in 2024); the agreement amount of Guangjing Xicheng Company not exceeding RMB1.08 million (estimated to be not exceeding RMB0.76 million in 2023, and RMB0.32 million in 2024). The agreement term of property leasing shall commence from 1 April 2023 to 31 March 2026, with the agreement amount of the Company not exceeding RMB4,733,100 (estimated to be not exceeding RMB1,183,275 in 2023, RMB1,577,700 in 2024, RMB1,577,700 in 2025, and RMB394,425 in 2026).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>
<p>On 24 March 2023, the Company entered into an annual framework agreement with Engineering Maintenance Company (being an associate of the controlling shareholder of the Company) in respect of the daily maintenance services for Guangjing Xicheng Company (a subsidiary of the Company), of which, the agreement term of highway daily maintenance services shall commence from 1 May 2023 to 31 December 2023, with the agreement amount not exceeding RMB3.03 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Expressway Network Company (being an associate of the controlling shareholder of the Company) in respect of the road network management fees for the Company and its subsidiaries, of which, the agreement term of road network management services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB40 million (estimated to be not exceeding RMB26.50 million in 2023, and RMB13.50 million in 2024); the agreement amount of Wufengshan Toll Bridge Company being RMB6.10 million (estimated to be not exceeding RMB4.05 million in 2023, and RMB2.05 million in 2024); the agreement amount of Zhendan Company being RMB1.30 million (estimated to be not exceeding RMB0.85 million in 2023, and RMB0.45 million in 2024); the agreement amount of Guangjing Xicheng Company being RMB12.30 million (estimated to be not exceeding RMB8.30 million in 2023, and RMB4 million in 2024); the agreement amount of Changyi Company being RMB0.85 million (estimated to be not exceeding RMB0.55 million in 2023, and RMB0.30 million in 2024); the agreement amount of Yichang Company being RMB1.15 million (estimated to be not exceeding RMB0.75 million in 2023, and RMB0.40 million in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into the annual framework agreement with Digital Research Institute (being an associate of the controlling shareholder of the Company) in respect of the platform and cloud-based resource technology services of the Company and its subsidiaries, of which, the agreement term of platform and cloud-based resource technology services shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of the Company being RMB4.60 million (estimated to be not exceeding RMB3 million in 2023, and RMB1.60 million in 2024); the agreement amount of Wufengshan Toll Bridge Company being RMB0.17 million (estimated to be not exceeding RMB0.11 million in 2023, and RMB60,000 in 2024); the agreement amount of Zhendan Company being RMB90,000 (estimated to be not exceeding RMB60,000 in 2023, and RMB30,000 in 2024); the agreement amount of Guangjing Xicheng Company being RMB1.04 million (estimated to be not exceeding RMB0.78 million in 2023, and RMB0.26 million in 2024); the agreement amount of Changyi Company being RMB55,000 (estimated to be not exceeding RMB40,000 in 2023, and RMB15,000 in 2024); the agreement amount of Yichang Company being RMB0.11 million (estimated to be not exceeding RMB80,000 in 2023, and RMB30,000 in 2024); the agreement amount of YS Energy Company being RMB0.10 million (estimated to be not exceeding RMB60,000 in 2023, and RMB40,000 in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>
<p>On 24 March 2023, the Company entered into annual framework agreements with Taixing Oil Products Company (being an associate of the controlling shareholder of the Company) in respect of the leasing of gas stations operation in Guangling service area of its subsidiaries, of which, the agreement term of leasing of gas stations operation shall commence from 1 January 2024 to 30 April 2024, with the agreement amount not exceeding RMB1.30 million.</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an annual framework agreement with Changyi Company (a connected subsidiary of the Company) in respect of the Company's acceptance of entrusted operation and management of the north section of Changyi Expressway Phase I Project, of which, the performance period of Changyi Operation Management shall commence from 1 May 2023 to 30 April 2024, with the agreement amount of Changyi Company being RMB8.50 million (estimated to be not exceeding RMB5.60 million in 2023, and RMB2.90 million in 2024).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 24 March 2023, the Company entered into an entrusted operation and management agreement with Yangtze Bridge Company (being an associate of the controlling shareholder of the Company), Guangjing Xicheng Company (a connected subsidiary of the Company), Hutong Bridge Company (being an associate of the controlling shareholder of the Company), Changyi Company (a connected subsidiary of the Company), Yichang Company (a connected subsidiary of the Company), Xitai Tunnel Company (being an associate of the controlling shareholder of the Company) and Zhangjinggao Company (being an associate of the controlling shareholder of the Company) in respect of the acceptance of the entrusted management and operation of expressways by Yangtze River Management Company (a subsidiary of the Company), of which, the agreement term of Yangtze Bridge Company shall commence from 1 January 2024 to 31 December 2026, with the agreement amount not exceeding RMB61,232,000 (estimated to be not exceeding RMB19,613,100 in 2024, RMB21,492,600 in 2025, and RMB20,126,300 in 2026). The agreement term of Guangjing Xicheng Company shall commence from 1 January 2024 to 31 December 2026, with the agreement amount not exceeding RMB68,644,100 (estimated to be not exceeding RMB21,986,800 in 2024, RMB23,525,800 in 2025, and RMB23,131,500 in 2026). The agreement term of Hutong Bridge Company shall commence from 1 January 2024 to 31 December 2026, with the agreement amount not exceeding RMB34,936,600 (estimated to be not exceeding RMB10,918,700 in 2024, RMB11,636,000 in 2025, and RMB12,381,900 in 2026). The agreement term of Changyi Company shall commence from 1 January 2024 to 31 December 2026, with the agreement amount not exceeding RMB6,423,900 (estimated to be not exceeding RMB2,022,100 in 2024, RMB2,164,700 in 2025, and RMB2,237,100 in 2026). The agreement term of Yichang Company shall commence from 1 January 2024 to 31 December 2026, with the agreement amount not exceeding RMB8,830,400 (estimated to be not exceeding RMB2,781,200 in 2024, RMB2,978,400 in 2025, and RMB3,070,800 in 2026). The agreement term of Xitai Tunnel Company shall commence from 1 January 2024 to 31 December 2026, with the agreement amount not exceeding RMB7,063,200 (estimated to be not exceeding RMB0.44 million in 2024, RMB0.45 million in 2025, and RMB6,173,200 in 2026). The agreement term of Zhangjinggao Company shall commence from 1 April 2023 to 31 December 2025, with the agreement amount not exceeding RMB1.35 million (estimated to be not exceeding RMB0.44 million in 2023, RMB0.45 million in 2024, and RMB0.46 million in 2025).</p>	<p>For details, please refer to the announcements on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 March 2023.</p>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (I) Related party/connected transaction relating to day-to-day operations (Continued)

##### 1. Matters disclosed in temporary announcements and with no progress or change in subsequent implementation (Continued)

Description of Event	Enquiry Index
<p>On 20 June 2023, Rudong Company, a subsidiary of YS Energy Company, which is in turn a wholly-owned subsidiary of the Company, entered into the Supplemental Agreement II to the Guarantee Fee Agreement with Jiangsu Communications Holding (a controlling shareholder of the Company), pursuant to which the Guarantee Fee Agreement shall terminate on the effective date of a guarantee contract between the Company and the lender and Rudong Company shall pay a guarantee fee of RMB3,588,017.97 to Jiangsu Communications Holding for the joint and several liability guarantee provided by it in 2023.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 21 June 2023.</p>

*Note:* YS Energy Company has completed the register of business change in July 2022 and has become a wholly-owned subsidiary of the Company, therefore the above transactions constitute continuing connected transactions of the Company.

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

Applicable  Not Applicable

##### 3. Events not disclosed in temporary announcements

Applicable  Not Applicable

## SECTION VI SIGNIFICANT MATTERS

## X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

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

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

Applicable  Not Applicable

Summary of the EventDocument for Inspection

On 17 February 2023, with the consent of the fifteenth meeting of the tenth session of the Board of Directors of the Company, Ninghu Investment Company, a wholly-owned subsidiary of the Company, transferred its 100% equity interest in the Factoring Company to Jiangsu Communications Holding and YS Capital. On 27 February 2023, Ninghu Investment Company and Factoring Company, wholly-owned subsidiaries of the Company, entered into the Equity Transfer Agreement with Jiangsu Communications Holding and YS Capital. Based on the appraisal results filed with the state-owned asset management department, the price of the transaction was RMB346.0 million, of which RMB276.8 million represented the consideration for the transfer of 80% of the subject equity interest to Jiangsu Communications Holding and RMB69.2 million represented the consideration for the transfer of 20% of the subject equity interest to YS Capital. In July 2023, Guangzhou Municipal Financial Regulatory Bureau granted approval for the change of shareholders of Factoring Company. As at the date of this report, Ninghu Investment Company had received the entire amount for the transfer of the equity, being RMB346 million, from Factoring Company. Both parties have completed the transfer and are in the process of handling the industrial and commercial changes registration.

For details, please refer to the announcements on resolution of the Board of Directors published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 18 February 2023 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 17 February 2023 and the progress of related/connected transactions in relation to the sale of assets to related parties/connected persons published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 28 February 2023 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 27 February 2023.

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

Applicable  Not Applicable

## 3. Events not disclosed in temporary announcements

Applicable  Not Applicable

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

Applicable  Not Applicable



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

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

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

Applicable  Not Applicable

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

Applicable  Not Applicable

3. **Events not disclosed in temporary announcements**

Applicable  Not Applicable

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

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

Applicable  Not Applicable

##### Summary of the Event

On 26 February 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (being a connected subsidiary of the Company). The amount of loan that the Company provided to Wufengshan Toll Bridge Company (a direct subsidiary of the Company) was no more than RMB1.5 billion. The loan shall be valid for three years from the date of the approval at the general meeting, and the loan shall be applied towards road & bridge projects and shall be drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest was calculated on the basis of the prevailing interest rates of the corporate bonds to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.

##### Document for Inspection

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 6 March 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 5 March 2020.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 26 February 2020, the Company signed a loan agreement with Changyi Company and Yichang Company (both being subsidiaries of a connected subsidiary of the Company) respectively. The amounts of loan that the Company provided to Changyi Company and Yichang Company (indirect subsidiaries of the Company) were no more than RMB0.3 billion and RMB0.7 billion, respectively. The above loans shall be valid for three years from the date of the approval at the general meeting, and the loans shall be applied towards road & bridge projects and shall be drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest was calculated on the basis of the prevailing interest rates of the corporate bonds to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Changyi Company and Yichang Company, respectively.

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 6 March 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 5 March 2020.

On 31 March 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (an associate of the controlling shareholder of the Company). The Company proposed to use proceeds raised from the issued medium-term notes to provide Wufengshan Toll Bridge Company, a subsidiary of the Company, with loans of no more than RMB1.8 billion, which shall be applied towards road & bridge projects construction or the replacement of the late stage project loans. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes to be issued of the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.

For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 7 May 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 6 May 2020.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

On 31 March 2020, the Company signed a loan agreement with Yichang Company (being a subsidiary of a connected subsidiary of the Company). The amount of loan that the Company provided to Yichang Company (an indirect subsidiary of the Company) was no more than RMB1.0 billion, which shall be applied towards road & bridge projects. The above loan shall be valid for two years from the date of the approval at the general meeting with a term of three years. Interest was calculated on the basis of the prevailing interest rates of the medium-term notes to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Yichang Company.

###### Document for Inspection

For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 7 May 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 6 May 2020.



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 24 June 2020, the Company signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (the controlling shareholder of the Company). Jiangsu Communications Holding shall provide the proceeds it applied from the local government raised through a special bond to the Company, with a funding balance of no more than RMB500 million. The funding cost shall be calculated based on the amount, interest rate, term of the bond and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be paid by the Company. No pledge or guarantee is required to be provided by the Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The expenses in relation to the repayment of the principal and interest shall be paid by the Company. Wufengshan Toll Bridge Company, Changyi Company, Yichang Company, all being subsidiaries of the Company, signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (a controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of short-term notes, ultra short-term notes, medium-term notes, enterprise bonds and insurance funds and other types of direct financing instrument for the aforesaid subsidiaries of the Company. The funds shall be used for the construction of Wufengshan Toll Bridge Project, Changyi and Yichang Expressway Projects, complementing current funds capital and repaying

For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 29 June 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 24 June 2020.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

interest-bearing debts. Each of the funding balance shall not exceed RMB1 billion. The funding cost shall be calculated based on the amount, interest rate, term of the financing product and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be born and paid by each of the subsidiaries. No pledge or guarantee is required to be provided by the Wufengshan Toll Bridge Company, Changyi Company and Yichang Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The repayment of the principal and related interest and expenses shall be borne and paid by Wufengshan Toll Bridge Company, Changyi Company and Yichang Company.

On 30 October 2020, the Company entered into a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company shall use proceeds raised from the issuance of ultra short-term notes to provide a loan to Guangjing Xicheng Company, a direct subsidiary of the Company, with an amount of not more than RMB500 million. The loan shall be used by Guangjing Xicheng Company to repay the bank loans due. The term of the loan is three years. The interest of the loan is calculated on the basis of the prevailing interest rates of the ultra short-term notes to be issued. The expenses in relation to the Company's issuance of ultra short-term notes and the repayment of the principal and interest shall be borne and paid by Guangjing Xicheng Company.

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 31 October 2020 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 1 November 2020.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 26 March 2021, the Company and Longtan Bridge Company, Guangjing Xicheng Company (both being controlled subsidiaries of the Company), signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (the controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of ultra short-term notes, medium-term notes, corporate bonds and insurance debt scheme, local government special bonds and other types of direct financing instruments. The proceeds raised shall be used for repayment of due debts, project construction, equity capital contribution, replenishment of working capital and other purposes permitted by laws and regulations. The funding balance for each of the Company, its subsidiaries Longtan Bridge Company and Guangjing Xicheng Company will not exceed RMB1 billion. The funding cost shall be calculated based on the amount, interest rate, term of the financing products and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China of the same term. The repayment of the principal and related interest and expenses shall be born and paid by each of the subsidiaries. No pledge or guarantee is required to be provided by the Company, Longtan Bridge Company, Guangjing Xicheng Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement.

For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 29 March 2021 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 28 March 2021.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 26 March 2021, the Company signed a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Guangjing Xicheng Company, with an amount of not more than RMB800 million and, with a term of three years. Interest of loans is calculated at the prevailing interest rate of the financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Guangjing Xicheng Company. Such loans shall be valid for a term of two years with effect from the date of approval at the general meeting.

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) 29 March 2021 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 29 March 2021.

On 26 March 2021, the Company signed a loan agreement with Wufengshan Toll Bridge Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Wufengshan Toll Bridge Company, with an amount of not more than RMB1 billion and, with a term of three years. The interest of the loans is calculated at the prevailing interest rate of the financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Wufengshan Toll Bridge Company. Such borrowing shall be valid for a term of two years with effect from the date of approval at the general meeting.

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) 29 March 2021 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 29 March 2021.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 25 March 2022, the Company entered into the Financial Services Agreement with Finance Company (being an associate of the controlling shareholder of the Company) for a term of three years commencing on 1 April 2022. The maximum daily deposit balance (including interest accrued) shall not exceed RMB600 million and shall be lower than 5% of the audited operating revenue, total assets or market value of the Company; meanwhile, Finance Company shall grant the Company a comprehensive credit facility of no less than RMB5 billion, and guarantee that the loan interest rate granted to the Company shall not be higher than the benchmark lending rates set by the People's Bank of China for the same period, and no higher than the interest rates granted to the Company by large state-owned commercial banks and national joint-stock commercial banks under the same conditions, and no collateral or guarantee shall be provided by the Company.

For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 28 March 2022.



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 24 March 2023, the Company entered into the Supplemental Agreement to the Financial Services Agreement (the "Supplemental Agreement") with the Group Finance Company, pursuant to which the Company agreed to adjust the maximum daily balance of the Company's deposits (including interest) with the Group Finance Company from a daily balance (including interest) of not more than RMB600 million and less than 5% of the Company's audited operating revenues, total assets or market capitalisation to a maximum daily balance of the Company's deposits (including interest) of not more than RMB400 million and less than 5% of the Company's audited operating revenues, total assets or market capitalisation, with other terms remaining unchanged; the Supplemental Agreement is valid from 1 April 2023 to 31 March 2024. Upon expiry of the Supplemental Agreement, the Company may choose to execute the Supplemental Agreement in accordance with the terms or enter into a new supplemental agreement with the Group Finance Company, depending on the utilisation of the funds.

For details, please refer to the announcements on the Reduction on Deposit Balance Limit for Related Party Transaction of the Financial Service with Jiangsu Communications Holding Group Finance Company Co., Ltd. published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 27 March 2023 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 26 March 2023.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 17 January 2020, Jiangsu Communications Holding (the controlling shareholder of the Company) entered into a loan agreement with Rudong Company, a 72%-owned subsidiary of YS Energy Company, to provide a loan of RMB300 million to Rudong Company and a guarantee agreement dated 19 March 2020 to guarantee the loan of Rudong Company in the Jiangsu Branch of China Development Bank (total credit limit of RMB4 billion). The maturity date of the RMB300 million loan is 20 January 2025, and Rudong Company is responsible for the payment of interest and repayment of principal in accordance with the terms of the 3.74% per annum green bonds issued by Jiangsu Communications Holding for the purpose of providing the loan. The interest rate shall not be higher than the quoted market interest rate of the loan. The annual guarantee fee was determined according to the shareholding ratio of state-owned assets. Since the relevant project company was 72% owned by YS Energy Company, the annual guarantee fee for 72% of the total guarantee amount was 0.1%, and the annual guarantee fee for the remaining portion of the total guarantee amount was 1%.

For details, please refer to the announcements on resolution of the Board of Directors published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 30 April 2022 and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 29 April 2022.

The transfer of equity interest in YS Energy Company has been completed and the business change was registered in July 2022, therefore the above transactions constitute continuing connected transactions of the Company.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 24 March 2023, the Company and Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Changyi Company, Yichang Company (all being controlled subsidiaries of the Company), signed agreements for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding, respectively, for a term of three years with effect from the signing date of the agreement, pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of ultra short-term notes, medium-term notes, corporate bonds and insurance debt scheme, and other types of direct financing instruments. The proceeds raised shall be used for equity capital contribution, project construction, repayment of interest-bearing debts, replenishment of working capital and other relevant purposes permitted by laws and regulations. The funding balance of the Company will not exceed RMB1.5 billion and the funding balance for each of Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Changyi Company and Yichang Company will not exceed RMB1 billion. The funding cost shall be calculated based on the amount, interest rate, term of the financing products and commission charges actually incurred and the interest rate shall not exceed the lending rate of the People's Bank of China of the same term. The repayment of the principal and related interest and expenses shall be born and paid by each of the subsidiaries. No pledge or guarantee is required to be provided by the Company and Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Changyi Company, Yichang Company (all being controlled subsidiaries of the Company).

For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 27 March 2023 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 26 March 2023.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

On 24 March 2023, the Company entered into specific terms loan agreements with Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company. The Company used the direct financing funds to provide a loan of not more than RMB1.8 billion to Wufengshan Toll Bridge Company for the construction of the Wufengshan Project, replacement of the project loan, replenishment of working capital, repayment of matured loans and other purposes permitted by laws and regulations. The term of the loan is three years commencing from 15 December 2023. Interest of loans is calculated at the prevailing interest rate of the direct financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest of the Company shall be borne and paid by Wufengshan Toll Bridge Company. The Company used the direct financing funds to provide a loan of not more than RMB1.5 billion to Guangjing Xicheng Company for the replenishment of working capital, repayment of matured loans and other purposes permitted by laws and regulations. The term of the loan is three years commencing from 1 July 2023. Interest of loans is calculated at the prevailing interest rate of the direct financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest of the Company shall be

For details, please refer to the announcements on the related party/continuing connected transactions and discloseable transactions published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 27 March 2023 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 24 March 2023 and relevant circulars of the 2022 Annual General Meeting, the 2023 First Class A Shareholders' Meeting and the 2023 First Class H Shareholders' Meeting published by the Company on the website of the SSE at [www.sse.com.cn](http://www.sse.com.cn) on 20 May 2023 and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on 19 May 2023.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

###### Summary of the Event

###### Document for Inspection

borne and paid by Guangjing Xicheng Company. The Company used the direct financing funds to provide a loan of not more than RMB0.5 billion to Yichang Company for the replacement of the project loan, replenishment of working capital, repayment of matured loans and other purposes permitted by laws and regulations. The term of the loan is three years commencing from 1 October 2023. Interest of loans is calculated at the prevailing interest rate of the direct financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest of the Company shall be borne and paid by Yichang Company. The Company used the direct financing funds to provide a loan of not more than RMB0.7 billion to Changyi Company for the replacement of the project loan, replenishment of working capital, repayment of matured loans and other purposes permitted by laws and regulations. The term of the loan is three years commencing from 1 October 2023. Interest of loans is calculated at the prevailing interest rate of the direct financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest of the Company shall be borne and paid by Changyi Company.

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (IV) Claims and liabilities between related parties (Continued)

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

Applicable  Not Applicable

3. **Events not disclosed in temporary announcements**

Applicable  Not Applicable

## SECTION VI SIGNIFICANT MATTERS

## X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

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

Applicable  Not Applicable

## 1. Deposit

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Related parties	Connected relationship	Daily maximum deposit limit	Deposit interest rate range	Opening balance	Amount incurred in the period		Closing balance
					Total deposits for the period	Total amount withdrawn for the period	
Finance Company	Associate and the same ultimate controlling shareholder	The maximum daily deposit balance (including interest accrued) should not exceed RMB400 million and should be lower than 5% of the audited operating revenue, total assets or market capitalisation of the Company (The original maximum daily deposit balance of RMB600 million was adjusted to RMB400 million by a supplemental agreement signed on 24 March 2023)	The demand deposit interest rate is calculated at 0.385% up to RMB100,000 and 1.265% over RMB100,000; margin deposits bear interest at the interest rate quoted by the corresponding finance company for lump-sum deposit and withdrawal deposit.	597,044,456.03	4,525,458,162.82	4,723,555,081.26	<b>398,947,537.59</b>
Total	/	/	/	597,044,456.03	4,525,458,162.82	4,723,555,081.26	<b>398,947,537.59</b>

## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (V) Financial transactions between the Company and the related finance companies and between finance companies controlled by the Company and related parties (Continued)

##### 2. Loan business

Applicable     Not Applicable

*Unit: Yuan    Currency: RMB*

Related parties	Connected relationship	Loan limit	Loan interest rate range	Opening balance	Amount incurred in the period		Closing balance
					Total loans for the period	Total repayment amount for the period	
Finance Company	Associate and the same ultimate controlling shareholder	Comprehensive unsecured credit facility for the Reporting Period: a consolidated credit facility of not less than RMB5 billion	2.4%-3.5%	1,427,000,000	350,000,000.00	901,500,000.00	<u>875,500,000.00</u>
Total	/	/	/	<u>1,427,000,000</u>	<u>350,000,000.00</u>	<u>901,500,000.00</u>	<u>875,500,000.00</u>

##### 3. Credit extension or other financial business

Applicable     Not Applicable

*Unit: Yuan    Currency: RMB*

Related parties	Connected relationship	Business type	Total	Total Amount incurred
Finance Company	Associate and the same ultimate controlling shareholder	Electronic commercial bill acceptance	156,650,000.00	10,650,000.00

##### 4. Other explanations

Applicable     Not Applicable



## SECTION VI SIGNIFICANT MATTERS

### X. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS (CONTINUED)

#### (VI) Other material related party transactions

Applicable  Not Applicable

#### (VII) Others

Applicable  Not Applicable

### XI. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF

#### 1 Trusteeship, contracting and leasing matters

Applicable  Not Applicable

##### (1) Information on trusteeship

Applicable  Not Applicable

##### (2) Information on contracting

Applicable  Not Applicable



## SECTION VI SIGNIFICANT MATTERS

## XI. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF (CONTINUED)

## 1 Trusteeship, contracting and leasing matters (Continued)

## (3) Information on leasing

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Status of leased assets	Amount of lease of asset	Date of commencement of lease	Date of expiry of lease	Lease income	Basis of determination of lease income	Effect of lease income on the Company	Related-party Transaction or Not	Connected relationship
Company	Jiaxing Kaitong Investment Co., Ltd.	Meicun Service Area	12,955,904	2017/1/10	2021/12/31	0	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area decreased by RMB5,605,000 year on year.	No	Others
Company	Jiaxing Litian Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	2022/11/15	2025/11/14	3,387,464.04	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB3,387,000 year on year.	No	Others
Company	Jiangsu Hetang Yuese Trading Co., Ltd.	Xianrenshan Service Area	17,805,392	2023/3/23	2026/3/22	16,416.34	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB16,000 year on year.	No	Others
Company	Tongxiang Yintong Expressway Service Zone Operation and Management Co., Ltd.	Huanglishu Service Area	47,256,513	2017/7/1	2021/12/31	0	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area decreased by RMB2,607,000 year on year.	No	Others

## SECTION VI SIGNIFICANT MATTERS

## XI. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF (CONTINUED)

## 1 Trusteeship, contracting and leasing matters (Continued)

## (3) Information on leasing (Continued)

Name of lessor	Name of lessee	Status of leased assets	Amount of lease of asset	Date of commencement of lease	Date of expiry of lease	Lease income	Basis of determination of lease income	Effect of lease income on the Company	Related-party Transaction or Not	Connected relationship
Company	Jiaxing Kaitong Investment Co., Ltd.	Yangcheng Lake Service Area	60,930,582	2018/5/15	2027/5/14	6,857,618.64	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area decreased by RMB565,000 year on year.	No	Others
Company	Dragon City Tourism Holding Group Co., Ltd.	Fangmaoshan Service Area	20,919,070	2018/5/11	2026/5/10	8,029,148.7	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area decreased by RMB670,000 year on year.	No	Others
Company	Nanjing Baisheng Business Management Co., Ltd.	Douzhuang Service Area	17,806,972	2018/9/21	2026/9/20	7,405,721.28	Determine income based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area decreased by RMB898,000 year on year.	No	Others

**Explanation of leasing**

Huanglishu Service Area, Xianrenshan Service Area and Meicun Service Area of Shanghai-Nanjing Expressway terminated the original lease contracts, and the two parties signed the termination agreement, clarifying that the lease termination date for the above service areas is 31 December 2021. The period between 1 January 2022 and the entry date of the new lessee is a transitional period, during which the operation of those service areas would continue to be maintained by the original lessee. Upon the above service areas has completed the business invitation, the transition period rent will be charged to the original lessee based on the results of "minimum + commission" in the new round of bid winning. As of the end of the Reporting Period, the business invitation work for Huanglishu and Meicun service areas has not been completed, and no transition period rent has been charged.

## SECTION VI SIGNIFICANT MATTERS

## XI. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF (CONTINUED)

## 2 Significant guarantees performed and outstanding during the reporting period

Applicable  Not Applicable

Unit: Yuan Currency: RMB

External guarantees of the Company (excluding guarantees to subsidiaries)	
Total amount of the guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)	0
Total balance of the guarantees at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)	0
Guarantee of the Company in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during of the Reporting Period	2,497,000,000.00
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period (B)	2,497,000,000.00
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee (A+B)	2,497,000,000.00
Total guarantee as a percentage of the Company's net assets (%)	6.58
Including:	
The amount of guarantees offered to the shareholders, de facto controller and related parties (C)	2,497,000,000.00
The amount of debt guarantees directly or indirectly offered to the guaranteed with a gearing ratio of over 70% (D)	0
The amount of guarantees in excess of 50% of net assets (E)	0
The sum of the three items above (C+D+E)	2,497,000,000.00
Explanations on the joint settlement responsibilities in relation to premature guarantees	Nil

## SECTION VI SIGNIFICANT MATTERS

### XI. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF (CONTINUED)

#### 2 Significant guarantees performed and outstanding during the reporting period (Continued)

Explanations of guarantee

Pursuant to the announcement on resolution of the Ninth Meeting of the Tenth Session of the Board of Directors of the Company, the Company has provided a loan guarantee for a loan from the Jiangsu Branch of China Development Bank for a period of 1 year from the date of delivery of the loan for Rudong Company, a controlling subsidiary of YS Energy Company, a wholly-owned subsidiary of the Company. The Loan Guarantee Contract was signed on 16 March 2023, the maximum balance of the guarantee is RMB2,663,000,000, the guarantee is in the form of joint and several guarantee and the guarantee period is 6 months from the date of expiry of the performance period of the debts under the main contract of the loan (the term of the loan under the main contract is from 19 March 2020 to 19 March 2040).

#### 3 Other major contracts

Applicable  Not Applicable



## SECTION VI SIGNIFICANT MATTERS

### XII. OTHER MAJOR EVENTS

Applicable  Not Applicable

#### 1. Changes of accounting policies

In 2023, the Group has adopted the “Accounting for the Non-applicability of the Initial Recognition Exemption for Deferred Income Tax Relating to Assets and Liabilities Arising from A Single Transaction” in the CAS Bulletin No. 16 (Caikuai [2022] No. 31) (“Bulletin No. 16”) issued by the Ministry of Finance.

According to the provision, as for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in a single transaction that is not a business combination, that neither affects accounting profits nor taxable income (or deductible losses) when the transaction occurs, and the initial recognition of assets and liabilities results in equal taxable temporary differences and deductible temporary differences, the Group recognizes the corresponding deferred income tax liabilities and deferred income tax assets at the time of the transaction, respectively, according to the relevant provisions of CAS No.18 – Income Taxes, instead of recognizing the deferred income tax liabilities or deferred income tax assets on the basis of the net amount of taxable temporary differences and deductible temporary difference arising therein.

The above provision was effective from 1 January 2023 and the adoption of the regulation does not have a significant effect on the financial position and financial performance of the Group.

#### 2. Change in the scope of consolidation

To promote the in-depth integration of clean energy technology and transportation, with the approval of the Board of the Company, YS Energy Company and Tonghu Logistics Park established Suqian Company as a joint venture with a registered capital of RMB20,000,000, with 65% equity interest held by YS Energy Company and 35% equity interest held by Tonghu Logistics Park, and the registered capital was put in place in batches according to the progress of the actual investment project. The industrial and commercial registration for Suqian Company was completed on 20 March 2023. During the Reporting Period, YS Energy Company had contributed RMB100,000.

## SECTION VI SIGNIFICANT MATTERS

### XIII. CORPORATE GOVERNANCE

During the period of six months ended 30 June 2023, other than the following code provisions C1.6, C2.7 and F2.2 of Part II of the Corporate Governance Code, the Company has complied with all the code provisions set out in Part II of the Corporate Governance Code and no material deviation or non-compliance has been identified.

Code provision	Compliance	Corporate governance procedures
C.1.6	No	<p>The independent non-executive Directors and other non-executive Directors were able to attend the Board of Directors' meetings as well as the meetings of various committees on a regular basis to contribute to the decision-making of the Company with their skills and expertise.</p> <p>During the Reporting Period, except for independent non-executive Director Yu Mingyuan, who was unable to attend the 2022 Annual General Meeting, the 2023 First Class Meeting of Holders of Domestic Shares and the 2023 First Class Meeting of Holders of Overseas Listed Shares due to business engagement, all other independent non-executive Directors and non-executive Directors attended the general meetings of the Company.</p>
C2.7	No	<p>During the Reporting Period, the Board has 12 to 13 members for most of the time, comprising of only 3 executive Directors and the rest are non-executive Directors, and 10 Directors are externally appointed. This ensures adequate independence of the Board and safeguards the decisions of the Board from being prejudiced by the opinions of executive Directors.</p>

## SECTION VI SIGNIFICANT MATTERS

### XIII. CORPORATE GOVERNANCE (CONTINUED)

Code provision	Compliance	Corporate governance procedures
F2.2	The chairman of the Board should attend the annual general meeting	No
		During the Reporting Period, the chairman of the Board, Mr. Chen Yunjiang, was unable to attend the 2022 Annual General Meeting, the 2023 First Class Meeting of Holders of Domestic Shares and the 2023 First Class Meeting of Holders of Overseas Listed Shares due to business commitment. Mr. Wang Feng, another Director of the Company at that time, presided the aforesaid general meetings. Mr. Wang has been a Director of the Company since 17 June 2022 and is familiar with the operation of the Company. Therefore, the general meeting was not affected by the absence of Mr. Chen.

### XIV. MATERIAL CHANGE

Save as disclosed in this report, there has been no material change in respect of (a) the development of business of the Group and its financial position; (b) important events affecting the Group; and (c) the likely future development in the business of the Group and prospects for the year, since the publication of the 2022 annual report of the Company.



## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of changes in shares

##### 1. Table of changes in shares

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

##### 2. Explanation of changes in shares

Applicable  Not Applicable

##### 3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share within the period from the end of the reporting period to disclosure date of the interim report (if any)

Applicable  Not Applicable

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

Applicable  Not Applicable

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

Applicable  Not Applicable

### II. SHAREHOLDERS

#### (I) Total amount of shareholders:

Total amount of ordinary shareholders as at the end of the Reporting Period	26,114
Total amount of preference shareholders with voting right restored as at the end of the Reporting Period	N/A

*Note:* As of the end of the Reporting Period, the amount of A shareholders was 25,719 and of H shareholders was 395, with the total of 26,114.

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## II. SHAREHOLDERS (CONTINUED)

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

Unit: share

Name of shareholder (Full Name)	Increase/ decrease during the Reporting Period	Shares of the top ten shareholders			Collateralized, tagged, or frozen		Nature of shareholders
		Number of shares held at the end of the Reporting Period	Equity interest (%)	Number of the shares subject to lock-up	Status of shares	Number	
Jiangsu Communications Holding Company Limited	0	2,742,578,825	54.44	-	Nil	-	State-owned legal person
China Merchants Expressway Network & Technology Holding Co., Ltd.	0	589,059,077	11.69	-	Nil	-	State-owned legal person
BlackRock, Inc.	-28,751,312	105,716,202	2.10	-	Unknown	-	Overseas legal person
Mitsubishi UFJ Financial Group, Inc.	-43,937,752	102,816,845	2.04	-	Unknown	-	Overseas legal person
Citigroup Inc.	397,474	74,106,709	1.47	-	Unknown	-	Overseas legal person
JPMorgan Chase & Co.	-10,203,600	68,688,226	1.36	-	Unknown	-	Overseas legal person
China Merchants Securities Co., Ltd. – SSE Bonus Exchange-traded Stock Investment Funds	1,284,663	33,198,019	0.66	-	Unknown	-	Others
China Galaxy Asset Management Co., Ltd.	-2,820,000	18,590,000	0.37	-	Unknown	-	State-owned legal person
China Pacific Life Insurance Co., Ltd. – CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽保險股份有限公司-中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	1,096,709	10,996,709	0.22	-	Unknown	-	Others
Industrial and Commercial Bank of China Co., Ltd. – Fullgoal China Securities Dividend Index Enhanced Securities Investment Fund	4,249,100	9,180,787	0.18	-	Unknown	-	Others

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## II. SHAREHOLDERS (CONTINUED)

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

Name of shareholder	The top ten holders of shares not subject to any sales restrictions		
	Number of the shares not subject to lock-up	Categories and amount of shares Category	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holding Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
BlackRock, Inc.	105,716,202	Overseas-listed foreign shares	105,716,202
Mitsubishi UFJ Financial Group, Inc.	102,816,845	Overseas-listed foreign shares	102,816,845
Citigroup Inc.	74,106,709	Overseas-listed foreign shares	74,106,709
JPMorgan Chase & Co.	68,688,226	Overseas-listed foreign shares	68,688,226
China Merchants Securities Co., Ltd. – SSE Bonus Exchange-traded Stock Investment Funds	33,198,019	RMB-denominated ordinary shares	33,198,019
China Galaxy Asset Management Co., Ltd.	18,590,000	RMB-denominated ordinary shares	18,590,000
China Pacific Life Insurance Co., Ltd. – CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽保險股份有限公司-中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	10,996,709	RMB-denominated ordinary shares	10,996,709
Industrial and Commercial Bank of China Co., Ltd. – Fullgoal China Securities Dividend Index Enhanced Securities Investment Fund	9,180,787	RMB-denominated ordinary shares	9,180,787

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## II. SHAREHOLDERS (CONTINUED)

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

Name of shareholder	The top ten holders of shares not subject to any sales restrictions		
	Number of the shares not subject to lock-up	Categories and amount of shares	Number
Explanation of buyback in the top ten shareholders	Nil		
Explanation of entrusting, entrusted, and giving up voting rights of the above shareholders	(1)	The Company has no knowledge of whether the above shareholders belong to related party or have associated relationship;	
	(2)	During the Reporting Period, there were no related party, strategic investors, and general legal persons becoming the top ten shareholders due to the placing of new shares; and	
	(3)	The Number of shares of H Shareholders is based on the record of the register kept according to the Securities and Futures Ordinance of Hong Kong.	
Explanation of the above shareholders belonging to related party or having associated relationship	Nil		
Explanation of preference shareholders with voting rights restored and number of shares held	Nil		

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

Applicable  Not Applicable

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## II. SHAREHOLDERS (CONTINUED)

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

Applicable  Not Applicable

## (IV) Interests and short positions

As at 30 June 2023, the following shareholders (excluding the Directors and chief executives of the Company) had interests or short positions in any shares or underlying shares of the Company that was required to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity	Number of A Shares		Percentage of A Shares (total shares)
		Directly interested	Number of A Shares	
Jiangsu Communications Holding Company Limited	Other	Yes	2,742,578,825 (L)	71.88% (54.44%) (L)
China Merchants Expressway Network & Technology Holdings Co., Ltd. <sup>(1)</sup>	Other	Yes	589,059,077 (L)	15.44% (11.69%) (L)
			<b>=====</b>	<b>=====</b>

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### II. SHAREHOLDERS (CONTINUED)

#### (IV) Interests and short positions (Continued)

Name of shareholder	Capacity	Number of H Shares		Percentage of H Shares (total shares)
		Directly interested	Number of H Shares	
BlackRock, Inc.	Interest of controlled corporation <sup>(3)</sup>	No	105,716,202 (L)	8.65% (2.10%) (L)
			3,110,000 (S)	0.25% (0.06%) (S)
Mitsubishi UFJ Financial Group, Inc	Interest of controlled corporation <sup>(2)</sup>	No	102,816,845 (L)	8.41% (2.04%) (L)
JPMorgan Chase & Co.	Interest of controlled corporation/ Investment manager/ Guarantee person holding shares/ approved lending agent <sup>(4)</sup>	No	68,688,226 (L)	5.62% (1.36%) (L)
			4,829,239 (S)	0.39% (0.10%) (S)
			47,148,783 (P)	3.85% (0.94%) (P)
Citigroup Inc.	Interest of controlled corporation/ approved lending agent <sup>(5)</sup>	No	74,106,709 (L)	6.06% (1.47%) (L)
			1,760,493 (S)	0.14% (0.03%) (S)
			71,721,209 (P)	3.85% (1.42%) (P)

Notes: (L) Long position; (S) Short position; (P) Lending pool

(1) China Merchants Group Limited was deemed to be interested in the Company by virtue of its controlling interest in its subsidiary, China Merchants Expressway Network.

(2) Mitsubishi UFJ Financial Group, Inc. was deemed to be interested in the Company by virtue of its indirectly wholly-owned subsidiaries.

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### II. SHAREHOLDERS (CONTINUED)

#### (IV) Interests and short positions (Continued)

Notes: (Continued)

- (3) BlackRock, Inc. was deemed to be interested in the long position of a total of 105,716,202 H Shares of the Company and in the short position of 3,110,000 H Shares (of which 924,000 H Shares were held through cash settled (off exchange) derivatives) by virtue of its control over a number of corporations, which were indirectly wholly-owned by BlackRock, Inc., except the following:
- (a) BlackRock Holdco 6, LLC was indirectly owned as to 90% by BlackRock, Inc.. BlackRock Holdco 6, LLC held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
    - (i) BlackRock Institutional Trust Company, National Association held 15,013,876 (long position) and 2,534,000 H Shares (short position) of the Company.
    - (ii) BlackRock Fund Advisors held 61,136,000 H Shares (long position) of the Company.
  - (b) BR Jersey International Holdings L.P. was indirectly owned as to 86% by BlackRock, Inc.. BR Jersey International Holdings L.P. held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
    - (i) BlackRock Japan Co., Ltd. held 1,484,883 H Shares (long position) of the Company.
    - (ii) BlackRock Investment Management (Australia) Limited held 636,000 H Shares (long position) of the Company.
    - (iii) BlackRock Asset Management North Asia Limited held 946,307 H Shares (long position) of the Company.
    - (iv) BlackRock (Singapore) Limited held 732,000 H Shares (long position) of the Company.
  - (c) BlackRock Group Limited was indirectly owned as to 90% by BR Jersey International Holdings L.P. (see note 3(b) above). BlackRock Group Limited held interests in the Company through its directly or indirectly wholly-owned subsidiaries as follows:
    - (i) BlackRock (Netherlands) B.V. held 3,364,441 H Shares (long position) of the Company.
    - (ii) BlackRock International Limited held 32,000 H Shares (long position) of the Company.
    - (iii) BlackRock Asset Management Ireland Limited held 13,127,865 H Shares (long position) of the Company.
    - (iv) BLACKROCK (Luxembourg) S.A. held 74,000 H Shares (long position) and 88,000 H Shares (short position) of the Company.
    - (v) BlackRock Investment Management (UK) Limited held 1,970,829 H Shares (long position) of the Company.
    - (vi) BlackRock Fund Managers Limited held 817,010 H Shares (long position) of the Company.
    - (vii) BlackRock Asset Management Schweiz AG held 2,000 H Shares (long position) of the Company.
    - (viii) BlackRock Life Limited held 564,991 H Shares (long position) of the Company.
  - (d) BlackRock Canada Holdings LP was indirectly owned as to 99.90% by BR Jersey International Holdings L.P. (see note 3(b) above). BlackRock Canada Holdings LP held interests in the Company through its wholly-owned subsidiary, BlackRock Asset Management Canada Limited, which held 2,378,000 H Shares (long position) of the Company.

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## II. SHAREHOLDERS (CONTINUED)

## (IV) Interests and short positions (Continued)

Notes: (Continued)

- (4) JPMorgan Chase & Co. is considered to hold 68,688,226 H Shares (L) (among which 1,024,101 H Shares are related to derivative instruments traded with cash settlement (over-the-counter)) and 4,829,239 H Shares (S) (among which 3,894,000 and 473,239 H Shares are related to derivative instruments traded with cash settlement (over-the-counter) and physical delivery (over-the-counter)) of the Company. Interests held by JP Morgan Chase & Co. is held with the identity of:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	11,315,900	4,829,239	
Investment Manager	9,178,000		
Guarantee person holding shares	1,045,543		
Authorised Lending Agent			47,148,783

- (5) Citigroup Inc. is considered to hold 74,106,709 H Shares (L) (among which 86,000 H Shares are related to derivative instruments traded with cash settlement (over-the-counter)) and 1,760,493 H Shares (S) of the Company. Interest held by Citigroup Inc. is held with the identity of:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	2,385,500	1,760,493	
Approved lending agent			71,721,209

Citigroup Global Markets Holdings Bahamas Limited was indirectly held as to 90% by Citigroup Inc.. Citigroup Global Markets Holdings Bahamas Limited held 2,385,500 H Shares (long position) and 1,760,493 H Shares (short position) of the Company through its directly wholly-owned subsidiary, Citigroup Global Markets Limited. Apart from the above enterprise, all the remaining enterprises were indirectly wholly-owned by Citigroup Inc..

Save as disclosed above, to the best of the Company's knowledge, there was no other person required to be disclosed under the Securities and Futures Ordinance of Hong Kong as at the latest practicable date.



## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### III. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (I) Changes in shareholdings held by current or resigned Directors, Supervisors and members of senior management officers during the Reporting Period

Applicable  Not Applicable

Other information

Applicable  Not Applicable

#### (II) Equity incentives granted to Directors, Supervisors and senior management officers during the Reporting Period

Applicable  Not Applicable

#### (III) Other explanations

Applicable  Not Applicable

As of 30 June 2023, the Group (including its holding subsidiaries) had 4,805 staff members in total, comprising 801 managerial and technical staff members and 4,004 manufacturing staff members. During the Reporting Period, total staff remuneration amounted to RMB569,730,000.

In the first half of 2023, the Company continued to optimised its remuneration structure and give play to the guiding role of remuneration. In accordance with the principles of post-based and performance-based remuneration payment, basic pay was offered to provide reasonable protection for the employees and performance pay was offered to motivate the internal drive of the employees. At the same time, the Company continued to improve its appraisal mechanism, furthering the linkage between performance appraisal, quantitative performance and remuneration, and granting remuneration in a reasonable manner.

In order to protect the rights and interests of our employees, the Company contributed to the “Five Insurances and Housing Fund” in accordance with the law and regulations, and provides supplementary medical care, corporate annuity and other welfare protection schemes for its employees. The Company have further improved the welfare benefits of its employees to enhance their sense of belonging to the Company and their motivation to work.

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### III. PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

#### (III) Other explanations (Continued)

In terms of training, the Company adhered to the principles of systematic thinking and synergy, took the right orientation, optimized training content positioning. The Company promoted the innovation of training means, teaching modes and ways and means thoroughly, so as to enhance the suitability and modernity of education and training. The Company accelerated the construction of a modern employee education and training system, to cultivate more high-quality managerial, technical and skilled personnel, as well as skilled craftsmen. The Company provide scientific and relevant education and training content to ensure the quality and effectiveness of training. In the first half of the year, the Company organized four training sessions for the frontline team leaders, with a total of 223 participants. The trainers were composed of internal trainers selected by the Company, and they talked about the events around the team leaders and the cases that the team leaders needed, which achieved better results and was an attempt to innovate the training mode.

### IV. CHANGE OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

Applicable  Not Applicable

### V. DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, none of the Directors, supervisors and chief executives of the Company had any interests, long positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) that was required to be recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance.

## SECTION VII CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### VI. REPURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Reporting Period, there was no repurchase, sale or redemption of any of its listed securities by the Company and/or any of its subsidiaries; and the Company and its subsidiaries have not issued or granted any convertible securities, options, warrants or other similar rights at any time. The Company has obtained approval from the CSRC on public offer of bonds to professional investors.

### VII. PUBLIC FLOAT

According to public information and as far as the Directors know, the Board of Directors is of the view that the public float of the shares of the Company as at 25 August 2023 (being the latest practicable date prior to the publication of this report) complied with the requirements of the Hong Kong Listing Rules.

### VIII. DIVIDEND ARRANGEMENT WAIVED OR AGREED BY THE SHAREHOLDERS

During the Reporting Period, no dividend arrangement was waived by any of the shareholders.

### IX. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a Code of Conduct for Securities Transactions by its Directors on standards no lower than the provisions under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under Appendix 10 of the Hong Kong Listing Rules. Having made specific enquiries to all the Directors of the Company, the Directors of the Company have fully complied with the provisions stipulated under the Model Code and the Company's Code of Conduct for Securities Transactions by Directors.

## SECTION VIII INFORMATION ON PREFERRED SHARES

Applicable  Not Applicable



## SECTION IX INFORMATION ON BONDS

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

Applicable  Not Applicable

#### (I) Enterprise bonds

Applicable  Not Applicable

#### (II) Corporate bonds

Applicable  Not Applicable

#### 1. Basic information on corporate bonds

Unit: 100 million Currency: RMB

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

## SECTION IX INFORMATION ON BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

## (II) Corporate bonds (Continued)

## 1. Basic information on corporate bonds (Continued)

Name of bond	Abbreviation	Bond code	Date of issuance	Date of value	Maturity date	Outstanding amount	Interest rate (%)	Method of repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
Green corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	G22 NingHu 1	137962.SH	2022/10/21	2022/10/24	2025/10/24	7.00	2.58	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (third tranche)	22 NingHu G3	138630.SH	2022/11/28	2022/11/29	2025/11/29	5.00	2.95	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No

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

Applicable  Not Applicable

Outstanding bonds which are past due

Applicable  Not Applicable

Explanations on debts past due

Applicable  Not Applicable

## SECTION IX INFORMATION ON BONDS

### I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

#### (II) Corporate bonds (Continued)

##### 2. Terms of issuer or investor option, trigger and execution of investor protection terms

Applicable  Not Applicable

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

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

##### 3. Credit rating result and its modification

Applicable  Not Applicable

Other explanation

Nil.

## SECTION IX INFORMATION ON BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

## (II) Corporate bonds (Continued)

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

Applicable  Not Applicable

Other explanation

Nil.

## 5. Other explanation on the corporate bonds

Applicable  Not Applicable

Registered by the document, Zheng Jian Xu Ke [2022] No. 2341, of China Securities Regulatory Commission, the Company publicly issued the green corporate bonds with a total value of less than RMB1.7 billion (RMB1.7 billion included) to professional investors. As of the end of June 2023, the Company issued the green corporate bonds of RMB700 million to professional investors by one tranche. All the proceeds from the bonds were used for the acquisition of equity interest in YS Energy Company, and the proceeds have been used up according to the agreed purpose. The acquired company, YS Energy Company, is a green entity with its main business scope in the field of renewable energy power generation. The use of the proceeds from the bonds was in line with the Guiding Catalogue of Green Industries (2019) issued by the National Development and Reform Commission and other seven ministries and commissions, and Green Bond Endorsed Projects Catalogue (2021 Edition) issued by the People's Bank of China and other three ministries and commissions. Currently, all of YS Energy's renewable energy power generation projects have connected to the grid and are in normal operation, which can effectively help to reduce carbon dioxide, sulfur dioxide, nitrogen oxides and smoke dust emissions and replace fossil energy consumption.



## SECTION IX INFORMATION ON BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

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

Applicable  Not Applicable

## 1. Basic information on the debts financing instruments of non-financial enterprises

Unit: 100 million Currency: RMB

Name of bond	Abbreviation	Bond code	Date of issuance	Date of value	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2020 medium-term notes (first tranche)	20 NingHu Gao MTN001	102001586.IB	2020/8/19	2020/8/21	2025/8/21	20.00	3.98	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (first tranche)	21 NingHuGao MTN001	102101110.IB	2021/6/15	2021/6/17	2024/6/17	10.00	3.45	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (second tranche)	21 NingHuGao MTN002	102102145.IB	2021/1/25	2021/1/27	2024/1/27	5.00	3.30	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (third tranche)	21 NingHuGao MTN003	102103072.IB	2021/11/22	2021/11/24	2024/11/24	5.00	3.13	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 green medium-term notes (first tranche) (Tech note)	22 Ninghu Gao MTN001 (Tech note)	102281915.IB	2022/9/13	2022/9/15	2025/9/15	7.00	2.49	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 medium-term notes (second tranche)	22 NingHuGao MTN002	102282216.IB	2022/10/10	2022/10/11	2025/10/11	3.00	2.49	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2022 medium-term notes (third tranche)	22 NingHuGao MTN003	102282433.IB	2022/10/31	2022/11/2	2025/11/2	5.00	2.55	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

## SECTION IX INFORMATION ON BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

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

## 1. Basic information on the debts financing instruments of non-financial enterprises (Continued)

Name of bond	Abbreviation	Bond code	Date of issuance	Date of value	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2023 ultra-short-term notes (first tranche)	23 NingHuGao SCP001	012380018.IB	2023/1/3	2023/1/4	2023/4/7	-	2.30	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (second tranche)	23 NingHuGao SCP002	012380014.IB	2023/1/3	2023/1/4	2023/4/7	-	2.30	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (third tranche)	23 NingHuGao SCP003	012380017.IB	2023/1/3	2023/1/4	2023/4/7	-	2.30	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (fourth tranche)	23 NingHuGao SCP004	012380020.IB	2023/1/3	2023/1/4	2023/4/7	-	2.30	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (fifth tranche)	23 NingHuGao SCP005	012380395.IB	2023/2/6	2023/2/7	2023/5/12	-	2.15	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (sixth tranche)	23 NingHuGao SCP006	012380390.IB	2023/2/6	2023/2/7	2023/5/12	-	2.15	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

## SECTION IX INFORMATION ON BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

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

## 1. Basic information on the debts financing instruments of non-financial enterprises (Continued)

Name of bond	Abbreviation	Bond code	Date of issuance	Date of value	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2023 ultra-short-term notes (seventh tranche)	23 NingHuGao SCP007	012380752.IB	2023/2/28	2023/3/1	2023/5/26	-	2.36	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (eighth tranche)	23 NingHuGao SCP008	012380756.IB	2023/2/28	2023/3/1	2023/5/26	-	2.36	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (ninth tranche)	23 NingHuGao SCP009	012381338.IB	2023/3/31	2023/4/3	2023/7/7	10.50	2.18	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (tenth tranche)	23 NingHuGao SCP010	012381345.IB	2023/3/31	2023/4/4	2023/7/7	5.00	2.18	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (eleventh tranche)	23 NingHuGao SCP011	012381350.IB	2023/4/3	2023/4/4	2023/7/7	4.00	2.18	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (twelfth tranche)	23 NingHuGao SCP012	012381348.IB	2023/4/3	2023/4/4	2023/7/7	4.00	2.18	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

## SECTION IX INFORMATION ON BONDS

### I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

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

##### 1. Basic information on the debts financing instruments of non-financial enterprises (Continued)

Name of bond	Abbreviation	Bond code	Date of issuance	Date of value	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2023 ultra-short-term notes (thirteenth tranche)	23 NingHuGao SCP013	012381460.IB	2023/4/11	2023/4/12	2023/7/14	10.00	2.23	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (fourteenth tranche)	23 NingHuGao SCP014	012381459.IB	2023/4/11	2023/4/12	2023/7/14	4.00	2.23	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (fifteenth tranche)	23 NingHuGao SCP015	012381848.IB	2023/5/9	2023/5/10	2023/8/11	3.50	2.22	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (sixteenth tranche)	23 NingHuGao SCP016	012381936.IB	2023/5/23	2023/5/24	2023/8/25	3.00	2.07	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

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

Applicable  Not Applicable

Outstanding bonds which are also past due

Applicable  Not Applicable

Explanations on debts past due

Applicable  Not Applicable

## SECTION IX INFORMATION ON BONDS

### I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

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

**2. Terms of issuer or investor option, trigger and execution of investor protection terms**

Applicable  Not Applicable

**3. Credit rating result and its modification**

Applicable  Not Applicable

Other explanation

Nil.

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

Applicable  Not Applicable

Other explanation

Nil.

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

Applicable  Not Applicable

The operating condition of the special account for the funds raised, the use of the funds raised and progress of the project of 22 NingHuGao MTN001 (Tech note): All the proceeds from the medium-term notes have been transferred on 15 September 2022 to the designated custodial account for the proceeds. As of the date of this report, all of the proceeds were fully used for the purpose of replacing the issuer's own capital investment in the first installment of payment for the transfer of 100% equity interest in YS Energy Company, which is in line with that set forth in the prospectus. The use of proceeds raised from the bonds in the acquisition of 100% equity interests in YS Energy Company by the issuer has been completed, and YS Energy Company has become a wholly-owned subsidiary of the issuer.

## SECTION IX INFORMATION ON BONDS

### I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

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

Applicable  Not Applicable

#### (V) Key accounting data and financial indicators

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Principal indicators	As at the end of the Reporting Period	As at the end of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)	Reasons for changes
Current ratio	0.6861	0.6879	-0.25	The decrease in the current ratio was mainly due to the significant increase in cash dividends declared by the Group but has not yet paid at the end of the Reporting Period, resulting in the increase in current liabilities outpacing that of current assets.
Quick ratio	0.4497	0.4103	9.60	The increase in quick ratio as compared to that at the beginning of the Reporting Period was mainly due to the decrease in the proportion of inventory and other current assets at the end of the Reporting Period as compared to that at the beginning of the Reporting Period.
Gearing ratio (%)	51.72	51.63	Increased by 0.09 percentage point	The increase in the gearing ratio as compared to that at the beginning of the Reporting Period was mainly due to the significant increase in cash dividends declared by the Group but has not yet paid at the end of the Reporting Period, resulting in the increase in liabilities outpacing that of assets.

## SECTION IX INFORMATION ON BONDS

## I. ENTERPRISE BONDS, CORPORATE BONDS, DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES (CONTINUED)

## (V) Key accounting data and financial indicators (Continued)

	The Reporting Period (January–June)	Corresponding period of the previous year	Increase/decrease in the Reporting Period as compared to the corresponding period of the previous year (%)	Reasons for changes
Net profit after non-recurring profit and loss	2,348,162,479.70	1,691,952,952.90	38.78	Benefited from the recovery of the road and bridge toll business during the Reporting Period, the Group's total profit increased year-on-year significantly.
Total debt to EBITDA ratio	0.1201	0.0986	21.84	Benefited from the recovery of the road and bridge toll business during the Reporting Period, the Group's total profit increased year-on-year significantly.
Interest coverage ratio	6.5915	5.0873	29.57	Benefited from the recovery of the road and bridge toll business during the Reporting Period, the Group's total profit increased year-on-year significantly.
Cash interest coverage ratio	6.3949	4.1962	52.40	Benefited from the recovery of the road and bridge toll business during the Reporting Period, the net cash flows generated from the operating activities of the Group increased year-on-year significantly.
EBITDA interest coverage ratio	8.7122	6.8936	26.38	Benefited from the recovery of the road and bridge toll business during the Reporting Period, the Group's total profit increased year-on-year significantly.
Loan repayment rate (%)	100.00	100.00	–	
Interest coverage rate (%)	100.00	100.00	–	

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

## SECTION IX INFORMATION ON BONDS

### II. CONVERTIBLE CORPORATE BONDS

Applicable  Not Applicable



# CONSOLIDATED BALANCE SHEET

As at 30 June 2023

(Unit: Yuan Currency: RMB)

Item	Note	30 June 2023	31 December 2022
<b>Assets</b>			
<b>Current assets:</b>			
Cash at bank and on hand	V.1	541,524,063.19	932,931,344.38
Financial assets held for trading	V.2	4,756,944,083.24	3,474,620,148.26
Bills receivable	V.3	1,550,000.00	950,000.00
Accounts receivable	V.4	1,291,463,472.50	1,127,669,970.08
Prepayments	V.5	20,388,590.21	7,737,346.20
Other receivables	V.6	90,045,437.12	62,758,902.02
Inventories	V.7	2,403,919,945.96	2,585,018,115.85
Non-current assets due within one year	V.8	62,000,000.00	62,000,000.00
Other current assets	V.9	1,027,372,772.22	1,132,118,913.26
<b>Total current assets</b>		<b>10,195,208,364.44</b>	9,385,804,740.05
<b>Non-current assets:</b>			
Long-term receivables	V.10	111,904,575.09	111,904,575.09
Long-term equity investments	V.11	11,527,519,206.01	11,089,989,971.83
Investments in other equity instruments	V.12	7,107,088,380.00	6,989,448,132.00
Other non-current financial assets	V.13	2,932,587,194.25	2,877,355,787.11
Investment properties	V.14	295,474,190.41	308,801,243.53
Fixed assets	V.15	7,784,659,466.21	8,045,978,815.98
Construction in progress	V.16	178,724,872.45	188,697,382.38
Right-of-use assets	V.62	25,030,422.55	29,471,084.75
Intangible assets	V.17	39,338,419,207.75	39,160,901,716.97
Long-term deferred expenses	V.18	17,807,038.11	18,310,574.19
Deferred tax assets	V.19	193,031,746.52	183,314,189.73
Other non-current assets	V.20	80,230,827.55	68,366,860.46
<b>Total non-current assets</b>		<b>69,592,477,126.90</b>	69,072,540,334.02
<b>Total assets</b>		<b>79,787,685,491.34</b>	78,458,345,074.07

The notes on pages 175 to 312 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

As at 30 June 2023

Item	Note	30 June 2023	31 December 2022
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term loans	V.21	<b>1,876,265,454.69</b>	2,434,124,067.61
Bills payable	V.22	<b>283,840,000.00</b>	366,000,000.00
Accounts payable	V.23	<b>2,471,908,644.79</b>	2,813,441,518.75
Advance payments received	V.24	<b>17,407,034.11</b>	15,148,842.33
Contract liabilities	V.25	<b>63,256,223.45</b>	162,928,919.15
Employee benefits payable	V.26	<b>7,003,031.13</b>	7,114,523.65
Taxes payable	V.27	<b>461,583,910.50</b>	383,023,669.03
Other payables	V.28	<b>2,679,752,285.45</b>	288,042,394.72
Non-current liabilities due within one year	V.29	<b>2,557,897,625.48</b>	1,815,208,560.25
Other current liabilities	V.30	<b>4,439,659,065.80</b>	5,359,728,092.37
<b>Total current liabilities</b>		<b>14,858,573,275.40</b>	13,644,760,587.86
<b>Non-current liabilities:</b>			
Long-term loans	V.31	<b>16,543,565,723.06</b>	16,053,597,366.94
Debentures payable	V.32	<b>8,978,499,843.30</b>	9,972,337,481.34
Lease liabilities	V.62	<b>20,077,298.06</b>	20,300,291.44
Long-term payables	V.33	<b>71,404,993.74</b>	71,404,993.74
Deferred income	V.34	<b>68,814,148.69</b>	73,860,914.18
Deferred tax liabilities	V.19	<b>722,572,587.98</b>	671,751,540.62
Other non-current liabilities	V.35	—	—
<b>Total non-current liabilities</b>		<b>26,404,934,594.83</b>	26,863,252,588.26
<b>Total liabilities</b>		<b>41,263,507,870.23</b>	40,508,013,176.12

The notes on pages 175 to 312 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

As at 30 June 2023

Item	Note	30 June 2023	31 December 2022
<b>Liabilities and shareholders' equity (continued)</b>			
<b>Shareholders' equity:</b>			
Share capital	V.36	<b>5,037,747,500.00</b>	5,037,747,500.00
Capital reserve	V.37	<b>9,776,409,372.86</b>	9,776,409,372.86
Other comprehensive income	V.38	<b>1,855,649,717.81</b>	1,752,882,112.53
General risk reserve	V.39	<b>8,918,337.30</b>	9,737,731.83
Specific reserve	V.40	<b>2,041,483.04</b>	577,468.02
Surplus reserve	V.41	<b>4,019,593,072.94</b>	4,019,593,072.94
Retained earnings	V.42	<b>11,509,214,078.12</b>	11,343,860,451.93
Total equity attributable to shareholders of the Company		<b>32,209,573,562.07</b>	31,940,807,710.11
Non-controlling interests		<b>6,314,604,059.04</b>	6,009,524,187.84
<b>Total shareholders' equity</b>		<b>38,524,177,621.11</b>	37,950,331,897.95
<b>Total liabilities and shareholders' equity</b>		<b>79,787,685,491.34</b>	78,458,345,074.07

Legal Representative  
**Chen Yunjiang**

The person in-charge of  
accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

(Company stamp)

# COMPANY BALANCE SHEET

As at 30 June 2023

(Unit: Yuan Currency: RMB)

Item	Note	30 June 2023	31 December 2022	Item	Note	30 June 2023	31 December 2022
<b>Assets</b>				<b>Liabilities and shareholders' equity</b>			
<b>Current assets:</b>				<b>Current liabilities:</b>			
Cash at bank and on hand		178,085,091.49	457,256,666.75	Short-term loans		1,063,867,063.00	1,704,448,586.00
Financial assets held for trading		3,275,000,000.00	2,450,006,985.16	Accounts payable		387,958,654.62	582,679,623.53
Accounts receivable	XIV.1	427,973,265.22	410,626,643.63	Advance payments received		3,159,829.32	4,488,651.19
Prepayments		14,055,529.16	1,130,751.22	Employee benefits payable		1,194,900.92	1,927,435.78
Other receivables	XIV.2	44,657,499.86	10,682,984.50	Taxes payable		117,459,309.99	36,143,213.39
Inventories		16,730,169.20	17,655,990.24	Other payables		2,566,743,340.01	243,353,866.72
Other current assets		2,857,364,243.11	2,838,602,047.81	Non-current liabilities due within one year		1,195,139,496.90	142,426,258.82
<b>Total current assets</b>		<b>6,813,865,798.04</b>	<b>6,185,962,069.31</b>	Other current liabilities		4,421,226,006.00	5,334,649,066.00
<b>Non-current assets:</b>				<b>Total current liabilities</b>		<b>9,756,748,600.76</b>	<b>8,050,116,701.43</b>
Long-term equity investments	XIV.3	20,565,485,406.04	20,149,153,401.76	<b>Non-current liabilities:</b>			
Investments in other equity instruments		5,299,973,280.00	5,256,708,192.00	Long-term loans		2,191,926,222.82	1,996,497,782.70
Fixed assets		1,168,590,208.26	1,230,056,879.64	Debentures payable		8,980,332,107.92	9,974,656,778.90
Construction in progress		112,388,721.49	93,394,861.08	Deferred income		58,799,086.19	63,845,851.68
Intangible assets		11,124,311,433.97	11,655,199,035.84	Deferred tax liabilities		265,386,306.04	254,570,034.04
Long-term deferred expenses		1,317,531.66	1,315,525.44	<b>Total non-current liabilities</b>		<b>11,496,443,722.97</b>	<b>12,289,570,447.32</b>
Other non-current assets		2,025,713,630.00	2,062,755,638.21	<b>Total liabilities</b>		<b>21,253,192,323.73</b>	<b>20,339,687,148.75</b>
<b>Total non-current assets</b>		<b>40,297,780,211.42</b>	<b>40,448,583,533.97</b>	<b>Shareholders' equity:</b>			
<b>Total assets</b>		<b>47,111,646,009.46</b>	<b>46,634,545,603.28</b>	Share capital		5,037,747,500.00	5,037,747,500.00
				Capital reserve		9,945,032,992.78	9,945,032,992.78
				Other comprehensive income		1,111,526,996.72	1,056,590,611.44
				Surplus reserve		2,518,873,750.00	2,518,873,750.00
				Retained earnings		7,245,272,446.23	7,736,613,600.31
				<b>Total shareholders' equity</b>		<b>25,858,453,685.73</b>	<b>26,294,858,454.53</b>
				<b>Total liabilities and shareholders' equity</b>		<b>47,111,646,009.46</b>	<b>46,634,545,603.28</b>

Legal Representative  
Chen Yunjiang

The person in-charge of  
accounting affairs  
Chen Jinjia

The head of the  
accounting department  
Yao Qunfang

(Company stamp)

The notes on pages 175 to 312 form part of these financial statements.

# CONSOLIDATED INCOME STATEMENT

For the Six-month period ended 30 June 2023

(Unit: Yuan Currency: RMB)

Item	Note	Amount for the current period	Amount for the prior period
<b>I. Operating income</b>	V.43	<b>7,136,011,953.47</b>	4,875,399,621.13
Less: Operating costs	V.43	<b>3,926,662,277.70</b>	2,795,363,467.49
Taxes and surcharges	V.44	<b>38,461,347.25</b>	46,201,684.98
Selling and distribution expenses	V.45	<b>5,803,128.77</b>	6,093,714.35
General and administrative expenses	V.46	<b>109,627,395.99</b>	103,023,993.20
Financial expenses	V.47	<b>533,463,186.75</b>	549,500,912.66
Including: Interest expenses		<b>539,002,867.78</b>	552,644,422.25
Interest income		<b>10,631,711.74</b>	7,164,447.09
Add: Other income	V.48	<b>11,806,394.00</b>	11,828,604.45
Investment income	V.49	<b>613,519,419.63</b>	826,449,841.39
Including: Income from investment in associates and joint ventures		<b>461,731,804.50</b>	341,366,881.16
Gains from changes in fair value	V.50	<b>75,602,122.87</b>	35,105,006.37
Credit losses	V.51	<b>(8,941,646.00)</b>	(5,820,267.59)
Impairment losses	V.52	<b>–</b>	–
Gains from asset disposals	V.53	<b>4,789,530.84</b>	29,346,091.26
<b>II. Operating profit</b>		<b>3,218,770,438.35</b>	2,272,125,124.33
Add: Non-operating income	V.54	<b>8,158,797.75</b>	5,348,967.82
Less: Non-operating expenses	V.54	<b>10,813,382.08</b>	9,833,410.40
<b>III. Profit before income tax</b>		<b>3,216,115,854.02</b>	2,267,640,681.75
Less: Income tax expenses	V.55	<b>628,491,894.66</b>	447,454,541.12
<b>IV. Net profit</b>		<b>2,587,623,959.36</b>	1,820,186,140.63
(1) Net profit classified by continuity of operations:			
1. Net profit from continuing operations		<b>2,587,623,959.36</b>	1,820,186,140.63
2. Net profit from discontinued operations		<b>–</b>	–
(2) Net profit classified by ownership:			
1. Shareholders of the Company		<b>2,481,895,375.62</b>	1,828,611,453.21
2. Non-controlling interests		<b>105,728,583.74</b>	(8,425,312.58)

The notes on pages 175 to 312 form part of these financial statements.

## CONSOLIDATED INCOME STATEMENT

For the Six-month period ended 30 June 2023

Item	Note	Amount for the current period	Amount for the prior period
<b>V. Other comprehensive income, net of tax</b>	V.38	<b>110,717,755.28</b>	741,931,098.21
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company		<b>102,767,605.28</b>	740,878,098.21
1. Items that will not be reclassified to profit or loss		<b>102,767,605.28</b>	740,878,098.21
a. Other comprehensive income recognised under equity method		<b>22,487,569.28</b>	(17,681,627.67)
b. Changes in fair value of investments in other equity instruments		<b>80,280,036.00</b>	758,559,725.88
2. Items that may be reclassified to profit or loss		—	—
(2) Other comprehensive income (net of tax) attributable to non-controlling interests		<b>7,950,150.00</b>	1,053,000.00
<b>VI. Total comprehensive income for the year</b>		<b>2,698,341,714.64</b>	2,562,117,238.84
(1) Attributable to shareholders of the Company		<b>2,584,662,980.90</b>	2,569,489,551.42
(2) Attributable to non-controlling interests		<b>113,678,733.74</b>	(7,372,312.58)
<b>VII. Earnings per share:</b>			
(1) Basic earnings per share	V.56	<b>0.4927</b>	0.3630
(2) Diluted earnings per share	V.56	<b>0.4927</b>	0.3630

Legal Representative  
**Chen Yunjiang**

The person in-charge of  
accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

(Company stamp)

# COMPANY INCOME STATEMENT

For the Six-month period ended 30 June 2023

(Unit: Yuan Currency: RMB)

Item	Note	Amount for the current period	Amount for the prior period
<b>I. Operation income</b>	XIV.4	<b>4,179,637,438.68</b>	2,957,699,940.63
Less: Operating costs	XIV.4	<b>1,909,560,682.44</b>	1,410,156,240.66
Taxes and surcharges		<b>14,229,836.44</b>	11,622,902.87
General and administrative expenses		<b>66,561,018.11</b>	69,288,550.84
Financial expenses		<b>229,331,531.47</b>	196,757,495.82
Including: Interest expenses		<b>236,410,325.87</b>	198,520,377.81
Interest income		<b>7,884,750.13</b>	4,746,030.11
Add: Other income		<b>10,612,768.12</b>	11,411,134.56
Investment income	XIV.5	<b>377,209,787.27</b>	641,451,351.53
Including: Income from investments in associates		<b>317,834,574.60</b>	225,015,071.27
Credit losses		—	—
Impairment losses		—	—
Gains from asset disposals		—	—
<b>II. Operating profit</b>		<b>2,347,776,925.61</b>	1,922,737,236.53
Add: Non-operating income		<b>2,995,088.08</b>	2,646,305.34
Less: Non-operating expenses		<b>9,765,142.32</b>	9,356,759.51
<b>III. Profit before income tax</b>		<b>2,341,006,871.37</b>	1,916,026,782.36
Less: Income tax expenses		<b>514,986,881.49</b>	367,564,526.94
<b>IV. Net profit</b>		<b>1,826,019,989.88</b>	1,548,462,255.42
(1) Net profit from continuing operations		<b>1,826,019,989.88</b>	1,548,462,255.42
(2) Net profit from discontinued operations		—	—
<b>V. Other comprehensive income, net of tax</b>		<b>54,936,385.28</b>	707,806,585.71
(1) Items that will not be reclassified to profit or loss		<b>54,936,385.28</b>	707,806,585.71
1. Other comprehensive income recognised under equity method		<b>22,487,569.28</b>	(17,681,627.67)
2. Changes in fair value of investments in other equity instruments		<b>32,448,816.00</b>	725,488,213.38
(2) Items that may be reclassified to profit or loss		—	—
<b>VI. Total comprehensive income for the year</b>		<b>1,880,956,375.16</b>	2,256,268,841.13

Legal Representative  
**Chen Yunjiang**

The person in-charge of  
accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

(Company stamp)

The notes on pages 175 to 312 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the Six-month period ended 30 June 2023

(Unit: Yuan Currency: RMB)

Item	Note	Amount for the current period	Amount for the prior period
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		<b>6,202,644,873.59</b>	4,289,125,133.32
Refund of taxes		<b>79,094,805.03</b>	563,178,427.27
Proceeds from other operating activities	V.58(1)	<b>500,864,061.29</b>	483,637,301.93
Sub-total of cash inflows		<b>6,782,603,739.91</b>	5,335,940,862.52
Payment for goods and services		<b>1,474,881,277.65</b>	1,195,668,852.89
Payment to and for employees		<b>569,841,385.73</b>	538,973,145.95
Payment of various taxes		<b>782,098,620.81</b>	684,043,582.62
Payment for other operating activities	V.58(2)	<b>324,828,018.44</b>	593,542,465.71
Sub-total of cash outflows		<b>3,151,649,302.63</b>	3,012,228,047.17
Net cash inflow from operating activities	V.59(1)	<b>3,630,954,437.28</b>	2,323,712,815.35
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		<b>7,440,350,579.06</b>	6,120,656,108.08
Investment returns received		<b>166,906,221.15</b>	498,750,985.32
Net proceeds from disposal of fixed assets		<b>6,775,931.73</b>	31,166,810.76
Sub-total of cash inflows		<b>7,614,032,731.94</b>	6,650,573,904.16
Payment for acquisition of fixed assets, intangible assets and other long-term assets		<b>1,191,590,033.76</b>	645,810,162.77
Payment for acquisition of investments		<b>8,702,075,557.18</b>	7,896,679,469.68
Net payment for acquisition of subsidiaries		<b>—</b>	99,888.00
Sub-total of cash outflows		<b>9,893,665,590.94</b>	8,542,589,520.45
Net cash outflow from investing activities		<b>(2,279,632,859.00)</b>	(1,892,015,616.29)

The notes on pages 175 to 312 form part of these financial statements.



## CONSOLIDATED CASH FLOW STATEMENT

For the Six-month period ended 30 June 2023

Item	Note	Amount for the current period	Amount for the prior period
<b>III. Cash flows from financing activities:</b>			
Proceeds from investors		<b>200,816,000.00</b>	111,000,000.00
Including: Proceeds from non-controlling shareholders of subsidiaries		<b>200,816,000.00</b>	–
Proceeds from borrowings		<b>4,624,000,000.00</b>	2,775,500,000.00
Proceeds from issue of bonds		<b>8,270,000,000.00</b>	13,770,508,244.69
Sub-total of cash inflows		<b>13,094,816,000.00</b>	16,657,008,244.69
Repayments of borrowings		<b>14,327,761,339.68</b>	16,423,619,866.52
Payment for dividends, profit distributions or interest		<b>494,785,535.97</b>	522,409,918.79
Including: Profits paid to non-controlling shareholders of subsidiaries		<b>11,597,152.11</b>	–
Payment for other financing activities	V.58(3)	<b>16,271,493.93</b>	3,730,092.00
Sub-total of cash outflows		<b>14,838,818,369.58</b>	16,949,759,877.31
Net cash outflow from financing activities		<b>(1,744,002,369.58)</b>	(292,751,632.62)
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>–</b>	<b>–</b>
<b>V. Net (decrease)/increase in cash and cash equivalents</b>	V.59(1)b	<b>(392,680,791.30)</b>	138,945,566.44
Add: Cash and cash equivalents at the beginning of the period		<b>925,012,854.49</b>	617,306,798.75
<b>VI. Cash and cash equivalents at the end of the period</b>	V.59(2)	<b>532,332,063.19</b>	756,252,365.19

Legal Representative  
**Chen Yunjiang**

The person in-charge of  
accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

(Company stamp)

# COMPANY CASH FLOW STATEMENT

For the Six-month period ended 30 June 2023

(Unit: Yuan Currency: RMB)

Item	Note	Amount for the current period	Amount for the prior period
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		<b>4,371,388,379.49</b>	3,044,017,076.58
Proceeds from other operating activities		<b>59,049,583.64</b>	31,786,616.95
Sub-total of cash inflows		<b>4,430,437,963.13</b>	3,075,803,693.53
Payment for goods and services		<b>1,224,457,301.86</b>	833,481,160.82
Payment to and for employees		<b>395,884,637.41</b>	387,882,073.37
Payment of various taxes		<b>535,644,542.18</b>	451,517,630.21
Payment for other operating activities		<b>69,901,545.43</b>	51,827,622.08
Sub-total of cash outflows		<b>2,225,888,026.88</b>	1,724,708,486.48
Net cash inflow from operating activities		<b>2,204,549,936.25</b>	1,351,095,207.05
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		<b>5,150,014,877.89</b>	5,324,683,231.70
Investment returns received		<b>75,233,509.11</b>	431,475,392.51
Net proceeds from disposal of fixed assets		<b>4,230.00</b>	2,639.00
Proceeds from other investing activities		<b>4,178,463,721.88</b>	3,305,000,000.00
Sub-total of cash inflows		<b>9,403,716,338.88</b>	9,061,161,263.21
Payment for acquisition of fixed assets, intangible assets and other long-term assets		<b>64,198,000.08</b>	36,098,543.44
Payment for acquisition of investments		<b>6,097,707,892.73</b>	6,860,072,135.54
Net payment for acquisition of subsidiaries and other business units		—	—
Payment for other investing activities		<b>4,197,000,000.00</b>	4,515,000,000.00
Sub-total of cash outflows		<b>10,358,905,892.81</b>	11,411,170,678.98
Net cash outflow from investing activities		<b>(955,189,553.93)</b>	(2,350,009,415.77)

The notes on pages 175 to 312 form part of these financial statements.

## COMPANY CASH FLOW STATEMENT

For the Six-month period ended 30 June 2023

Item	Note	Amount for the current period	Amount for the prior period
<b>III. Cash flows from financing activities:</b>			
Proceeds from borrowings		<b>300,000,000.00</b>	1,200,000,000.00
Proceeds from issuance of debentures		<b>8,270,000,000.00</b>	13,775,357,228.02
Sub-total of cash inflows		<b>8,570,000,000.00</b>	14,975,357,228.02
Repayments of borrowings		<b>9,934,841,755.68</b>	13,980,791,534.52
Payment for dividends or interest		<b>162,958,832.60</b>	192,604,963.19
Payment for other financing activities		<b>731,369.30</b>	-
Sub-total of cash outflows		<b>10,098,531,957.58</b>	14,173,396,497.71
Net cash (outflow)/inflow from financing activities		<b>(1,528,531,957.58)</b>	801,960,730.31
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>V. Net decrease in cash and cash equivalents</b>		<b>(279,171,575.26)</b>	<b>(196,953,478.41)</b>
Add: Cash and cash equivalents at the beginning of the period		<b>457,256,666.75</b>	319,971,226.51
<b>VI. Cash and cash equivalents at the end of the period</b>		<b>178,085,091.49</b>	123,017,748.10

Legal Representative  
**Chen Yunjiang**

The person in-charge of  
accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

(Company stamp)

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six-month period ended 30 June 2023

(Unit: Yuan Currency: RMB)

	Amount for the current period							Total		
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Special reserve	Retained earnings		Sub-total	Non-controlling interests
<b>I. Closing balance as at 31 December 2022</b>	5,037,747,500.00	9,776,409,372.86	1,752,882,112.53	4,019,593,072.94	9,737,731.83	577,468.02	11,343,860,451.93	31,940,807,710.11	6,009,524,187.84	37,950,331,897.95
<b>II. Changes in equity during the period ("-" for decreases)</b>										
1. Total comprehensive income	-	-	102,767,605.28	-	(819,394.53)	1,464,015.02	165,353,626.19	268,765,851.96	305,079,871.20	573,845,723.16
2. Shareholders' contributions of capital	-	-	102,767,605.28	-	-	-	2,481,895,375.62	2,584,662,980.90	113,678,733.74	2,698,341,714.64
(1) Contribution by ordinary shareholders	-	-	-	-	-	-	-	-	200,816,000.00	200,816,000.00
3. Appropriation of profits	-	-	-	-	-	-	-	-	200,816,000.00	200,816,000.00
(1) Appropriation for surplus reserve	-	-	-	-	(819,394.53)	-	(2,316,544,455.47)	(2,317,363,850.00)	(9,803,888.62)	(2,327,167,738.62)
(2) Distributions to shareholders	-	-	-	-	-	-	-	-	-	-
(3) Appropriation for general risk reserve	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(9,803,888.62)	(2,327,167,738.62)
4. Others	-	-	-	-	(819,394.53)	-	819,394.53	-	-	-
(1) Transfer from others to retained earnings	-	-	-	-	-	-	2,706.04	2,706.04	-	2,706.04
5. Special reserve	-	-	-	-	-	1,464,015.02	2,706.04	2,706.04	-	2,706.04
(1) Appropriation during the period	-	-	-	-	-	1,464,015.02	-	1,464,015.02	389,026.08	1,853,041.10
(2) Utilisation during the period	-	-	-	-	-	3,468,156.25	-	3,468,156.25	1,095,438.48	4,563,594.73
	-	-	-	-	-	(2,004,141.23)	-	(2,004,141.23)	(706,412.40)	(2,710,553.63)
<b>III. Closing balance as at 30 June 2023</b>	5,037,747,500.00	9,776,409,372.86	1,855,649,717.81	4,019,593,072.94	8,918,337.30	2,041,483.04	11,509,214,078.12	32,209,573,562.07	6,314,604,059.04	38,524,177,621.11

Legal Representative  
**Chen Yunjiang**

The person in-charge of accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

The notes on pages 175 to 312 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six-month period ended 30 June 2023

	Amount for the prior period							Total		
	Attributable to shareholders of the Company									
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Special reserve	Retained earnings		Sub-total	Non-controlling interests
<b>I. Closing balance as at 1 January 2022 (restated)</b>	5,037,747,500.00	12,122,409,372.86	931,335,600.50	3,834,110,631.26	6,505,092.88	-	10,110,279,671.92	32,042,387,869.42	5,585,196,297.05	37,637,584,166.47
<b>II. Changes in equity during the period ("-" for decreases)</b>										
1. Total comprehensive income	-	(2,346,000,000.00)	740,878,098.21	-	842,107.79	894,243.17	(489,594,504.58)	(2,092,980,055.41)	(7,117,468.89)	(2,100,097,524.30)
2. Shareholders' contributions of capital	-	-	740,878,098.21	-	-	-	1,828,611,453.21	2,569,489,551.42	(7,372,312.58)	2,562,117,238.84
3. Appropriation of profits	-	111,000,000.00	-	-	-	-	-	111,000,000.00	-	111,000,000.00
(1) Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	-	-	-	-	-
(3) Appropriation for general risk reserve	-	111,000,000.00	-	-	842,107.79	-	(2,318,205,357.79)	(2,317,363,850.00)	-	(2,317,363,850.00)
4. Transfers within equity	-	-	-	-	842,107.79	-	(842,107.79)	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	-	(2,317,363,850.00)
5. Considerations paid for the business combination involving entities under common control	-	(2,457,000,000.00)	-	-	-	-	-	(2,457,000,000.00)	254,843.69	(2,457,000,000.00)
6. Special reserve	-	-	-	-	-	894,243.17	-	894,243.17	-	1,149,086.86
(1) Appropriation during the period	-	-	-	-	-	1,008,743.34	-	1,008,743.34	269,038.44	1,277,781.78
(2) Utilisation during the period	-	-	-	-	-	(114,500.17)	-	(114,500.17)	(14,194.75)	(128,694.92)
<b>III. Closing balance as at 30 June 2022</b>	5,037,747,500.00	9,776,409,372.86	1,672,213,698.71	3,834,110,631.26	7,347,200.67	894,243.17	9,620,685,167.34	29,949,407,814.01	5,588,078,828.16	35,537,486,642.17

The person in-charge of accounting affairs  
**Chen Jinjia**

The head of the accounting department  
**Yao Qunfang**

Legal Representative  
**Chen Yunjiang**

(Company stamp)

The notes on pages 175 to 312 form part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six-month period ended 30 June 2023 and 2022

(Expressed in Renminbi Yuan)

	Amount for the current period					Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	
<b>I. Closing balance at the beginning of the period</b>	<b>5,037,747,500.00</b>	<b>9,945,032,992.78</b>	<b>1,056,590,611.44</b>	<b>2,518,873,750.00</b>	<b>7,736,613,600.31</b>	<b>26,294,858,454.53</b>
<b>II. Changes in equity during the period ("—" for decreases)</b>	-	-	<b>54,936,385.28</b>	-	<b>(491,341,154.08)</b>	<b>(436,404,768.80)</b>
1. Total comprehensive income	-	-	<b>54,936,385.28</b>	-	<b>1,826,019,989.88</b>	<b>1,880,956,375.16</b>
2. Shareholders' contributions and decrease of capital	-	-	-	-	-	-
(1) Adjustments on business combinations involving enterprises under common control	-	-	-	-	-	-
(2) Others	-	-	-	-	-	-
3. Appropriation of profits	-	-	-	-	<b>(2,317,363,850.00)</b>	<b>(2,317,363,850.00)</b>
(1) Distributions to shareholders	-	-	-	-	<b>(2,317,363,850.00)</b>	<b>(2,317,363,850.00)</b>
4. Others	-	-	-	-	<b>2,706.04</b>	<b>2,706.04</b>
(1) Transfer from others to retained earnings	-	-	-	-	<b>2,706.04</b>	<b>2,706.04</b>
<b>III. Closing balance at the end of the period</b>	<b>5,037,747,500.00</b>	<b>9,945,032,992.78</b>	<b>1,111,526,996.72</b>	<b>2,518,873,750.00</b>	<b>7,245,272,446.23</b>	<b>25,858,453,685.73</b>

The notes on pages 175 to 312 form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six-month period ended 30 June 2023 and 2022

	Amount for the prior period					Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	
<b>I. Closing balance at the beginning of the period</b>	5,037,747,500.00	10,372,950,811.58	336,797,292.10	2,518,873,750.00	7,017,852,074.36	25,284,221,428.04
<b>II. Changes in equity during the period ("-" for decreases)</b>	-	-	707,806,585.71	-	(768,901,594.58)	(61,095,008.87)
1. Total comprehensive income	-	-	707,806,585.71	-	1,548,462,255.42	2,256,268,841.13
2. Shareholders' contributions and decrease of capital	-	-	-	-	-	-
(1) Adjustments on business combinations involving enterprises under common control	-	-	-	-	-	-
(2) Others	-	-	-	-	-	-
3. Appropriation of profits	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
(1) Distributions to shareholders	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
4. Others	-	-	-	-	-	-
(1) Transfer from others to retained earnings	-	-	-	-	-	-
<b>III. Closing balance at the end of the period</b>	<u>5,037,747,500.00</u>	<u>10,372,950,811.58</u>	<u>1,044,603,877.81</u>	<u>2,518,873,750.00</u>	<u>6,248,950,479.78</u>	<u>25,223,126,419.17</u>

Legal Representative  
**Chen Yunjiang**

The person in-charge of  
accounting affairs  
**Chen Jinjia**

The head of the  
accounting department  
**Yao Qunfang**

(Company stamp)

# NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

## I. COMPANY STATUS

Jiangsu Expressway Company Limited (the “Company”) is a company limited by shares established in Nanjing, Jiangsu province on 1 August 1992, with its head office located at Nanjing. The parent of the Company and its ultimate holding company is Jiangsu Communications Holding Company Limited (“Commutations Holding”).

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly include construction, operation and management of the Jiangsu section of Shanghai-Nanjing Expressway (the “Shanghai-Nanjing Expressway”) and other toll roads in Jiangsu Province PRC, and the provision of passenger transport services and other supporting services along the toll road. Please refer to Note VII for details of the subsidiaries of the Company.

During the reporting period, the information about increase in the Group’s subsidiaries is disclosed in Note VI.

## II. BASIS OF PREPARATION

As at 30 June 2023, the Group had total current liabilities in excess of total current assets of RMB4,663,364,910.96. As at 30 June 2023, the Group has available unutilized bank loan facilities with a time limit over one year of not less than RMB10,000,000,000.00, and the Group has authorized but not issued super short-term bonds with a time limit over one year of approximately RMB6,150,000,000.00. The Group has authorized but not issued super medium-term bonds with a time limit over one year of approximately RMB4,500,000,000, and the green corporate bonds with a time limit over one year that have been authorized but not issued with the China Securities Regulatory Commission (CSRC) by the Group were approximately RMB1,000,000,000. The Company’s management believes the facilities above are to provide all necessary financial support to the Group in the foreseeable future so as to maintain the Group’s ability to continue as a going concern, therefore, the financial statements have been prepared on the going concern basis.



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group is principally engaged in toll road operation. The Group determines the specific accounting policies on the amortization of toll road operation rights according to the toll road industry characteristics. Refer to Note III 16 for details.

#### 1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises, which are also referred to as China Accounting Standards (“CAS”), issued by the Ministry of Finance (“MOF”) of the People’s Republic of China. These financial statements present truly and completely the consolidated and company financial position of the Company as at 30 June 2023, and the consolidated and company financial performance and cash flows of the Company for the six-month period then ended.

These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (“CSRC”) in 2014. In addition, this financial statement also includes relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange.

#### 2. Accounting period

The accounting period is from 1 January to 31 December.

#### 3. Operating cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. Except for the real estate industry, the group operates on a 12 month operating cycle and uses it as the liquidity classification standard for assets and liabilities. The operating cycle of the real estate industry ranges from real estate development to sales and realization, and the specific cycle is determined based on the development project situation. The liquidity classification criteria for assets and liabilities are based on the business cycle, which is usually greater than 12 months.

#### 4. Functional currency

The Company’s functional currency is Renminbi, and these financial statements are presented in Renminbi. The functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 5. Accounting treatments for business combinations involving entities under common control and not under common control

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

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

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

##### (1) Business combinations involving entities under common control

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 5. Accounting treatments for business combinations involving entities under common control and not under common control (Continued)

##### (2) Business combinations involving entities not under common control

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

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified to profit or loss are transferred to investment income at the date of acquisition (see Note III.11(2)(b)). For any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 6. Consolidated financial statements

##### (1) General principles

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

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

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 6. Consolidated financial statements (Continued)

##### (2) Subsidiaries acquired through a business combination

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

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

##### (3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 6. Consolidated financial statements (Continued)

##### (3) Disposal of subsidiaries (Continued)

If each of the multiple arrangements does not form part of a single transaction, the arrangements conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note III.6(3)).

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

##### (4) Changes in non-controlling interests

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

#### 7. Cash and cash equivalents

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 8. Foreign currency transactions and translation of foreign currency financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition and construction of qualifying assets (see Note III.15). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

In translating the financial statements of a foreign operation, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding retained earnings and the translation differences in other comprehensive income, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed of.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments

Financial instruments include cash at bank and on hand, equity securities other than those classified as long-term equity investments (see Note III.11), receivables, payables, loans and borrowings, debentures payable and share capital.

##### (1) Recognition and initial measurement of financial assets and financial liabilities

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

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities measured at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Trade receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with Note III.20.

##### (2) Classification and subsequent measurement of financial assets

###### (a) Classification of financial assets

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

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



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (2) Classification and subsequent measurement of financial assets (Continued)

##### (a) Classification of financial assets (Continued)

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (2) Classification and subsequent measurement of financial assets (Continued)

###### (a) Classification of financial assets (Continued)

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

###### (b) Subsequent measurement of financial assets

- Financial assets at FVTPL

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

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, reclassified, amortised under the effective interest method or when an impairment gain or loss is recognised.

- Equity investments at FVOCI

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (3) Classification and subsequent measurement of financial liabilities

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

– Financial liabilities at FVTPL

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

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

– Financial guarantee liabilities

A financial guarantee contract refers to a contract that requires the issuer to compensate a specific amount to the contract holder who has suffered losses when a specific debtor fails to repay the debt according to the original or modified terms of the debt instrument upon maturity. Financial guarantee contracts that are not designated as financial liabilities measured at fair value through profit or loss shall be measured at the higher of the loss provision amount or the initial recognition amount after deducting the accumulated amortization amount determined in accordance with the relevant provisions of the income standards.

– Financial liabilities at amortised cost

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (4) Offsetting

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

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

##### (5) Derecognition of financial assets and financial liabilities

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (6) Impairment

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

- financial assets measured at amortised cost;
- contract assets;
- lease receivables.

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

##### *Measurement of ECLs*

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (6) Impairment (Continued)

###### *Measurement of ECLs (Continued)*

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

- Financial instruments that have been determined to have low credit risk at the balance sheet date;
- Financial instruments for which credit risk has not increased significantly since initial recognition.

###### *Financial instruments that have low credit risk*

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (6) Impairment (Continued)

###### *Significant increases in credit risk*

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (6) Impairment (Continued)

###### *Credit-impaired financial assets*

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

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

###### *Presentation of allowance for ECL*

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets.



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (Continued)

##### (6) Impairment (Continued)

###### *Write-off*

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

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

##### (7) Equity instruments

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

#### 10. Inventories

##### (1) Classification and cost

Inventories include materials and supplies used for repairing and maintaining highways, oil products used for sales, real estate development costs, and real estate development products.

Inventories are initially measured at cost. The cost of real estate development products includes land transfer fees, infrastructure expenses, construction and installation expenses, borrowing costs incurred before the completion of the development project, and other related expenses during the development process. Other inventory costs include purchase costs, processing costs, and other expenses incurred to bring the inventory to its current location and state of use.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 10. Inventories (Continued)

##### (2) Measurement method of cost of inventories

Cost of real estate development products recognised is calculated using the specific identification method. Cost of other inventories recognised is calculated using the first-in-first-out method.

##### (3) Basis for determining the net realisable value and method for provision for obsolete inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Provision for obsolete inventories is made for the difference between the cost of an individual item of inventory and its net realizable value.

##### (4) Inventory count system

The Group maintains a perpetual inventory system.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 11. Long-term equity investments

##### (1) Investment cost of long-term equity investments

##### (a) Long-term equity investments acquired through a business combination

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a single transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of the previously-held equity investment immediately before the business combination and the consideration paid for the interest newly acquired at the combination date is adjusted to share premium in the capital reserve, with any excess adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a single transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

##### (b) Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 11. Long-term equity investments (Continued)

##### (2) Subsequent measurement of long-term equity investment

###### (a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of investments in subsidiaries, refer to Note III.18.

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note III.6.

###### (b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement.

An associate is an entity over which the Group has significant influence (see Note III.11(3)).

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 11. Long-term equity investments (Continued)

##### (2) Subsequent measurement of long-term equity investment (Continued)

##### (b) Investment in joint ventures and associates (Continued)

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

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After acquiring the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), are recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profit or loss, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income based on the fair value of the investee's identifiable net assets at the date of acquisition after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 11. Long-term equity investments (Continued)

##### (2) Subsequent measurement of long-term equity investment (Continued)

##### (b) Investment in joint ventures and associates (Continued)

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

For the impairment of investments in joint ventures and associates, refer to Note III.18.

##### (3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's relevant activities unilaterally;
- Whether decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that share control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not control or joint control of those policies.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 12. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. For the impairment of investment properties, refer to Note III.18.

Class	Estimated useful life <i>(years)</i>	Residual value rate <i>(%)</i>	Depreciation rate <i>(%)</i>
Plant and buildings	30	3	3.2

#### 13. Fixed assets

##### (1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in supply of services, for rental or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.14.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

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

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 13. Fixed assets (Continued)

##### (2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life <i>(years)</i>	Residual value rate <i>(%)</i>	Depreciation rate <i>(%)</i>
Plant and buildings	10–30	0	3.3–10.0
Safety equipment	10	3	9.7
Communication and surveillance equipment	8	3	12.1
Toll and ancillary equipment	8	3	12.1
Machinery and equipment	9–33	3	2.9–10.8
Electronic equipment	5	3	19.4
Motor vehicles	8	3	12.1
Furniture and others	5	3	19.4

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

##### (3) For the impairment of fixed assets, refer to Note III.18.

##### (4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

- on disposal; or
- when no future economic benefits are expected to be generated from its use or disposal.

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



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 14. Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.15), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed assets when it is ready for its intended use. No depreciation is recorded against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.18).

#### 15. Borrowing costs

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 15. Borrowing costs (Continued)

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period, to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 16. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note III.18). For an intangible asset with finite useful life, other than toll road operation right, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale. If the Group has right to charge users of the toll road service in certain period but the amount is not determined when relevant infrastructure completed, the Group measures the right as intangible asset initially at fair value of received or receivable consideration. The right of operate the road is stated in the balance sheet at historical cost less accumulated amortisation and any impairment losses. It is amortised in accordance with traffic volume methods, and the monthly amortisation amount is calculated by the ratio of the actual traffic volume of the month to the sum of the actual traffic volume of the month and the estimated future traffic volume. When there is significant difference between actual and estimate traffic volume, the Group will re-evaluate the total traffic volume and calculate the amortisation amount.

The respective amortisation periods for intangible assets are as follows:

Item	Method of amortisation	Amortisation period (years)	Residual value rate (%)
Land use rights	Straight-line method	22–30	0
Toll road operation rights	Traffic flow method	25–35	0
Rights to use sea areas	Straight-line method	28	0
Software	Straight-line method	5	0

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

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 17. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortised more than one year. Long-term deferred expenses are amortised using a straight-line method within the benefit period.

#### 18. Impairment of assets other than inventories and financial assets

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

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

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

The recoverable amount of an asset (or asset group or set of asset groups) is the higher of its fair value (see Note III.19) less costs of disposal and the present value of its expected future cash flows.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 18. Impairment of assets other than inventories and financial assets (Continued)

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

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

#### 19. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 20. Revenue recognition

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 20. Revenue recognition (Continued)

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

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

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

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

Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 20. Revenue recognition (Continued)

**(1) Toll road income**

Toll road income is the income from operating toll road, and is recognized in accordance with amount collected and receivable when a vehicle is passing through.

**(2) Construction income**

For participation in public infrastructure construction business in the form of PPP, the Group accounts for the construction phase of the project in accordance with the revenue guidelines to determine the Group's status as the primary responsible party. For construction service revenue provided in PPP projects, it is a performance obligation to be performed at a certain point in time and a contract asset is recognized. The Group recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project assets as intangible assets, and the contract assets recognized during the relevant construction period are presented in the balance sheet under "intangible assets". For construction services that are not completed at the balance sheet date, the Group determines the progress of performance based on the proportion of the cumulative actual costs incurred to the estimated total costs and recognizes revenue over the contract period in accordance with the progress of performance.

**(3) Income from ancillary service**

Ancillary service income is mainly from sales of petroleum products. Income from sales of petroleum products is recognized when control of the petroleum products is transferred.

**(4) Income from real estate development**

Income from real estate development is recognized at the point in time when the completed property is transferred to the customer, that is, when the customer obtains control of the completed property and the Group has a present right to receive payment and it is probable that the price will be received.

**(5) Income from sales of electricity**

Income from sales of electricity is recognised when electricity is supplied to the grid companies or customers. The Group recognises income from sales of electricity based on the contracted on-grid electricity price (including national tariff subsidies) and the monthly actual on-grid electricity consumption confirmed by the grid companies or customers.

**(6) Income from advertisement and other services**

Income from advertisement and other services are mainly from advertising operation, the revenue shall be recognized within the service period based on the service time and price after providing services.



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 21. Contract costs

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 22. Employee benefits

##### (1) Short-term employee benefits

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

##### (2) Post-employment benefits – defined contribution plans

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

##### (3) Termination benefits

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 23. Government grants

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

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

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

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Otherwise, the grant is included in other income or non-operating income directly.

#### 24. Specific reserve

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

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 25. Income tax

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 25. Income tax (Continued)

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

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

#### 26. Leases

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 26. Leases (Continued)

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

##### (1) As a lessee

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

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to obtain the ownership of the lease asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated over the shorter of the lease term or the remaining useful life of the lease asset. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.18.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 26. Leases (Continued)

##### (1) As a lessee (Continued)

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

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

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

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

##### (2) As a lessor

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 26. Leases (Continued)

##### (2) As a lessor (Continued)

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

The Group recognises finance income over the lease term with a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are accounted for in accordance with the accounting policy in Note III.9. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

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

#### 27. Dividends distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

#### 28. Related parties

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

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of the Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 29. Segment reporting

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

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

#### 30. Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as the underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

##### (1) Significant accounting estimates

In addition to the accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes III.13 and 16) and provision for impairment of various types of assets (see Notes V.4, 6, 7, 11, 14, 15, 16, 17, 18, 62 and Notes XIV.1 and 2), other significant accounting estimates are as follows:

- (a) Note V.19: Recognition of deferred tax assets;
- (b) Note IX: Fair value measurements of financial instruments.

##### (2) Significant accounting judgements

Significant judgements made by the Group in the application of accounting policies are as follows:

Notes VII.1(1) and 2(1): Significant judgements and assumptions in determining control, joint control or significant influence over other entity.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 31. Changes in significant accounting policies and accounting estimates

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

In 2023, the Group has adopted the revised accounting requirements and guidance under CAS newly issued by the Ministry of Finance (“MOF”) as follows:

- “Accounting for deferred taxes on assets and liabilities arising from a single transaction not subject to the initial recognition exemption” in CAS Bulletin No. 16 (Caikuai [2022] No. 31).

According to the provision, as for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in a single transaction that is not a business combination, that neither affects accounting profits nor taxable income (or deductible losses) when the transaction occurs, and the initial recognition of assets and liabilities results in equal taxable temporary differences and deductible temporary differences, the Group recognizes the corresponding deferred income tax liabilities and deferred income tax assets at the time of the transaction, respectively, according to the relevant provisions of CAS No.18 – Income Taxes, instead of recognizing the deferred income tax liabilities or deferred income tax assets on the basis of the net amount of taxable temporary differences and deductible temporary difference arising therein.

This provision is effective from 1 January 2023. The adoption of the above regulation does not have a significant effect on the financial position and financial performance of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### IV. TAXATION

#### 1. Main types of taxes and corresponding tax rates

<b>Tax type</b>	<b>Tax basis</b>	<b>Tax rate</b>
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	3% – 13%
City maintenance and construction tax	Based on VAT paid	5% – 7%
Land appreciation tax	Based on appreciation amount on property sold and applicable tax rate	Progressive rates ranging from 30% – 60%
Corporate income tax	Based on taxable profits	25%, except Note 2

Except the subsidiaries mentioned in Note 2 below are entitled to the preferential tax rates and Jiangsu Expressway International (Hong Kong) Company Limited (“Ninghu International”) is entitled to a statutory tax rate of 16.5%, the income tax rate applicable to the Company and other subsidiaries for the period is 25%.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### IV. TAXATION (CONTINUED)

#### 2. Subsidiaries with preferential tax rates

Company name	Preferential tax rate	Reason
Yancheng Yunshan Photovoltaic Power Generation Co., Ltd. ("Yancheng Yunshan")	12.5%	3-year exemption and 3-year half payment
Jiangsu Communications Holding Fengxian Renewable Energy Co., Ltd. ("Fengxian Renewable Energy")	12.5%	3-year exemption and 3-year half payment
Changzhou Jintan Heyi New Energy Technology Co., Ltd. ("Jintan Heyi")	12.5%	3-year exemption and 3-year half payment
Kunshan Fengyuan Real Estate Development Co., Ltd. ("Kunshan Fengyuan")	2.5%	Small and micro enterprise
Wuxi Jingcheng Advertising Co., Ltd. ("Jingcheng Advertising")	2.5%	Small and micro enterprise
Jiangsu Communications Holding Clean Energy Xuzhou Co., Ltd. ("Xuzhou Clean Energy")	2.5%	Small and micro enterprise
Jiangsu Communications Holding Clean Energy Tongshan Co., Ltd. ("Tongshan Clean Energy")	2.5%	Small and micro enterprise
Jiangsu Communications Holding Fengxian Agricultural Technology Co., Ltd. ("Agricultural Technology")	2.5%	Small and micro enterprise
Liyang Youke Energy Co., Ltd. ("Liyang Youke")	2.5%	Small and micro enterprise
Jiangsu Communications Holding Rudong Offshore Wind Power Co., Ltd. ("Rudong Company")	0%	3-year exemption and 3-year half payment
Jiangsu Communications Holding Clean Energy Suqian Co., Ltd. ("Suqian Company")	0%	3-year exemption and 3-year half payment

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Cash at bank and on hand

Item	30 June 2023	31 December 2022
Cash on hand	<b>137,092.83</b>	69,744.33
Deposits with banks	<b>531,499,097.37</b>	923,122,443.28
Other monetary funds	<b>9,887,872.99</b>	9,739,156.77
Total	<b>541,524,063.19</b>	932,931,344.38

As at 30 June 2023, other monetary funds of the Group include security deposit for certain mortgage loans to customers of RMB9,192,000.0000 (31 December 2022: security deposits for certain mortgage loans to customers of RMB347,855.62, supervised advance from customers of RMB270,634.27 and security deposits for notes of RMB7,300,000.00).

#### 2. Financial assets held for trading

Item	Note	30 June 2023	31 December 2022
Financial assets at fair value through profit or loss		<b>4,756,944,083.24</b>	3,474,620,148.26
Including: Financial products	(1)	<b>4,725,000,000.00</b>	3,444,000,000.00
Others	(2)	<b>31,944,083.24</b>	30,620,148.26
Total		<b>4,756,944,083.24</b>	3,474,620,148.26

##### (1) Financial products

The Group invests its spare funds in financial products issued by banks and other financial institutions. These financial products usually have preset maturity and expected rate of return, and have a wide range of investments, including government and corporate bonds, central bank bills, money market funds and other listed and unlisted equity securities in China. The Group classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

##### (2) Others

Other held-for trading financial asset mainly includes fund investment and stock investment. The Group classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 3. Bills receivable

##### (1) Classification of bills receivable

Item	30 June 2023	31 December 2022
Bank acceptance bills	1,550,000.00	950,000.00
Less: Provision for bad and doubtful debts	—	—
Total	1,550,000.00	950,000.00

All of the above bills are due within one year.

##### (2) The pledged bills receivable of the Group at 30 June 2023

As at 30 June 2023, the Group had no pledged bills receivable (31 December 2022: none).

##### (3) Outstanding endorsed or discounted bills that have not matured at 30 June 2023

As at 30 June 2023, there is no outstanding endorsed or discounted bills receivable that have not matured (31 December 2022: none).

##### (4) Bills transferred to accounts receivable due to non-performance of the issuers 30 June 2023

As at 30 June 2023, the Group had no bills transferred to accounts receivable due to non-performance of the issuers (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 4. Accounts receivable

(1) Accounts receivable by customer type are as follows:

Type	30 June 2023	31 December 2022
Amounts due from related party	<b>203,484,966.69</b>	229,096,489.03
Amounts due from third party	<b>1,111,442,383.01</b>	913,095,712.25
Sub-total	<b>1,314,927,349.70</b>	1,142,192,201.28
Less: Provision for bad and doubtful debts	<b>23,463,877.20</b>	14,522,231.20
Total	<b>1,291,463,472.50</b>	1,127,669,970.08

(2) The aging analysis of accounts receivable is as follows:

Aging	30 June 2023	31 December 2022
Within 1 year (inclusive)	<b>865,991,182.50</b>	818,830,075.45
Over 1 year but within 2 years (inclusive)	<b>341,896,696.03</b>	263,703,609.37
Over 2 years but within 3 years (inclusive)	<b>64,744,684.64</b>	33,468,052.66
Over 3 years but within 4 years (inclusive)	<b>41,514,881.54</b>	25,410,558.81
Over 4 years	<b>779,904.99</b>	779,904.99
Sub-total	<b>1,314,927,349.70</b>	1,142,192,201.28
Less: Provision for bad and doubtful debts	<b>23,463,877.20</b>	14,522,231.20
Total	<b>1,291,463,472.50</b>	1,127,669,970.08

The aging is counted starting from the date when accounts receivable are recognised.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 4. Accounts receivable (Continued)

##### (3) Accounts receivable by provisioning method:

Category	30 June 2023					31 December 2022				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collective assessment	1,314,927,349.70	100.00	23,463,877.20	1.78	1,291,463,472.50	1,142,192,201.28	100.00	14,522,231.20	1.27	1,127,669,970.08
- Toll road fees receivable and others	385,640,999.57	29.33	599,045.53	0.16	385,041,954.04	396,148,435.57	34.68	596,358.26	0.15	395,552,077.31
- Electricity fees receivable	929,286,350.13	70.67	22,864,831.67	2.46	906,421,518.46	746,043,765.71	65.32	13,925,872.94	1.87	732,117,892.77
Total	1,314,927,349.70	100.00	23,463,877.20	1.78	1,291,463,472.50	1,142,192,201.28	100.00	14,522,231.20	1.27	1,127,669,970.08

##### (4) Movements of provisions for bad and doubtful debts:

	30 June 2023	31 December 2022
Balance at the beginning of the period	14,522,231.20	9,167,552.15
Additions during the period	8,949,782.80	9,248,888.42
Recoveries or reversals during the period	(8,136.80)	(3,894,209.37)
Balance at the end of the period	23,463,877.20	14,522,231.20

##### (5) Five largest accounts receivable by debtor 30 June 2023

The total of five largest accounts receivable of the Group at 30 June 2023 is RMB1,056,028,949.60, according for 80.31% of the total accounts receivable, and the corresponding balance of provision for bad and doubtful debts is RMB22,723,783.7.

##### (6) Derecognition of accounts receivable due to transfer of financial assets

The Group has no accounts receivable derecognition due to transfer to financial assets this period (31 December 2022: none).

##### (7) Assets and liabilities recognised due to the transfer with continuing involvement of accounts receivable

The Group does not transfer receivables this period and continues to involve in the formation of assets and liabilities (31 December 2022: none).



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 5. Prepayments

(1) Prepayments by category:

Item	30 June 2023	31 December 2022
Prepayments	20,388,590.21	7,737,346.20
Total	20,388,590.21	7,737,346.20

(2) The aging analysis of prepayments is as follows:

Aging	30 June 2023		31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	20,027,338.21	98.23	7,096,853.21	91.73
Over 1 year but within 2 years (inclusive)	351,818.00	1.72	583,769.95	7.54
Over 2 years but within 3 years (inclusive)	9,434.00	0.05	56,723.04	0.73
Total	20,388,590.21	100.00	7,737,346.20	100.00

The aging is counted starting from the date when prepayments are recognised.

(3) Five largest prepayments by debtor at 30 June 2023:

Name of entity	Amount	Proportion of the amount to the total repayment (%)
Sinopec Jiangsu Co., Ltd.	4,340,530.83	21.29
Nanjing PetroChina Gaoli Petrochemical Co., Ltd.	4,184,736.64	20.52
Nantong Fuel Co., Ltd.	3,899,577.47	19.13
State Grid Jiangsu Comprehensive Energy Service Co., Ltd.	673,574.00	3.30
Wuxi Power Supply Company	581,665.23	2.85
Total	13,680,084.17	67.09

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6. Other receivables

	Note	30 June 2023	31 December 2022
Dividends receivable	(1)	<b>39,180,099.60</b>	4,989,960.00
Others	(2)	<b>50,865,337.52</b>	57,768,942.02
Total		<b>90,045,437.12</b>	62,758,902.02

#### (1) Dividends receivable

Investee	30 June 2023	31 December 2022
Jiangsu Kuailu Motor Transport Co., Ltd. ("Kuailu Company")	<b>4,989,960.00</b>	4,989,960.00
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	<b>34,190,139.60</b>	–

#### (2) Others

##### (a) Others by customer type:

Customer type	30 June 2023	31 December 2022
Amounts due from related party	<b>6,031,493.84</b>	17,429,452.99
Amounts due from third party	<b>60,772,956.68</b>	56,278,602.03
Sub-total	<b>66,804,450.52</b>	73,708,055.02
Less: Provision for bad and doubtful debts	<b>15,939,113.00</b>	15,939,113.00
Total	<b>50,865,337.52</b>	57,768,942.02

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6. Other receivables (Continued)

##### (2) Others (Continued)

##### (b) The aging analysis is as follows:

Aging	30 June 2023	31 December 2022
Within 1 year (inclusive)	<b>11,203,617.62</b>	7,784,678.16
Over 1 year but within 2 years (inclusive)	<b>942,994.76</b>	18,726,497.05
Over 2 years but within 3 years (inclusive)	<b>18,589,449.35</b>	13,251,033.52
Over 3 years	<b>36,068,388.79</b>	33,945,846.29
Sub-total	<b>66,804,450.52</b>	73,708,055.02
Less: Provision for bad and doubtful debts	<b>15,939,113.00</b>	15,939,113.00
Total	<b>50,865,337.52</b>	57,768,942.02

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

##### (c) Others by provisioning method:

Category	30 June 2023					31 December 2022				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment	15,812,140.02	23.67	15,812,140.02	100.00	-	15,812,140.02	21.45	15,812,140.02	100.00	-
Collective assessment	50,992,310.50	76.33	126,972.98	0.25	50,865,337.52	57,895,915.00	78.55	126,972.98	0.22	57,768,942.02
Total	<b>66,804,450.52</b>	<b>100.00</b>	<b>15,939,113.00</b>	<b>23.86</b>	<b>50,865,337.52</b>	<b>73,708,055.02</b>	<b>100.00</b>	<b>15,939,113.00</b>	<b>21.63</b>	<b>57,768,942.02</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6. Other receivables (Continued)

##### (2) Others (Continued)

##### (d) Movements of provisions for bad and doubtful debts

Provision for bad and doubtful debts	30 June 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired		12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at the beginning of the period	126,972.98	-	15,812,140.02	15,939,113.00	126,972.98	-	15,812,140.02	15,939,113.00
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reverse to stage 2	-	-	-	-	-	-	-	-
Reverse to stage 1	-	-	-	-	-	-	-	-
Additions during the period	-	-	-	-	-	-	-	-
Recoveries or reversals during the period	-	-	-	-	-	-	-	-
Written-off during the period	-	-	-	-	-	-	-	-
Balance at the end of the period	126,972.98	-	15,812,140.02	15,939,113.00	126,972.98	-	15,812,140.02	15,939,113.00

##### (i) Provisions for bad and doubtful debts

There is no single significant recover or reversal of bad debt provisions of the Group this period.

##### (ii) Other receivables written-off during the period

The Group has no other receivables written-off this period.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 6. Other receivables (Continued)

##### (2) Others (Continued)

##### (e) Others categorised by nature

Nature of other receivables	30 June 2023	31 December 2022
Liquidated damages	11,000,000.00	11,000,000.00
Landlord maintenance funds	18,561,071.55	18,669,886.80
Amounts of investment clearance	15,812,140.02	15,812,140.02
Project funds borrowed in advance	6,651,121.50	6,651,121.50
Petty cash	3,640,812.00	4,018,786.60
Mortgage deposits for housing fund loan	2,000,000.00	2,864,000.00
Others	9,139,305.45	14,692,120.10
Sub-total	66,804,450.52	73,708,055.02
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	<u>50,865,337.52</u>	<u>57,768,942.02</u>

##### (f) Five largest others by debtor at 30 June 2023

Debtor	Nature of the receivable	Balance at the end of the period	Aging	Percentage of ending balance of others	Ending balance of provision for bad and doubtful debts
Jiangsu Lord Equity Investment Fund Management Co., Ltd. ("Load Fund Company")	Liquidated damages	16,598,493.35	2-3 years	24.85%	-
Jiangsu Yixing Highway Administration	Amounts of investment clearance	15,812,140.02	More than 3 years	23.67%	15,812,140.02
Department China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	6,088,716.00	Within 1 year, more than 3 years	9.11%	-
Suzhou Housing Property Guarantee Co., Ltd.	Deposit	2,000,000.00	1-3 years	2.99%	-
Kunshan Lize Natural Gas Sales Co., Ltd.	Deposit	890,000.00	Within 1 year	1.33%	-
Total		<u>41,389,349.37</u>		<u>61.95%</u>	<u>15,812,140.02</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 7. Inventories

##### (1) Inventories by category

Item	30 June 2023			31 December 2022		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Properties under development	420,767,993.43	-	420,767,993.43	407,901,256.91	-	407,901,256.91
Properties for sales	1,962,884,144.63	-	1,962,884,144.63	2,156,279,927.97	-	2,156,279,927.97
Spare parts for repair and maintenance	4,679,619.00	-	4,679,619.00	4,414,772.75	-	4,414,772.75
Petrol	15,588,188.90	-	15,588,188.90	16,422,158.22	-	16,422,158.22
Total	<u>2,403,919,945.96</u>	<u>-</u>	<u>2,403,919,945.96</u>	<u>2,585,018,115.85</u>	<u>-</u>	<u>2,585,018,115.85</u>

As at 30 June 2023, there are no inventories pledged as security by the Group (31 December 2022: none).

Details of properties under development are as follows:

Project name	Commencement date	Estimated completion date	Estimated total investment	31 December 2022	30 June 2023
Baohua Hongyan Community Plot A Project	September 2018	Postponed	2,455,800,000.00	374,070,824.63	<b>384,664,189.10</b>
Huaqiao Urban Core Project	December 2012	December 2025	3,089,100,000.00	33,830,432.28	<b>36,103,804.33</b>
Total			<u>5,544,900,000.00</u>	<u>407,901,256.91</u>	<u><b>420,767,993.43</b></u>

Details of properties for sales are as follows:

Project name	Completion date	1 January 2023	Increase	Decrease	30 June 2023
Suzhou Qingyuan	December 2013	343,297,798.08	-	126,545,872.33	<b>216,751,925.75</b>
Baohua Hongyan Community Plot B Project	November 2016	150,292,421.02	-	11,861,725.27	<b>138,430,695.75</b>
Huaqiao Urban Core Project	December 2019	424,619,519.56	-	14,743,485.61	<b>409,876,033.95</b>
Suzhou Nanmen Road G25 Project	September 2022	36,417,209.99	-	21,328,500.46	<b>15,088,709.53</b>
Hanrui Center	June 2021	1,201,652,979.32	26,748,396.17	45,664,595.84	<b>1,182,736,779.65</b>
Total		<u>2,156,279,927.97</u>	<u>26,748,396.17</u>	<u>220,144,179.51</u>	<u><b>1,962,884,144.63</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 8. Non-current assets due within one year

Item	30 June 2023
Long-term receivables due within one year	<b>62,000,000.00</b>
Sub-total	<b>62,000,000.00</b>
Less: Provision for impairment	—
Total	<b>62,000,000.00</b>

#### 9. Other current assets

Item	Note	30 June 2023	31 December 2022
Factoring receivable	(1)	<b>891,833,730.22</b>	973,773,182.66
Input VAT to be deducted		<b>4,229,964.01</b>	4,875,858.47
Prepaid enterprise income tax		<b>75,969,628.07</b>	101,375,057.01
Prepaid taxes and levies related to pre-sale of real estate		<b>55,242,440.67</b>	51,953,777.70
Others		<b>97,009.25</b>	141,037.42
Sub-total		<b>1,027,372,772.22</b>	1,132,118,913.26
Less: Provision for impairment		—	—
Total		<b>1,027,372,772.22</b>	1,132,118,913.26

##### (1) Factoring receivable

As at 30 June 2023, the factoring receivable was from the factoring business of the Group's subsidiary NingHu Commercial Factoring (Guangzhou) Co., Ltd. ("NingHu Factoring Company"), and the effective interest rate of the factoring receivable ranged from 6.00% to 8.20% per annum (31 December 2022: 6.00% – 7.80%).

As at 30 June 2023, the Group has no significant factoring receivable with an aging of more than 1 year (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 10. Long-term receivables

Item	Note	30 June 2023			Range of discount rate
		Book value	Provision for bad and doubtful debts	Carrying amount	
Receivables from sales of properties		185,606,300.00	–	185,606,300.00	3.65%
Less: Unearned finance income		11,701,724.91	–	11,701,724.91	
Sub-total		173,904,575.09	–	173,904,575.09	
Less: Due within one year	V.8	62,000,000.00	–	62,000,000.00	
Total		<u>111,904,575.09</u>	<u>–</u>	<u>111,904,575.09</u>	

## 11. Long-term equity investments

## (1) Long-term equity investments by category:

Item	30 June 2023	31 December 2022
Investments in joint ventures	10,627,223.62	9,921,731.43
Investments in associates	11,516,891,982.39	11,080,068,240.40
Sub-total	11,527,519,206.01	11,089,989,971.83
Less: Provision for impairment	–	–
Total	<u>11,527,519,206.01</u>	<u>11,089,989,971.83</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 11. Long-term equity investments (Continued)

(2) Movements of long-term equity investments during the period are as follows:

Investee (Note 1)	Balance at the beginning of the period	Movements during the period						Balance at the end of the period	Balance of provision for impairment at the end of the period
		Increase in capital	Decrease in capital	Investment income/(losses) recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits	Provision for impairment		
Joint ventures									
Jiangsu Nengtou Xincheng Photovoltaic Power Generation Co., Ltd. ("Nengtou Xincheng")	9,921,731.43	-	-	705,492.19	-	-	-	10,627,223.62	-
Sub-total	9,921,731.43	-	-	705,492.19	-	-	-	10,627,223.62	-
Associates									
Jiangsu Yuexin Ninghu Gas Co., Ltd. ("Yuexin Ninghu Company")	11,184,702.95	-	-	639,871.52	-	-	-	11,824,574.47	-
Jiangsu Sundian Road & Bridge Co., Ltd. ("Sundian Road & Bridge Company")	222,484,332.65	-	-	18,748,042.28	-	-	-	241,232,374.93	-
Jiangsu Expressway Network Operation & Management Center ("Network Operation Company")	59,067,680.91	-	-	2,379,646.21	-	-	-	61,447,327.12	-
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	2,194,739,782.25	-	-	183,954,000.00	22,487,569.28	(34,190,139.60)	-	2,366,991,211.93	-
Luode Fund Company	22,663,621.20	-	-	(1,496,984.01)	-	-	-	21,166,637.19	-
Jiangsu Communication Culture and Media Co., Ltd. ("Culture Media")	77,626,203.86	-	-	3,061,205.71	-	-	-	80,687,409.57	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 11. Long-term equity investments (Continued)

## (2) Movements of long-term equity investments during the period are as follows: (Continued)

Investee (Note 1)	Balance at the beginning of the period	Movements during the period					Balance at the end of the period	Balance of provision for impairment at the end of the period
		Increase in capital	Decrease in capital	Investment income/(losses) recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits		
Longyuan Donghai Wind Power Co., Ltd. ("Longyuan Donghai")	87,596,704.12	-	-	5,540,849.89	-	-	93,137,554.01	-
Zijin Trust Co., Ltd. ("Zijin Trust")	2,096,153,026.49	-	-	25,757,162.99	-	-	2,121,910,189.48	-
Jiangsu Communications Holding Group Finance Co., Ltd. ("Group Finance Company")	708,708,011.31	-	-	19,353,687.50	-	(12,500,000.00)	715,561,698.81	-
Suzhou Expressway Management Co., Ltd. ("Suzhou Expressway Management")	2,154,938,923.37	-	-	64,963,622.00	-	-	2,219,902,545.37	-
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	171,736,912.63	-	-	2,762,320.85	-	-	174,499,233.48	-
Three Gorges New Energy Nantong Co., Ltd. ("Three Gorges Nantong")	440,033,500.00	-	-	30,457,586.64	-	-	470,491,086.64	-
Jiangsu Yanjiang Company Co., Ltd. ("Yanjiang Company")	2,804,128,690.35	-	-	104,776,501.53	-	-	2,908,905,191.88	-
Kuailu Company	29,006,148.31	-	-	128,799.20	-	-	29,134,947.51	-
Sub-total	11,080,068,240.40	-	-	461,026,312.31	22,487,569.28	(46,690,139.60)	11,516,891,982.39	-
Total	11,089,989,971.83	-	-	461,731,804.50	22,487,569.28	(46,690,139.60)	11,527,519,206.01	-

Note 1: The foregoing companies are all unlisted company registered in PRC (Note VII.2).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 12. Investments in other equity instruments

Item	30 June 2023	31 December 2022
Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu")	<b>5,754,100,380.00</b>	5,707,128,132.00
Jiangsu Financial Leasing Co., Ltd. ("Jiangsu Financial Leasing")	<b>1,352,988,000.00</b>	1,282,320,000.00
Total	<b>7,107,088,380.00</b>	6,989,448,132.00

#### (1) Investments in other equity instruments:

Item	Reason for being designated at fair value through other comprehensive income	Dividend income recognised for the period	Accumulated gains or losses recognised in other comprehensive income/(loss)	Amount transferred from other comprehensive income to retained earnings	Reason for transferring from other comprehensive income to retained earnings
Bank of Jiangsu ( <i>Note 1</i> )	Non-tradable investment in other equity instruments	-	1,124,569,552.56	-	N/A
Jiangsu Financial Leasing ( <i>Note 2</i> )	Non-tradable investment in other equity instruments	81,900,000.00	1,082,089,543.11	-	N/A
Total		<b>81,900,000.00</b>	<b>2,206,659,095.67</b>	<b>-</b>	

*Note 1:* This represents the ordinary shares of A-share listed company Bank of Jiangsu Co., Ltd. Held by the Group. Bank of Jiangsu was listed in 2016. The Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

*Note 2:* It is a restricted outstanding shares of A-share listed company Jiangsu Financial Leasing Co., Ltd. held by the Group. Jiangsu Financial Leasing was listed in 2018, the Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 13. Other non-current financial assets

Item	30 June 2023	31 December 2022
Financial assets at fair value through profit or loss	<b>2,932,587,194.25</b>	2,877,355,787.11
Including: Equity Interest Investment in partnership		
Suzhou Industrial Park Guochuang Kaiyuan Phase II Investment Center LLP	<b>1,692,695,062.45</b>	1,686,932,351.72
Nanjing Luode Zhongbei Zhiyuan Equity Investment LLP	<b>253,934,844.43</b>	257,357,110.04
Nanjing Luode Huizhi Equity Investment LLP	<b>481,376,156.29</b>	460,425,716.91
Convertible Bonds		
Jiangsu Financial Leasing	<b>504,581,131.08</b>	472,640,608.44
Total	<b><u>2,932,587,194.25</u></b>	<b><u>2,877,355,787.11</u></b>

## 14. Investment properties

The investment properties are subsequently measured using the cost model:

	Plant and buildings
Cost	
Balance at the beginning of the period	329,218,473.65
Additions during the period	14,787,908.55
– Transfers from inventories	14,787,908.55
Subtraction during the period	26,811,471.85
– Disposals or written-offs	26,811,471.85
Balance at 30 June 2023	317,194,910.35
Accumulated depreciation	
Balance at the beginning of the period	20,417,230.12
Charge for the period	2,308,703.20
Subtraction for the period	1,005,213.38
Balance at 30 June 2023	21,720,719.94
Carrying amounts	
At 30 June 2023	295,474,190.41
At the beginning of the period	<b><u>308,801,243.53</u></b>

As at 30 June 2023, the Group has no investment properties pending certificates of ownership (31 December 2022: none).

As at 30 June 2023, the Group has no investment properties pledged or mortgaged as security (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 15. Fixed assets

##### (1) Fixed assets

Item	Plant & buildings	Safety equipment	Communication and surveillance equipment, toll and ancillary equipment	Machinery & equipment	Electronic equipment	Motor vehicles	Furniture & others	Total
Cost								
Balance at the beginning of the period	3,664,475,940.04	1,135,688,268.40	1,103,819,541.93	5,363,523,950.86	417,237,522.07	63,727,170.66	125,660,184.61	11,874,132,578.57
Additions during the period	29,974,348.62	104,060.07	8,001,064.04	10,093,185.66	3,358,711.24	165,564.00	533,867.00	52,230,800.63
– Purchases	18,972,173.78	104,060.07	3,900,272.29	10,093,185.66	3,358,711.24	165,564.00	533,867.00	37,127,834.04
– Transfers from construction in progress	11,002,174.84		4,100,791.75					15,102,966.59
Subtraction during the period	4,570,741.73	–	575,120.00	11,150.00	193,747.15	162,284.00	–	5,513,042.88
– Disposals or written-offs during the period	4,570,741.73	–	575,120.00	11,150.00	193,747.15	162,284.00	–	5,513,042.88
Balance at 30 June 2023	3,689,879,546.93	1,135,792,328.47	1,111,245,485.97	5,373,605,986.52	420,402,486.16	63,730,450.66	126,194,051.61	11,920,850,336.32
Accumulated depreciation								
Balance at the beginning of the period	1,214,573,829.28	881,655,943.84	609,202,471.95	902,675,697.38	105,405,171.18	46,763,482.89	67,877,166.07	3,828,153,762.59
Charge for the period	71,989,701.88	19,274,634.34	43,672,371.54	149,885,752.38	15,766,212.58	1,575,868.34	10,106,491.93	312,271,032.99
Disposals or written-offs during the period	3,100,437.62	–	566,000.43	254,265.09	189,302.02	123,920.31	–	4,233,925.47
Balance at 30 June 2023	1,283,463,093.54	900,930,578.18	652,308,843.06	1,052,307,184.67	120,982,081.74	48,215,430.92	77,983,658.00	4,136,190,870.11
Provision for impairment								
Balance at the beginning of the period	–	–	–	–	–	–	–	–
Charge for the period	–	–	–	–	–	–	–	–
Disposals or written-offs during the period	–	–	–	–	–	–	–	–
Balance at 30 June 2023	–	–	–	–	–	–	–	–
Carrying amounts								
At 30 June 2023	2,406,416,453.39	234,861,750.29	458,936,642.91	4,321,298,801.85	299,420,404.42	15,515,019.74	48,210,393.61	7,784,659,466.21
At the beginning of the period	2,449,902,110.76	254,032,324.56	494,617,069.98	4,460,848,253.48	311,832,350.89	16,963,687.77	57,783,018.54	8,045,978,815.98

As at 30 June 2023, the Group has no fixed assets as collateral for the Group's liabilities (31 December 2022: none).

As at 30 June 2023, the Group has no temporarily idle fixed assets (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 15. Fixed assets (Continued)

##### (2) Fixed assets leased out under operating leases

Item	30 June 2023	31 December 2022
Plant & buildings	119,693,282.32	165,588,528.20

##### (3) Fixed assets pending certificates of ownership

As at 30 June 2023, the book value of the Group's fixed assets without certificates of ownership is RMB930,495,853.93 (31 December 2022: RMB951,293,548.42), the above assets were incorporated into communication facilities, therefore cannot obtain certification at present.

#### 16. Construction in progress

	30 June 2023	31 December 2022
Construction in progress	178,724,872.45	188,697,382.38

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 16. Construction in progress (Continued)

##### (1) Construction in progress

Project	30 June 2023			31 December 2022		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Construction project of acoustic barrier	3,291,124.89	-	3,291,124.89	3,078,624.89	-	3,078,624.89
Housing projects of toll stations and service zones	73,676,586.66	-	73,676,586.66	82,269,341.67	-	82,269,341.67
Xiyi Expressway expansion project	-	-	-	51,764,587.00	-	51,764,587.00
Toll stations software renovation	3,816,853.36	-	3,816,853.36	3,836,115.93	-	3,836,115.93
Three major system construction project	8,275,538.14	-	8,275,538.14	4,917,556.45	-	4,917,556.45
Information construction project	5,314,119.64	-	5,314,119.64	10,025,891.30	-	10,025,891.30
Power monitoring upgrading and transformation project of Ninghu company	13,570,000.00	-	13,570,000.00	13,570,000.00	-	13,570,000.00
Photovoltaic power generation projects	37,866,106.70	-	37,866,106.70	14,234,456.07	-	14,234,456.07
Others	32,914,543.06	-	32,914,543.06	5,000,809.07	-	5,000,809.07
Total	<u>178,724,872.45</u>	<u>-</u>	<u>178,724,872.45</u>	<u>188,697,382.38</u>	<u>-</u>	<u>188,697,382.38</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 16. Construction in progress (Continued)

## (2) Movements of major construction projects in progress during the period

Item	Budget	Balance at	Balance at	Additions	Transfers	Transfer to	Decrease	Balance	Percentage	Project	Sources of
		the end of the previous period	the beginning of the period	during the period	to fixed assets	intangible assets	due to other reasons	at the end of the period	of actual cost to budget		
Construction project of acoustic barrier	49,016,296.49	3,078,624.89	3,078,624.89	212,500.00	-	-	-	3,291,124.89	6.71%	In progress	Self-owned funds
Housing projects of toll stations and service zones	156,466,070.06	82,269,341.67	82,269,341.67	2,409,419.83	11,002,174.84	-	-	73,676,586.66	54.12%	In progress	Self-owned funds
Xiyi Expressway expansion project	501,152,000.00	51,764,587.00	51,764,587.00	-	-	51,764,587.00	-	-	10.33%	In progress	Self-owned funds and loans from financial institutions
Toll stations software renovation	130,864,000.00	3,836,115.93	3,836,115.93	-	-	-	19,262.57	3,816,853.36	2.93%	In progress	Self-owned funds
Three major system construction project	231,465,541.48	4,917,556.45	4,917,556.45	3,357,981.69	-	-	-	8,275,538.14	3.58%	In progress	Self-owned funds
Information construction project	59,895,036.14	10,025,891.30	10,025,891.30	(610,979.91)	4,100,791.75	-	-	5,314,119.64	15.72%	In progress	Self-owned funds
Power monitoring upgrading and transformation project of Ninghu company	15,000,000.00	13,570,000.00	13,570,000.00	-	-	-	-	13,570,000.00	90.47%	In progress	Self-owned funds
Photovoltaic power generation projects	164,211,650.63	14,234,456.07	14,234,456.07	23,631,650.63	-	-	-	37,866,106.70	23.06%	In progress	Self-owned funds
Others	108,888,771.09	5,000,809.07	5,000,809.07	27,913,733.99	-	-	-	32,914,543.06	30.23%	In progress	Self-owned funds
Total		188,697,382.38	188,697,382.38	56,914,306.23	15,102,966.59	51,764,587.00	19,262.57	178,724,872.45			

(3) As at 30 June 2023, the Group did not note any indicators of impairment; therefore, there is no provision for impairment losses for construction in progress (31 December 2022: none).



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 17. Intangible assets

##### (1) Intangible assets

Item	Toll road operation rights-in operation	Toll road operation rights-under construction	Land use rights	Rights to use sea areas	Software	Total
Cost						
Balance at the beginning of the period	50,538,009,090.58	5,346,592,512.27	1,747,328,971.12	75,992,526.65	78,937,599.10	57,786,860,699.72
Additions during the period	-	1,055,606,752.73	-	-	1,608,422.83	1,057,215,175.56
- Purchase	-	-	-	-	1,608,422.83	1,608,422.83
- Internally generated	-	1,003,842,165.73	-	-	-	1,003,842,165.73
- Transfer from construction in progress	-	51,764,587.00	-	-	-	51,764,587.00
Decrease during the period	1,370,086.43	-	-	-	-	1,370,086.43
- Other decrease-settlement adjustment	1,370,086.43	-	-	-	-	1,370,086.43
Balance at the end of the period	50,536,639,004.15	6,402,199,265.00	1,747,328,971.12	75,992,526.65	80,546,021.93	58,842,705,788.85
Accumulated amortisation						
Balance at the beginning of the period	17,073,240,936.31	-	1,477,340,964.92	5,620,076.77	69,757,004.75	18,625,958,982.75
Additions during the period	842,743,082.63	-	32,360,784.24	1,424,170.38	1,799,561.10	878,327,598.35
- Charge for the period	842,743,082.63	-	32,360,784.24	1,424,170.38	1,799,561.10	878,327,598.35
Balance at the end of the period	17,915,984,018.94	-	1,509,701,749.16	7,044,247.15	71,556,565.85	19,504,286,581.10
Carrying amounts						
At the end of the period	32,620,654,985.21	6,402,199,265.00	237,627,221.96	68,948,279.50	8,989,456.08	39,338,419,207.75
At the beginning of the period	33,464,768,154.27	5,346,592,512.27	269,988,006.20	70,372,449.88	9,180,594.35	39,160,901,716.97

As at 30 June 2023, the Group pledged RMB18,607,322,116.94 of road operation rights in operation and RMB5,527,311,168.23 of the right to receive payments during the future operation of road operation rights under construction to obtain bank loans respectively (2022: RMB18,809,575,864.66 and RMB4,781,456,571.94). Please see Note V.31 for further details.

##### (2) Land use rights pending certificates

As at 30 June 2023, the Group has no land use rights without certificates of ownership (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 18. Long-term deferred expenses

Item	Balance at the beginning of the period	Additions during the period	Amortisation for the period	Balance at the end of the period
Building improvements	18,310,574.19	4,000,025.99	4,503,562.07	<b>17,807,038.11</b>
Less: Provision for impairment	—	—	—	—
Total	<u>18,310,574.19</u>	<u>4,000,025.99</u>	<u>4,503,562.07</u>	<u><b>17,807,038.11</b></u>

## 19. Deferred tax assets and deferred tax liabilities

## (1) Deferred tax assets and liabilities

Item	30 June 2023		31 December 2022	
	Deductible or taxable temporary differences ("—" for taxable temporary difference)	Deferred tax assets/deferred tax liabilities ("—" for liabilities)	Deductible or taxable temporary differences ("—" for taxable temporary difference)	Deferred tax assets/deferred tax liabilities ("—" for liabilities)
Deferred tax assets:				
Provision for impairment of assets	22,485,782.35	5,177,901.73	21,293,749.21	4,790,184.43
Unrealised profits of intra-group transactions	345,361,857.84	86,340,464.44	346,897,713.19	86,724,428.30
Income tax and land appreciation tax of real estate projects	290,528,919.67	72,632,229.92	310,655,508.51	77,663,877.16
Accrued expense	122,325,885.99	30,504,563.59	73,601,481.02	18,269,567.65
Deferred income	47,292,422.09	11,823,105.53	52,339,187.58	13,084,796.90
Sub-total	827,994,867.94	206,478,265.21	804,787,639.51	200,532,854.44
Amount offset	(53,786,074.75)	(13,446,518.69)	(68,874,658.84)	(17,218,664.71)
Balance after offsetting	<u>774,208,793.19</u>	<u>193,031,746.52</u>	<u>735,912,980.67</u>	<u>183,314,189.73</u>
Deferred tax liabilities:				
Changes in fair values of held-for-trading financial assets	(21,944,683.28)	(5,486,170.82)	(20,613,763.10)	(5,153,440.78)
Changes in fair values of investments in other equity instruments	(2,206,659,095.67)	(551,664,773.92)	(2,089,018,847.67)	(522,254,711.92)
Changes in fair values of other non-current financial assets	(676,890,360.40)	(169,222,590.10)	(602,619,157.67)	(150,654,789.41)
Difference between tax policies and that under accounting policies for service zone lease income	(38,582,287.33)	(9,645,571.83)	(43,629,052.82)	(10,907,263.22)
Sub-total	(2,944,076,426.68)	(736,019,106.67)	(2,755,880,821.26)	(688,970,205.33)
Amount offset	53,786,074.75	13,446,518.69	68,874,658.84	17,218,664.71
Balance after offsetting	<u>(2,890,290,351.93)</u>	<u>(722,572,587.98)</u>	<u>(2,687,006,162.42)</u>	<u>(671,751,540.62)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 19. Deferred tax assets and deferred tax liabilities (Continued)

##### (2) Details of unrecognised deferred tax assets

Item	30 June 2023	31 December 2022
Deductible tax losses	<b>919,458,759.29</b>	868,357,390.62
Deductible temporary differences	<b>16,917,207.85</b>	9,167,594.99
Total	<b>936,375,967.14</b>	877,524,985.61

##### (3) Expiration of deductible tax losses for unrecognised deferred tax assets

Year	30 June 2023	31 December 2022
2023	–	20,333,192.00
2024	<b>44,120,844.72</b>	44,120,844.72
2025	<b>53,341,130.00</b>	53,341,130.00
2026	<b>382,745,632.77</b>	382,745,632.77
2027	<b>367,816,591.13</b>	367,816,591.13
2028	<b>71,434,560.67</b>	–
Total	<b>919,458,759.29</b>	868,357,390.62

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 20. Other non-current assets

Item	30 June 2023			31 December 2022		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Prepayments for land and use right certificate fee	9,713,630.00	–	9,713,630.00	9,713,630.00	–	9,713,630.00
Prepayments for construction	200,000.00	–	200,000.00	200,000.00	–	200,000.00
Deductible Input tax	70,317,197.55	–	70,317,197.55	58,453,230.46	–	58,453,230.46
Total	<u>80,230,827.55</u>	<u>–</u>	<u>80,230,827.55</u>	<u>68,366,860.46</u>	<u>–</u>	<u>68,366,860.46</u>

#### 21. Short-term loans

##### (1) Short-term loans by category

Category	30 June 2023	31 December 2022
Guaranteed loans	–	–
Credit loans	<u>1,876,265,454.69</u>	<u>2,434,124,067.61</u>
Total	<u>1,876,265,454.69</u>	<u>2,434,124,067.61</u>

##### (2) Past due short-term loans

As at 30 June 2023, there are no short-term loans overdue but not yet repaid. (31 December 2022: none).

#### 22. Bills payable

Item	30 June 2023	31 December 2022
Bank acceptance bills	<u>283,840,000.00</u>	<u>366,000,000.00</u>
Total	<u>283,840,000.00</u>	<u>366,000,000.00</u>

As at 30 June 2023, there are no bills payable due but unpaid (31 December 2022: none). The bills above are all due within one year.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 23. Accounts payable

(1) Details of accounts payable are as follows

Item	30 June 2023	31 December 2022
Amounts due to related party	<b>79,753,276.68</b>	186,615,902.53
Amounts due to third party	<b>2,392,155,368.11</b>	2,626,825,616.22
Total	<b>2,471,908,644.79</b>	2,813,441,518.75

(2) Significant accounts payable with aging of more than one year

Item	Balance at the end of the period	Reasons why not settled
Construction payable	<b>809,546,471.67</b>	Long settlement procedure of the project
Construction payable for real estate project	<b>167,647,282.60</b>	Long settlement procedure of the real estate project
Total	<b>977,193,754.27</b>	

#### 24. Advance payments received

Details of advance payments received are as follows:

Item	30 June 2023	31 December 2022
Amounts due to related party	<b>80,332.00</b>	2,879,190.33
Amounts due to third party	<b>17,326,702.11</b>	12,269,652.00
Total	<b>17,407,034.11</b>	15,148,842.33

As at 30 June 2023, the Group has no significant advance payment with Aging of more than one year (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 25. Contract liabilities

Item	30 June 2023	31 December 2022
Advances from sales of property received	<b>63,256,223.45</b>	162,928,919.15
Total	<b>63,256,223.45</b>	162,928,919.15

Contract liabilities primarily relate to the Group's advances from real estate sales contracts of the Group's customers. The advanced payment is collected when the contract is signed. The revenue related to the contracts will be recognised until the Group satisfies its performance obligation.

#### 26. Employee benefits payable

##### (1) Employee benefits payable

	Balance at the beginning of the period	Accrued during the period	Decreased during the period	Balance at the end of the period
Short-term employee benefits	7,114,523.65	474,720,910.45	474,832,402.97	<b>7,003,031.13</b>
Post-employment benefits – defined contribution plans	–	95,008,982.76	95,008,982.76	–
Total	7,114,523.65	569,729,893.21	569,841,385.73	<b>7,003,031.13</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 26. Employee benefits payable (Continued)

##### (2) Short-term employee benefits

	Balance at the beginning of the period	Accrued during the period	Decreased during the period	Balance at the end of the period
Salaries, bonuses, allowances	821,886.62	359,996,574.87	360,118,772.44	<b>699,689.05</b>
Staff welfare	–	3,236,793.15	3,236,793.15	
Social insurance	3,765.00	33,717,327.08	33,718,285.06	<b>2,807.02</b>
– Medical insurance	3,765.00	28,998,928.45	28,999,886.43	<b>2,807.02</b>
– Work-related injury insurance	–	1,951,826.72	1,951,826.72	–
– Maternity insurance	–	2,766,571.91	2,766,571.91	–
Housing fund	–	44,931,502.00	44,931,502.00	–
Labour union fee, staff and workers' education fee	6,288,872.03	9,627,008.92	9,615,345.89	<b>6,300,535.06</b>
Non-monetary benefits	–	23,211,704.43	23,211,704.43	–
Total	<u>7,114,523.65</u>	<u>474,720,910.45</u>	<u>474,832,402.97</u>	<u><b>7,003,031.13</b></u>

For the current period, the Group provided employee with non-monetary benefits of RMB23,211,704.43 (2022: RMB21,453,306.90), which represents purchased non-monetary welfare goods and holiday gifts that distributed to employees etc. The calculation basis is the actual purchasing cost.

##### (3) Post-employment benefits – defined contribution plans

	Balance at the beginning of the period	Accrued during the period	Decreased during the period	Balance at the end of the period
Basic pension insurance	–	61,295,450.38	61,295,450.38	–
Unemployment insurance	–	1,927,300.48	1,927,300.48	–
Annuity	–	31,786,231.90	31,786,231.90	–
Total	<u>–</u>	<u>95,008,982.76</u>	<u>95,008,982.76</u>	<u>–</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 27. Taxes payable

Item	30 June 2023	31 December 2022
Corporate income tax	98,765,791.22	7,797,007.24
Land appreciation tax	290,528,919.67	310,655,508.51
Value-added tax	63,715,473.46	55,485,288.40
Property tax	3,028,541.12	1,207,116.32
Individual income tax	476,853.51	3,509,747.26
Urban maintenance and construction tax	2,236,709.56	1,797,099.26
Others	2,831,621.96	2,571,902.04
Total	<b>461,583,910.50</b>	<b>383,023,669.03</b>

## 28. Other payables

	Note	30 June 2023	31 December 2022
Dividends payable	(1)	2,419,619,432.18	104,557,522.67
Others	(2)	260,132,853.27	183,484,872.05
Total		<b>2,679,752,285.45</b>	<b>288,042,394.72</b>

## (1) Dividends payable

Item	30 June 2023	31 December 2022
Dividends for ordinary shares	<b>2,419,619,432.18</b>	<b>104,557,522.67</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 28. Other payables (Continued)

##### (2) Others

Details of others by nature are as follows:

Item	30 June 2023	31 December 2022
Lease deposit of service area	<b>60,548,485.26</b>	49,178,438.65
Performance and other security	<b>34,471,921.65</b>	35,977,215.85
Project quality deposit	<b>36,287,796.94</b>	30,458,222.82
House purchase bonus	<b>12,630,000.07</b>	3,232,935.28
Collection of project payments	<b>56,226,040.00</b>	–
Others	<b>59,968,609.35</b>	64,638,059.45
Total	<b>260,132,853.27</b>	183,484,872.05

As at 30 June 2023, no Significant others payable aged more than one year (31 December 2022: none).

#### 29. Non-current liabilities due within one year

Item	30 June 2023	31 December 2022
Long-term loans due within one year ( <i>Note V.31</i> )	<b>1,366,324,814.38</b>	1,673,998,534.30
Bonds payable due within one year ( <i>Note V.32</i> )	<b>1,184,488,225.32</b>	127,249,150.67
Long-term payables due within one year ( <i>Note V.33</i> )	<b>3,277,520.96</b>	1,598,441.96
Non-current liabilities due within one year ( <i>Note V.35</i> )	–	4,451,000.00
Lease liabilities due within one year ( <i>Note V.62</i> )	<b>3,807,064.82</b>	7,911,433.32
Total	<b>2,557,897,625.48</b>	1,815,208,560.25

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 30. Other current liabilities

Item	30 June 2023	31 December 2022
Super short-term bonds payable	<b>4,421,226,006.00</b>	5,334,649,066.00
Output VAT to be transferred	<b>18,433,059.80</b>	25,079,026.37
Total	<b>4,439,659,065.80</b>	5,359,728,092.37

The movements of super short-term bonds payable:

Name of bond	Face value (RMB)	Issuance date	Maturity period (Days)	Issuance amount	Balance at the beginning of the current period	Issuance during the current period	Interest at face value	Repayment during the current period	Balance at 30 June 2023
Super short-term bonds payable									
22 Ninghu Gao SCP039	100.00	21 September 2022	92	1,000,000,000.00	1,004,443,287.00	-	217,808.89	1,004,661,095.89	-
22 Ninghu Gao SCP040	100.00	8 October 2022	92	500,000,000.00	501,874,658.00	-	110,273.51	501,984,931.51	-
22 Ninghu Gao SCP041	100.00	8 October 2022	123	400,000,000.00	401,499,726.00	-	88,219.21	401,587,945.21	-
22 Ninghu Gao SCP042	100.00	8 October 2022	121	400,000,000.00	401,499,726.00	-	88,219.21	401,587,945.21	-
22 Ninghu Gao SCP043	100.00	10 November 2022	92	800,000,000.00	802,028,713.00	-	1,560,547.27	803,589,260.27	-
22 Ninghu Gao SCP044	100.00	1 December 2022	92	770,000,000.00	771,419,121.00	-	2,792,462.56	774,211,583.56	-
22 Ninghu Gao SCP045	100.00	12 December 2022	123	750,000,000.00	750,986,301.00	-	5,079,452.42	756,065,753.42	-
22 Ninghu Gao SCP046	100.00	14 December 2022	121	700,000,000.00	700,897,534.00	-	5,135,890.66	706,033,424.66	-
23 Ninghu Gao SCP001	100.00	4 January 2023	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-
23 Ninghu Gao SCP002	100.00	4 January 2023	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-
23 Ninghu Gao SCP003	100.00	4 January 2023	93	500,000,000.00	-	500,000,000.00	2,930,136.99	502,930,136.99	-
23 Ninghu Gao SCP004	100.00	4 January 2023	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-
23 Ninghu Gao SCP005	100.00	7 February 2023	94	400,000,000.00	-	400,000,000.00	2,214,794.52	402,214,794.52	-
23 Ninghu Gao SCP006	100.00	7 February 2023	94	400,000,000.00	-	400,000,000.00	2,214,794.52	402,214,794.52	-
23 Ninghu Gao SCP007	100.00	1 March 2023	86	400,000,000.00	-	400,000,000.00	2,218,142.08	402,218,142.08	-
23 Ninghu Gao SCP008	100.00	1 March 2023	86	370,000,000.00	-	370,000,000.00	2,051,781.42	372,051,781.42	-
23 Ninghu Gao SCP009	100.00	3 April 2023	95	1,050,000,000.00	-	1,050,000,000.00	5,634,528.00	-	1,055,634,528.00
23 Ninghu Gao SCP010	100.00	4 April 2023	94	500,000,000.00	-	500,000,000.00	2,653,245.00	-	502,653,245.00
23 Ninghu Gao SCP011	100.00	4 April 2023	94	400,000,000.00	-	400,000,000.00	2,122,597.00	-	402,122,597.00
23 Ninghu Gao SCP012	100.00	4 April 2023	94	400,000,000.00	-	400,000,000.00	2,122,597.00	-	402,122,597.00
23 Ninghu Gao SCP013	100.00	12 April 2023	93	1,000,000,000.00	-	1,000,000,000.00	4,939,433.00	-	1,004,939,433.00
23 Ninghu Gao SCP014	100.00	12 April 2023	93	400,000,000.00	-	400,000,000.00	1,975,773.00	-	401,975,773.00
23 Ninghu Gao SCP015	100.00	10 May 2023	93	350,000,000.00	-	350,000,000.00	1,122,333.00	-	351,122,333.00
23 Ninghu Gao SCP016	100.00	24 May 2023	93	300,000,000.00	-	300,000,000.00	655,500.00	-	300,655,500.00
Total				13,590,000,000.00	5,334,649,066.00	8,270,000,000.00	58,477,022.40	9,241,900,082.40	4,421,226,006.00

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 31. Long-term loans

##### (1) Long-term loans by category

Item	30 June 2023	31 December 2022
Pledged loans	<b>10,761,998,454.30</b>	10,493,718,583.88
Guaranteed loans	<b>9,846,494.40</b>	10,353,339.10
Unsecured loans	<b>7,138,045,588.74</b>	7,223,523,978.26
Less: Long-term loans due within one year (Note V.29)	<b><u>1,366,324,814.38</u></b>	<u>1,673,998,534.30</u>
Total	<b><u><u>16,543,565,723.06</u></u></b>	<u><u>16,053,597,366.94</u></u>

As of 30 June 2023, Long-term loans mainly include:

- (a) Pledged loans mainly include loans obtained by the Group's subsidiaries from China Development Bank with a total principal of RMB3,293,500,000.00 and an interest of RMB2,891,748.89; obtained loans from Bank of Communications with a total principal of RMB956,080,001.00 and an interest of RMB1,035,032.77; obtained loans from Industrial and Commercial Bank of China with a total principal of RMB1,713,000,000.00 and an interest of RMB1,738,368.07; obtained loans from China Construction Bank with a total principal of RMB1,559,500,000.00 and an interest of RMB1,516,180.54; obtained loans from Agricultural Bank of China with a total principal of RMB360,000,000.00 and an interest of RMB350,000.00; obtained loans from Post Office Saving Bank of China with a total principal of RMB1,401,516,000.00 and an interest of RMB1,362,431.77; obtained loans from China Merchants Bank with a total principal of RMB1,368,000,001.00 and an interest of RMB1,418,412.49; obtained loans from Bank of China with a total principal of RMB100,000,000.00 and an interest of RMB90,277.77. The principal of long-term loans due within one year is RMB362,034,668.00 and the interest payable due within one year is RMB10,402,452.30. The maturity date of the remaining Pledged loans is from 21 March 2025 to 29 June 2051. Please refer to Note V.60 "Assets with restrictive ownership title or right of use" for the details of the pledged items of the above pledged loans at the end of 30 June 2023.
- (b) The guaranteed borrowings mainly include the Group's long-term borrowings from the Spanish government with a total principal amount of USD1,362,685.71, which is equivalent to RMB9,846,494.40 at the end of the period. The total principal amount of long-term borrowings due within one year is USD247,761.02, with the last loan due on July 10, 2028.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 31. Long-term loans (Continued)

##### (1) Long-term loans by category (Continued)

- (c) Credit borrowings mainly include borrowing from Jiangsu Communications Holdings Co., Ltd., the parent company of the Group, with a total principal amount of RMB2,993,148,166.24 and interest of RMB60,647,931.63; Borrowed a number of long-term loans from Bank of Communications with a total principal amount of RMB676,781,250.00 and interest of RMB654,138.49; Borrowed a number of long-term loans from Shanghai Pudong Development Bank with a total principal amount of RMB598.2 million and interest of RMB612,223.53; Borrowed a number of long-term loans from China Merchants Bank with a total principal amount of RMB396,000,000.00 and interest of RMB286,000.00; Borrowed a total principal amount of RMB1,101,000,000.00 from China Construction Bank with interest of RMB871,847.22; Borrowed from the Agricultural Bank of China for long-term borrowings with a total principal amount of RMB693,087,500.00 and interest of RMB689,448.31; Borrowed from ICBC with a total principal amount of RMB150,000,000.00 and interest of RMB125,000.00; Borrowed a number of long-term loans from Jiangsu Communications Holding Group Finance Co., Ltd. with a total principal amount of RMB315.5 million, and interest of RMB303,333.32; Deposited a number of long-term loans to Postal Savings Bank with a total principal amount of RMB150,000,000.00 and interest of RMB138,750.00. Among them, the total principal amount of long-term borrowings due within one year is RMB927,768,750.00, and the interest is RMB64,328,672.50. The remaining long-term borrowings have maturity dates from August 29, 2024 to August 25, 2046.

As of 30 June 2023, the annual interest rate of Pledged loans is 3.5% – 3.96%, the annual interest rate of Guaranteed loans is 2%, and the annual interest rate range of unsecured loans is 2.55% – 3.96%.

#### 32. Debentures payable

##### (1) Debentures payable

Item	30 June 2023	31 December 2022
Medium-term notes	<b>5,604,663,073.29</b>	5,544,625,794.05
Corporate bonds	<b>4,558,324,995.33</b>	4,554,960,837.96
Less: Debentures payable due within one year (Note V.29)	<b>1,184,488,225.32</b>	127,249,150.67
Total	<b>8,978,499,843.30</b>	9,972,337,481.34

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 32. Debentures payable (Continued)

##### (2) Movements of debentures

Debentures Name	Face value (RMB)	Issuance date	Debentures		Issuance amount	Balance at the beginning of the current period	Issuance during the current period	Interest at face value	Premium and according to face value	Repayment during the current period	Balance at 30 June 2023	Debentures payable due within one year
			Maturity period	Interest rate								
20 Ninghu Gao MTN001	100.00	21 August 2020	5 years	3.98%	2,000,000,000.00	2,019,904,386.39	-	39,472,876.72	1,633,715.19	-	2,061,010,978.30	68,477,808.23
21 Ninghu Gao MTN001	100.00	15 June 2021	3 years	3.45%	1,000,000,000.00	1,017,222,570.16	-	17,108,219.16	497,052.38	34,500,000.00	1,000,327,841.70	1,000,327,841.70
21 Ninghu Gao MTN002	100.00	25 October 2021	3 years	3.30%	500,000,000.00	502,054,307.15	-	8,182,191.76	239,686.64	-	510,476,185.55	11,165,753.40
21 Ninghu Gao MTN003	100.00	22 November 2021	3 years	3.13%	500,000,000.00	500,665,513.09	-	7,760,684.93	247,861.37	-	508,674,059.39	9,390,000.00
22 Ninghu Gao MTN001 (SCI-TECH innovation note)	100.00	13 September 2022	3 years	2.49%	700,000,000.00	703,259,209.62	-	8,643,369.85	338,268.50	-	712,240,847.97	13,800,739.70
22 Ninghu Gao MTN002	100.00	10 October 2022	3 years	2.49%	300,000,000.00	300,843,869.80	-	3,704,301.38	144,972.21	-	304,693,143.39	5,382,493.16
22 Ninghu Gao MTN003	100.00	31 October 2022	3 years	2.55%	500,000,000.00	500,675,937.84	-	6,322,602.74	241,476.41	-	507,240,016.99	8,418,493.15
21 Ninghu G1	100.00	2 February 2021	3+2 years	3.70%	1,000,000,000.00	1,031,704,880.64	-	18,347,945.30	286,341.39	37,000,000.00	1,013,339,167.33	15,104,109.66
21 Ninghu G2	100.00	24 November 2021	3+2 years	3.08%	800,000,000.00	800,664,397.82	-	12,218,739.73	230,546.71	-	813,113,684.26	14,784,000.01
22 Ninghu G1	100.00	20 April 2022	3 years	2.90%	1,000,000,000.00	1,018,020,428.46	-	14,380,821.92	487,032.94	29,000,000.00	1,003,888,283.32	5,720,547.94
22 Ninghu G2	100.00	23 August 2022	3 years	2.55%	500,000,000.00	503,250,797.61	-	6,322,602.74	241,476.41	-	509,814,876.76	10,898,630.14
22 Ninghu G3	100.00	29 November 2022	3 years	2.95%	500,000,000.00	498,877,413.29	-	7,314,383.58	240,519.59	-	507,432,316.46	12,369,863.00
G22 Ninghu 1	100.00	24 October 2022	3 years	2.58%	700,000,000.00	701,442,920.14	-	8,955,780.81	337,966.25	-	710,736,667.20	8,647,945.23
Total					10,000,000,000.00	10,099,586,632.01	-	158,734,520.62	5,166,915.99	100,500,000.00	10,162,988,068.62	1,184,488,225.32

#### 33. Long-term payables

Item	30 June 2023	31 December 2022
Long-term payables for right to use sea areas	74,682,514.70	73,003,435.70
Less: Long-term payables due within one year (Note V.29)	3,277,520.96	1,598,441.96
Total	71,404,993.74	71,404,993.74

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 34. Deferred income

Item	Balance at the beginning of the period	Additions during the period	Reductions during the period	Balance at the end of the period	Reason for deferral
Government grant	73,860,914.18	–	5,046,765.49	<b>68,814,148.69</b>	Construction grants of Ningchang Expressway and subsidy for reconstruction of highway provincial boundary toll station
Total	<u>73,860,914.18</u>	<u>–</u>	<u>5,046,765.49</u>	<u><b>68,814,148.69</b></u>	

## Items relating to government grant:

Item	Balance at the beginning of the period	Additions during the period	Amounts recognised in other income during the period	Other changes	Balance at the end of the period	Related to assets/income
Subsidies for the construction of the Ningchang Expressway (Note 1)	21,521,726.60	–	814,353.01	–	<b>20,707,373.59</b>	Related to assets
Subsidy for reconstruction of highway provincial boundary toll station (Note 2)	52,339,187.58	–	4,232,412.48	–	<b>48,106,775.10</b>	Related to assets
Total	<u>73,860,914.18</u>	<u>–</u>	<u>5,046,765.49</u>	<u>–</u>	<u><b>68,814,148.69</b></u>	

Note 1: "Subsidy for construction of Ningchang Expressway" is a project construction fund of RMB40,000,000.00 received by Jiangsu Ningchang Zhenli Expressway, which has been absorbed and merged by the Company in 2020, from the People's Government of Wujin District, Changzhou City for the construction of Ningchang expressway due to the extra cost of construction of Wujin Development Zone viaduct project. The Group recognizes the project construction subsidy as a compensation of the construction cost of Ningchang expressway which is recorded in deferred income.

Note 2: "Subsidy for reconstruction of highway provincial boundary toll station" received by Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng"), a subsidiary of the Company, amounting to RMB86,689,640.00. The Group recognizes the project construction subsidy as a compensation of reconstruction of highway provincial boundary toll station which is recorded in deferred income.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 35. Other non-current liabilities

Item	30 June 2023	31 December 2022
Borrowings from third parties	–	4,451,000.00
Less: Other non-current liabilities due within one year (Note V.29)	–	4,451,000.00
Total	–	–

#### 36. Share capital

	Balance at the beginning of the period	Issuance of new shares	Bonus shares	Changes during the period Transfer from reserves	Others	Sub-total	Balance at the end of the period
Total shares	5,037,747,500.00	–	–	–	–	–	5,037,747,500.00

#### 37. Capital reserve

Item	Balance at the beginning of the period	Additions during the period	Reductions during the period	Balance at the end of the period
Share premium	4,061,508,338.00	–	–	4,061,508,338.00
Including: Capital contributed by investors	4,887,251,453.53	–	–	4,887,251,453.53
Considerations paid for business combinations involving enterprises under common control	(825,743,115.53)	–	–	(825,743,115.53)
Other capital reserves	5,714,901,034.86	–	–	5,714,901,034.86
Including: Share of capital reserve of the investee under the equity method	(18,939,686.61)	–	–	(18,939,686.61)
Contribution by holders of other equity instruments	6,483,769.61	–	–	6,483,769.61
Transfer from capital reserve under the previous accounting system	5,653,832,002.49	–	–	5,653,832,002.49
Difference arising from merging associates	73,524,949.37	–	–	73,524,949.37
Total	9,776,409,372.86	–	–	9,776,409,372.86

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 38. Other comprehensive income

Item	Balance at the beginning of the period attributable to shareholders of the Company	Movements during the period					Balance at the end of the period attributable to shareholders of the Company
		Before-tax amount	Less: Previously recognized amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
Items that will not be reclassified to profit or loss	1,752,980,473.16	129,527,617.28	-	(26,760,012.00)	102,767,605.28	7,950,150.00	1,855,748,078.44
Including: Other comprehensive income recognised under equity method <i>(Note 1)</i>	281,576,029.38	22,487,569.28	-	-	22,487,569.28	-	304,063,598.66
Changes in fair value of investments in other equity instruments <i>(Note 2)</i>	1,471,404,443.78	107,040,048.00	-	(26,760,012.00)	80,280,036.00	7,950,150.00	1,551,684,479.78
Items that may be reclassified to profit or loss	(98,360.63)	-	-	-	-	-	(98,360.63)
Including: Other comprehensive income recognised under equity method <i>(Note 3)</i>	(98,360.63)	-	-	-	-	-	(98,360.63)
Total	1,752,882,112.53	129,527,617.28	-	(26,760,012.00)	102,767,605.28	7,950,150.00	1,855,649,717.81

*Note 1:* The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the associate Yangtze Bridge Company of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.

*Note 2:* Other investments in equity instruments are the fair value adjustment of the ordinary shares of A-share listed company Bank of Jiangsu and ordinary shares of A-share listed company Jiangsu Financial Leasing.

*Note 3:* The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the associate Zijin Trust of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.

#### 39. General risk reserve

Item	Balance at the beginning of the period	Additions during the period	Reductions during the period	Balance at the end of the period
General risk reserve	9,737,731.83	-	819,394.53	8,918,337.30

Movements in general risk reserve for the period represents the provision of risk reserve by Ninghu Factoring Company, a subsidiary of the Company, as per requirement of "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises" (Yin Bao Jian Ban Fa (2019) No. 205).



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 40. Specific reserve

Item	Balance at the beginning of the period	Additions during the period	Reductions during the period	Balance at the end of the period
Safety fund	577,468.02	3,468,156.25	2,004,141.23	<b>2,041,483.04</b>
Total	<u>577,468.02</u>	<u>3,468,156.25</u>	<u>2,004,141.23</u>	<b><u>2,041,483.04</u></b>

The increase in specific reserve during the period was the safety fund made by a subsidiary (YS Energy Company) of the Company based on the Administrative Measures for the Accrual and Use of Expenses for Work Safety by Enterprises (Caizi [2022] No. 136).

#### 41. Surplus reserve

Item	Balance at the beginning of the period	Additions during the period	Reductions during the period	Balance at the end of the period
Statutory surplus reserve	3,559,132,056.47	–	–	<b>3,559,132,056.47</b>
Discretionary surplus reserve	<u>460,461,016.47</u>	–	–	<b><u>460,461,016.47</u></b>
Total	<u>4,019,593,072.94</u>	<u>–</u>	<u>–</u>	<b><u>4,019,593,072.94</u></b>

According to “Company Law of the People’s Republic of China” and the Articles of the Company, the Company and its subsidiaries are required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company’s registered capital. Statutory surplus reserve can be used for making up losses, or to increase the capital after approval.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 42. Retained earnings

Item	Note	30 June 2023	31 December 2022
Retained earnings at the beginning of the period		11,343,860,451.93	10,110,279,671.92
Add: Net profits for the period attributable to shareholders of the Company		2,481,895,375.62	3,724,115,165.87
Transfer of others to retained earnings	(1)	2,706.04	15,544,544.77
Less: Appropriation for statutory surplus reserve		-	109,545,738.94
Appropriation for discretionary surplus reserve		-	75,936,702.74
Appropriation for general risk reserve		(819,394.53)	3,232,638.95
Dividends to ordinary shares	(2)	2,317,363,850.00	2,317,363,850.00
Retained earnings at the end of the period		11,509,214,078.12	11,343,860,451.93

#### (1) Transfer of others to retained earnings

The change is mainly the final payment of the income arising from the disposal of some of the Group's investments in other equity instruments held in 2022, which is included in undistributed profit.

#### (2) Dividends to ordinary shares

According to the shareholders' approval at the shareholders' general meeting on March 24, 2023, based on the issued shares of 5,037,747,500 shares (par value of RMB1 per share) in 2022, it is proposed to distribute a cash dividend of RMB0.46 to all shareholders for every 1 share. The above dividend distribution plan has been approved by the General Meeting of Shareholders.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 43. Operating income and operating costs

##### (1) Operating income and operating costs

Item	Note	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
		Income	Cost	Income	Cost
Principal activities		<b>6,426,634,292.54</b>	<b>3,501,243,472.67</b>	4,206,956,387.55	2,395,740,804.90
Other operating activities		<b>709,377,660.93</b>	<b>425,418,805.03</b>	668,443,233.58	399,622,662.59
Total		<b>7,136,011,953.47</b>	<b>3,926,662,277.70</b>	4,875,399,621.13	2,795,363,467.49

##### (2) Disaggregation of revenue from contracts with customers

Type of contract	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
By timing of transferring goods or services		
Revenue recognized at a point in time	<b>5,987,720,617.79</b>	4,315,692,407.94
Revenue recognized over time	<b>1,098,559,983.68</b>	498,325,313.54
Total	<b>6,764,508,165.44</b>	4,814,017,721.48

##### (3) Information related to transaction price allocated to the remaining performance obligations

The revenue corresponding to the performance obligations that have been contracted at the end of the reporting period but have not yet been performed or not yet fulfilled is RMB63,256,223.45, which is the transaction price of the sales contract that has not yet met the delivery conditions stipulated in the real estate sales contract, and is expected to recognize revenue in 2023–2024.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 44. Taxes and surcharges

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Land appreciation tax	11,215,701.35	27,280,220.70
City maintenance and construction tax	10,679,888.32	7,582,905.02
Education surcharges	7,706,491.54	5,466,397.02
Property tax	6,264,535.67	1,960,798.19
Land use tax	948,628.95	1,439,409.46
Others	1,646,101.42	2,471,954.59
Total	<b>38,461,347.25</b>	46,201,684.98

#### 45. Selling and distribution expenses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Commission fee for agent of real estate sales	2,940,331.79	3,412,258.20
Advertisement and promotion fee	1,059,586.17	1,143,152.66
Production and planning fee	188,657.87	205,211.43
Depreciation	1,323.60	830.10
Others	1,613,229.34	1,332,261.96
Total	<b>5,803,128.77</b>	6,093,714.35

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46. General and administrative expenses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Staff costs	<b>51,253,466.93</b>	48,049,788.18
Depreciation and amortisation	<b>38,266,616.64</b>	38,388,495.37
Consulting and intermediary service fee	<b>7,930,488.79</b>	8,265,934.22
Labor protection fee	<b>926,780.72</b>	216,114.22
Maintenance and repair fee	<b>355,526.79</b>	1,190,311.55
Publicity fee related to the Party building	<b>208,515.56</b>	236,927.34
Vehicle related expenses	<b>781,310.00</b>	516,608.32
Office expenses	<b>551,445.61</b>	449,518.53
Travelling expenses	<b>775,728.79</b>	291,766.99
Others	<b>8,577,516.16</b>	5,418,528.48
Total	<b>109,627,395.99</b>	103,023,993.20

#### 47. Financial expenses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Interest expenses from loans and payables	<b>568,214,512.98</b>	552,961,807.62
Interest expenses from lease liabilities	<b>636,434.48</b>	800,566.87
Less: Borrowing costs capitalised	<b>29,848,079.68</b>	1,117,952.24
Interest income from deposits and receivables	<b>10,631,711.74</b>	7,164,447.09
Net exchange losses	<b>310,784.80</b>	510,767.85
Bond issuance fee and commission charges for other loans	<b>1,013,846.50</b>	3,304,735.62
Other financial expenses	<b>3,767,399.41</b>	205,434.03
Total	<b>533,463,186.75</b>	549,500,912.66

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 2.4% – 3.81% (2022: 3.65% – 4.16%) for the period.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 48. Other income

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Government grants	<u>11,806,394.00</u>	<u>11,828,604.45</u>
Total	<u><u>11,806,394.00</u></u>	<u><u>11,828,604.45</u></u>

#### 49. Investment income

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Investment income from long-term equity investments accounted for using the equity method	461,731,804.50	341,366,881.16
Investment income from financial assets held for trading during the holding period	–	2,316,473.94
Investment income from disposal of financial assets held for trading	37,916,950.92	84,746,566.29
Investment income from other non-current financial assets during the holding period	31,970,664.21	7,920,000.00
Investment income from other equity instruments during the holding period	<u>81,900,000.00</u>	<u>390,099,920.00</u>
Total	<u><u>613,519,419.63</u></u>	<u><u>826,449,841.39</u></u>

#### 50. Gains from changes in fair value

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Financial assets held for trading	1,330,920.14	(2,599,844.00)
Other non-current financial assets	<u>74,271,202.73</u>	<u>37,704,850.37</u>
Total	<u><u>75,602,122.87</u></u>	<u><u>35,105,006.37</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 51. Credit losses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Accounts receivable	<u><u>8,941,646.00</u></u>	<u><u>5,820,267.59</u></u>

#### 52. Impairment losses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Inventories	<u><u>–</u></u>	<u><u>–</u></u>

#### 53. Gains from asset disposals

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Gains from disposal of fixed assets	<u><u>4,789,530.84</u></u>	<u><u>29,346,091.26</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 54. Non-operating income and non-operating expenses

## (1) Non-operating income by items as follows:

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022	Amount recognised in extraordinary gain and loss in the current period
Income from highway property compensation	3,333,500.00	3,402,800.00	3,333,500.00
Others	4,825,297.75	1,946,167.82	4,825,297.75
Total	<b>8,158,797.75</b>	5,348,967.82	8,158,797.75

## (2) Non-operating expenses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022	Amount recognised in extraordinary gain and loss in the current period
Losses on retirement of fixed assets	275,060.13	4,557.22	275,060.13
Expenditure for repair of damaged highway property	2,931,175.37	8,861,124.74	2,931,175.37
Non-profit donations	800,000.00	559,450.79	800,000.00
Penalty for delayed delivery of buildings	332,709.63	–	332,709.63
Others	6,474,436.95	408,277.65	6,474,436.95
Total	<b>10,813,382.08</b>	9,833,410.40	10,813,382.08



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 55. Income tax expenses

##### (1) Income tax expenses

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Current tax expense for the period based on tax law and regulations	<b>634,139,891.76</b>	438,977,073.28
Changes in deferred tax	<b>11,693,428.57</b>	9,443,441.14
Tax filing differences for prior period	<b>(17,341,425.67)</b>	(965,973.30)
Total	<b><u>628,491,894.66</u></b>	<u>447,454,541.12</u>

##### (2) The analysis of changes in deferred tax is set out below:

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Origination and reversal of temporary differences	<b><u>11,693,428.57</u></b>	<u>9,443,441.14</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 55. Income tax expenses (Continued)

##### (3) Reconciliation between income tax expenses and accounting profit:

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Profits before taxation	<b>3,216,115,854.02</b>	2,267,640,681.75
Expected income tax expenses at tax rate of 25%	<b>804,028,963.51</b>	566,910,170.44
Tax filing differences for prior year	<b>(17,341,425.67)</b>	(965,973.30)
Effect of non-taxable income	<b>(143,900,617.18)</b>	(184,846,700.29)
Effect of non-deductible costs, expense and losses	<b>17,919,643.44</b>	43,336,310.20
Effect of using the deductible losses for which no deferred tax asset was recognised in previous periods	<b>(23,467,832.35)</b>	–
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised in current period	<b>14,712,745.38</b>	39,221,276.39
Effect of preferential tax rates applied by subsidiaries	<b>(23,459,582.47)</b>	(16,200,542.32)
Income tax expenses	<b><u>628,491,894.66</u></b>	<u>447,454,541.12</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 56. Basic earnings per share and diluted earnings per share

##### (1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	<b>For the six-month period ended 30 June 2023</b>	For the six-month period ended 30 June 2022
Consolidated net profit attributable to ordinary shareholders of the Company	<b>2,481,895,375.62</b>	1,828,611,453.21
Weighted average number of ordinary shares outstanding	<b>5,037,747,500.00</b>	5,037,747,500.00
Basic earnings per share ( <i>RMB/share</i> )	<b><u>0.4927</u></b>	<u>0.3630</u>

Weighted average number of ordinary shares is calculated as follows:

	<b>30 June 2023</b>	31 December 2022
Issued ordinary shares at the beginning of the period	<b>5,037,747,500.00</b>	5,037,747,500.00
Weighted average number of ordinary shares at the end of the period	<b><u>5,037,747,500.00</u></b>	<u>5,037,747,500.00</u>

##### (2) Diluted earnings per share

There are no dilutive underlying common shares in the Company during the reporting period and diluted earnings per share are the same as basic earnings per share.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 57. Supplementary information on income statement

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Operating income	<b>7,136,011,953.47</b>	4,875,399,621.13
Less: Employee benefits expenses	<b>569,729,893.21</b>	540,099,933.43
Depreciation and amortisation expenses	<b>1,201,851,558.81</b>	997,139,501.42
Toll related expenses	<b>81,445,797.62</b>	69,282,647.97
Road maintenance expenses	<b>174,640,422.72</b>	243,723,517.25
System maintenance expenses	<b>14,177,289.43</b>	8,592,409.06
Construction services expenses	<b>1,003,842,165.73</b>	425,821,793.86
Real estate development land and construction cost	<b>168,806,371.56</b>	203,395,286.20
Petroleum in the service zone	<b>730,324,404.31</b>	362,414,086.84
Catering cost in the service zone	<b>5,230,645.92</b>	4,329,607.55
Taxes and surcharges	<b>38,461,347.25</b>	46,201,684.98
Financial expenses	<b>533,463,186.75</b>	549,500,912.66
Credit losses	<b>8,941,646.00</b>	5,820,267.59
Impairment losses	—	—
Others	<b>92,044,253.15</b>	49,682,391.46
Add: Other income	<b>11,806,394.00</b>	11,828,604.45
Investment income	<b>613,519,419.63</b>	826,449,841.39
Gains from changes in fair value	<b>75,602,122.87</b>	35,105,006.37
Gains from asset disposals	<b>4,789,530.84</b>	29,346,091.26
Operating profit	<b>3,218,770,438.35</b>	2,272,125,124.33

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 58. Cash flow statement

##### (1) Proceeds relating to other operating activities

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Changes in restricted cash and bank balances	–	27,483.26
Receipts from government grants and non- operating income etc.	<b>115,679,522.15</b>	60,369,130.42
Receipts from interest income of bank deposit	<b>10,631,711.74</b>	7,164,447.09
Collection of project payments	<b>56,226,040.00</b>	–
Recovery from financial factoring business	<b>318,326,787.40</b>	416,076,241.16
Total	<b><u>500,864,061.29</u></b>	<b><u>483,637,301.93</u></b>

##### (2) Payments relating to other operating activities

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Changes in cash with restricted usage	<b>1,273,510.11</b>	–
Payment of non-salary and other expenditure	<b>113,762,047.22</b>	105,199,245.59
Expenses on financial factoring business	<b>209,792,461.11</b>	488,343,220.12
Total	<b><u>324,828,018.44</u></b>	<b><u>593,542,465.71</u></b>

##### (3) Payments relating to other financing activities

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Bond issue fee and other charges of loans	<b><u>16,271,493.93</u></b>	<b><u>3,730,092.00</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 59. Supplementary information on cash flow statement

##### (1) Supplement to cash flow statement

##### a. Reconciliation of net profit to cash flows from operating activities:

<b>Item</b>	<b>For the six-month period ended 30 June 2023</b>	For the six-month period ended 30 June 2022
Net profit	<b>2,587,623,959.36</b>	1,820,186,140.63
Add: Provisions for impairment of assets	–	–
Credit impairment losses	<b>8,941,646.00</b>	5,820,267.59
Depreciation of fixed assets	<b>312,271,032.99</b>	293,525,034.02
Amortisation of intangible assets	<b>878,327,598.35</b>	692,991,760.45
Amortisation of long-term deferred expenses	<b>4,503,562.07</b>	1,258,628.51
Depreciation of ROU assets	<b>4,440,662.20</b>	6,884,951.16
Amortisation of investment properties	<b>2,308,703.20</b>	2,479,127.28
Amortisation of deferred income	<b>(5,046,765.49)</b>	(4,912,227.23)
Gains from asset disposals	<b>(4,789,530.84)</b>	(29,346,091.26)
Gains from changes in fair value	<b>(75,602,122.87)</b>	(35,105,006.37)
Financial expenses	<b>540,327,499.08</b>	556,459,925.72
Gains arising from investments	<b>(613,519,419.63)</b>	(826,449,841.39)
Increase in deferred tax assets	<b>9,717,556.79</b>	88,552.01
(Increase)/decrease in deferred tax liabilities	<b>(21,410,985.36)</b>	9,354,889.11
Decrease in gross inventories	<b>181,098,169.89</b>	136,546,757.29
Decrease/(increase) in operating receivables	<b>36,867,133.57</b>	(178,507,004.08)
Decrease in operating payables	<b>(216,377,772.14)</b>	(127,590,531.35)
Increase in restricted monetary funds	<b>1,273,510.11</b>	27,483.26
Net cash flow from operating activities	<b><u>3,630,954,437.28</u></b>	<u>2,323,712,815.35</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 59. Supplementary information on cash flow statement (Continued)

##### (1) Supplement to cash flow statement (Continued)

##### b. Net changes in cash and cash equivalents:

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Cash at the end of the period	<b>532,332,063.19</b>	756,252,365.19
Less: Cash at the beginning of the period	<b>925,012,854.49</b>	617,306,798.75
Net (decrease)/increase in cash and cash equivalents	<b><u>(392,680,791.30)</u></b>	<b><u>138,945,566.44</u></b>

##### (2) Details of cash and cash equivalents

Item	30 June 2023	31 December 2022
Cash and cash equivalents	<b>532,332,063.19</b>	756,252,365.19
Including: Cash on hand	<b>137,092.83</b>	79,430.85
Bank deposits available on demand	<b>531,499,097.37</b>	755,292,480.44
Other monetary funds available on demand	<b>695,872.99</b>	880,453.90
Closing balance of cash and cash equivalents	<b><u>532,332,063.19</u></b>	<b><u>756,252,365.19</u></b>

#### 60. Assets with restrictive ownership title or right of use

Item	Balance at the beginning of the period	Balance at 30 June 2023	Reason for restriction
Cash at bank and on hand (Note V.1)	7,918,489.89	<b>9,192,000.00</b>	Bill margin
Intangible assets (Note V.17)	23,591,032,436.60	<b>24,134,633,285.17</b>	Pledge of toll road rights
Accounts receivable (Note V.4)	568,354,076.80	<b>725,606,629.13</b>	Pledge of the rights for electricity fee receivable
Total	<b><u>24,167,305,003.29</u></b>	<b><u>24,869,431,914.30</u></b>	

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 61. Government grants

Details of government grants

<b>Item</b>	<b>Amount</b>	<b>Presentation item</b>	<b>Amount recognised in profit or loss for the current period</b>
Additional deduction of VAT	5,380,541.46	Other income	5,380,541.46
Subsidy for reconstruction of highway provincial boundary toll station	4,232,412.48	Deferred income	4,232,412.48
Subsidy for construction of Ningchang Expressway	814,353.01	Deferred income	814,353.01
Post allowance	3,000.00	Other income	3,000.00
Government subsidies for energy conservation and emission reduction	24,000.00	Other income	24,000.00
Business factoring enterprise business contribution award	1,053,200.00	Other income	1,053,200.00
Others	<u>298,887.05</u>	Other income	<u>298,887.05</u>
Total	<u><u>11,806,394.00</u></u>		<u><u>11,806,394.00</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 62. Leases

##### (1) As a lessee

Right-of-use assets

Item	Plant & buildings	Rights to use roofs	Transportation vehicles	Rights to use parking spaces	Total
Cost					
Balance at the beginning of the period	38,442,972.60	11,467,160.11	242,884.72	541,969.45	50,694,986.88
Additions during the period	–	–	–	–	–
Decrease during the period	–	–	–	–	–
Balance at 30 June 2023	<u>38,442,972.60</u>	<u>11,467,160.11</u>	<u>242,884.72</u>	<u>541,969.45</u>	<u>50,694,986.88</u>
Accumulated depreciation					
Balance at the beginning of the period	18,941,306.04	1,999,063.56	242,884.72	40,647.81	21,223,902.13
Charge for the period	3,926,464.97	504,035.28	–	10,161.95	4,440,662.20
Reductions during the period	–	–	–	–	–
Balance at 30 June 2023	<u>22,867,771.01</u>	<u>2,503,098.84</u>	<u>242,884.72</u>	<u>50,809.76</u>	<u>25,664,564.33</u>
Provision for impairment					
Balance at the beginning of the period	–	–	–	–	–
Balance at 30 June 2023	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amounts					
At the 30 June 2023	15,575,201.59	8,964,061.27	–	491,159.69	25,030,422.55
At the beginning of the period	<u>19,501,666.56</u>	<u>9,468,096.55</u>	<u>–</u>	<u>501,321.64</u>	<u>29,471,084.75</u>

Lease liabilities

Item	Note	30 June 2023	31 December 2022
Long-term lease liabilities		<b>23,884,362.88</b>	28,211,724.76
Less: lease liabilities due within one year	V.29	<b>3,807,064.82</b>	7,911,433.32
Total		<b>20,077,298.06</b>	20,300,291.44

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VI. CHANGE OF CONSOLIDATION SCOPE

Changes in the scope of consolidation due to other reasons

The group has added one new subsidiary to the consolidation scope in this period:

Name of subsidiary	Judgment basis for forming control
Suqian Company (Note)	Holding subsidiary

Note: The registered capital of Suqian Company is RMB20,000,000, with YS Energy Company holding 65% of the shares, and the registered capital will be provided in batches according to the progress of the actual investment projects, and Suqian Company completed the industrial and commercial registration on March 20, 2023. During the reporting period, YS Energy Company has contributed RMB100,000 thousand.

### VII. INTERESTS IN OTHER ENTITIES

#### 1. Interests in subsidiaries

##### (1) Composition of the Group

Name of the subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding percentage		Acquisition method
					Direct	Indirect	
Jiangsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment Company")	Nanjing	Nanjing	Investment and services	RMB2,140,000,000.00	100	-	Set-up
Jiangsu Ninghu Properties Co., Ltd. ("Ninghu Properties Company")	Nanjing, Zhenjiang	Nanjing	Real estate	RMB500,000,000.00	100	-	Set-up
Nanjing Hanwei Property Development Company Limited ("Hanwei Company")	Nanjing	Nanjing	Real estate	RMB290,000,000.00	100	-	Business combination involving entities not under common control
Jiangsu Yangtze Commerce and Energy Co., Ltd. ("Yangtze Commerce and Energy Company")	Nanjing	Nanjing	Operation of service zone	RMB100,000,000.00	100	-	Set-up
Jiangsu Yangtze River Expressway Management Co., Ltd. ("Yangtze River Management")	Wuxi	Nanjing	Construction and operation of expressway	RMB50,000,000.00	100	-	Set-up
Ninghu International Company	Hong Kong SAR	Hong Kong SAR	Investment	USD113,176.86	100	-	Set-up
Yunshan Green Company	Nanjing	Nanjing	Clean energy power generation	RMB2,000,000,000.00	100	-	Business combination involving entities under common control
Guangjing Xicheng Company	Wuxi	Nanjing	Construction and operation of expressway	RMB2,500,000,000.00	85	-	Set-up

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 1. Interests in subsidiaries (Continued)

##### (1) Composition of the Group (Continued)

Name of the subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding percentage		Acquisition method
					Direct	Indirect	
Jiangsu Zhendan Expressway Co., Ltd. ("Zhendan Company")	Zhenjiang	Nanjing	Construction and operation of expressway	RMB605,590,000.00	70	-	Set-up
Jiangsu Wufengshan Toll Bridge Company Co., Ltd. ("Wufengshan Toll Bridge Company")	Zhenjiang, Yangzhou	Zhenjiang	Construction and operation of expressway	RMB4,826,350,000.00	64.5	-	Set-up
Jiangsu Longtan Bridge Co., Ltd. ("Longtan Bridge")	Nanjing	Nanjing	Construction and operation of expressway	RMB5,993,860,000.00	57.3	-	Set-up
Ninghu Properties (Kunshan) Co., Ltd. ("Kunshan Properties")	Kunshan	Kunshan	Real estate	RMB200,000,000.00	-	100	Set-up
Ninghu Properties (Suzhou) Co., Ltd. ("Suzhou Properties")	Suzhou	Suzhou	Real estate	RMB100,000,000.00	-	100	Set-up
Ninghu Factoring Company	Guangzhou	Guangzhou	Business services	RMB300,000,000.00	-	100	Set-up
Kunshan Fengyuan	Kunshan	Kunshan	Real estate	RMB9,000,000.00	-	100	Set-up
Jiangsu Tongcheng Times Property Management Co., Ltd. ("Tongcheng Property Management")	Kunshan	Kunshan	Property management	RMB3,000,000.00	-	100	Set-up
Jingcheng Advertising	Wuxi	Wuxi	Services	RMB1,000,000.00	-	100	Set-up
Xuzhou Clean Energy	Xuzhou	Xuzhou	Clean energy power generation	RMB6,900,000.00	-	100	Business combination involving entities under common control
Tongshan Clean Energy	Tongshan	Tongshan	Clean energy power generation	RMB15,150,000.00	-	100	Business combination involving entities under common control
Fengxian New Energy	Fengxian	Fengxian	Clean energy power generation	RMB32,600,000.00	-	100	Business combination involving entities under common control
Agricultural Technology	Fengxian	Fengxian	Agriculture	RMB1,000,000.00	-	100	Business combination involving entities under common control

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 1. Interests in subsidiaries (Continued)

##### (1) Composition of the Group (Continued)

Name of the subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding percentage		Acquisition method
					Direct	Indirect	
Jiangsu Communications Holding Clean Energy Jiangsu Co., Ltd. ("Jiangsu Clean Energy")	Nanjing	Nanjing	Clean energy power generation	RMB100,000,000.00	-	100	Business combination involving entities under common control
Liyang Youke	Liyang	Liyang	Clean energy power generation	RMB10,000,000.00	-	90	Business combination involving entities under common control
Yancheng Yunshan	Yancheng	Yancheng	Clean energy power generation	RMB54,000,000.00	-	80	Business combination involving entities under common control
Rudong Company	Nantong	Nantong	Clean energy power generation	RMB1,391,000,000.00	-	72	Business combination involving entities under common control
Fengxian Renewable Energy	Nantong	Fengxian	Clean energy power generation	RMB49,230,000.00	-	70	Business combination involving entities under common control
Jintan Heyi	Changzhou	Changzhou	Clean energy power generation	RMB20,000,000.00	-	70	Business combination involving entities under common control
Suqian Company	Suqian	Suqian	Clean energy power generation	RMB20,000,000.00	-	65	Set-up
Jiangsu Yichang Expressway Company Limited ("Yichang Company")	Yixing, Changxing	Yixing	Construction and operation of expressway	RMB1,591,480,880.00	-	60	Set-up
Jiangsu Changyi Expressway Company Limited ("Changyi Company")	Changzhou, Yixing	Wuxi	Construction and operation of expressway	RMB1,519,846,000.00	-	60	Set-up

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 1. Interests in subsidiaries (Continued)

##### (2) Material non-wholly owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by non-controlling interests	Profit or loss allocated to non-controlling interests during the period	Dividend declared to non-controlling shareholders during the period	Balance of non-controlling interests at the end of the period
Longtan Bridge	42.70%	24,140.54	–	1,761,002,891.12
Changyi Company	40.00%	(12,814,815.66)	–	528,283,466.86
Yichang Company	40.00%	(8,177,951.10)	–	574,644,540.58
Wufengshan Toll Bridge Company	35.50%	33,325,260.65	–	1,643,399,661.20
Zhendan Company	30.00%	(5,685,793.13)	–	113,677,920.97
Fengxian Renewable Energy	30.00%	1,469,977.49	6,325,617.56	20,717,023.80
Jintan Heyi	30.00%	308,820.05	744,743.50	5,772,285.49
Rudong Company	28.00%	24,578,366.33	–	475,917,576.63
Yancheng Yunshan	20.00%	991,625.42	2,645,631.47	15,531,561.36
Guangjing Xicheng Company	15.00%	71,689,127.89	–	1,174,740,998.40
Suqian Company	35.00%	–	–	–
Liyang Youke	10.00%	19,825.26	87,896.09	916,132.63

##### (3) Key financial information about material non-wholly owned subsidiaries

Significant financial information	Guangjing Xicheng Company		Zhendan Company		Wufengshan Toll Bridge Company		Changyi Company	
	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022
Current assets	319,747,789.16	114,829,168.25	17,112,779.53	9,826,090.66	487,727,199.47	381,439,488.83	32,439,967.32	21,010,050.80
Non-current assets	15,406,984,137.07	15,185,784,587.47	1,623,375,271.71	1,654,287,986.09	11,882,205,249.01	12,008,855,632.76	3,604,020,824.64	3,650,803,272.86
Total assets	15,726,731,926.23	15,300,613,755.72	1,640,488,051.24	1,664,114,076.75	12,369,932,448.48	12,390,295,121.59	3,636,460,791.96	3,671,813,323.66
Current Liabilities	3,092,308,300.12	3,207,195,717.41	1,261,571,648.02	1,266,245,029.76	532,061,497.21	537,415,198.67	833,504,624.80	822,044,867.34
Non-current liabilities	3,681,463,731.05	3,650,393,895.75	–	–	7,208,614,945.18	7,317,495,246.24	1,482,247,500.00	1,497,022,750.00
Total liabilities	6,773,772,031.17	6,857,589,613.16	1,261,571,648.02	1,266,245,029.76	7,740,676,442.39	7,854,910,444.91	2,315,752,124.80	2,319,067,617.34
Operating income	1,122,596,552.66	649,648,115.79	46,041,821.22	37,492,005.35	384,760,697.68	179,365,949.06	62,422,260.18	50,362,037.58
Net profits/(losses) attributable to the Company	477,927,519.26	285,117,277.76	(18,952,643.77)	(17,952,987.83)	93,871,329.41	(94,274,693.80)	(32,037,039.16)	(44,027,441.72)
Total comprehensive income	522,978,369.26	291,084,277.76	(18,952,643.77)	(17,952,987.83)	93,871,329.41	(94,274,693.80)	(32,037,039.16)	(44,027,441.72)
Cash flows from operating activities	604,159,534.67	411,687,558.37	39,786,235.46	30,821,994.15	354,214,477.39	602,757,142.02	49,089,836.43	89,398,340.38

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

## 1. Interests in subsidiaries (Continued)

## (3) Key financial information about material non-wholly owned subsidiaries (Continued)

Significant financial Information	Yichang Company		Longtan Bridge (Note)		Rudong Company	
	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022	30 June 2023/For the six-month period ended 30 June 2023	31 December 2022/For the six-month period ended 30 June 2022
Current assets	67,898,967.04	38,854,322.95	15,665,011.36	24,451,897.03	1,210,808,519.93	1,142,224,081.24
Non-current assets	3,717,850,651.82	3,758,692,967.05	5,597,628,365.78	4,839,909,802.40	4,183,335,429.30	4,310,327,914.56
Total assets	3,785,749,618.86	3,797,547,290.00	5,613,293,377.14	4,864,361,699.43	5,394,143,949.23	5,452,551,995.80
Current liabilities	837,738,267.41	822,711,060.81	185,484,532.10	147,603,559.16	691,551,034.22	838,333,418.24
Non-current liabilities	1,511,400,000.00	1,517,780,000.00	1,729,000,000.00	1,328,000,000.00	3,002,887,284.18	3,003,044,573.66
Total liabilities	2,349,138,267.41	2,340,491,060.81	1,914,484,532.10	1,475,603,559.16	3,694,438,318.40	3,841,377,991.90
Operating income	66,839,740.96	68,600,385.37	745,854,596.29	425,821,793.86	294,027,844.07	261,193,284.33
Net (losses)/profits attributable to the Company	(20,444,877.74)	(39,279,609.67)	50,704.77	793,576.53	87,779,879.76	63,553,031.10
Total comprehensive income	(20,444,877.74)	(39,279,609.67)	50,704.77	793,576.53	87,779,879.76	63,553,031.10
Cash flows from operating activities	56,999,111.15	83,643,710.33	76,745,894.46	43,935,558.99	105,292,006.92	118,657,015.19

Note: At the 8th meeting of the tenth session of the Board of Directors of the Company, directors agreed to increase the capital of RMB2,095,376,200 to Longtan Bridge. The Company signed a capital increase agreement with Longtan Bridge and its other existing shareholders on 8 July 2022, after which the shareholding ratio of the Company became 57.33% and the paid-up ratio was 52.39% as at 30 June 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 2. Interests in joint ventures or associates

##### (1) Material associates

Name of associates	Principal place of business	Registered place	Nature of business	Shareholding percentage (%)		Accounting treatment of investments in associates	Registered capital	Strategic to the Group's activities
				Direct	Indirect			
Yangtze Bridge Company	Nanjing	Nanjing	Construction and operation of expressway	26.66	–	Equity method	2,137,248,000	Yes
Suzhou Expressway Management	Suzhou	Suzhou	Construction and operation of expressway	23.86	–	Equity method	2,543,392,900	Yes
Zijin Trust	Nanjing	Nanjing	Trust	20.00	–	Equity method	3,271,075,500	Yes
Yanjiang Company	Nanjing	Nanjing	Construction and operation of expressway	–	25.15	Equity method	3,976,453,400	Yes

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

## 2. Interests in joint ventures or associates (Continued)

## (2) Key financial information of material associates

The following table sets out the key financial information of the Group's material associates, adjusted for fair value adjustments at the time of acquisition and any differences in accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the associates when using the equity method:

	Yangtze Bridge Company			Suzhou Expressway Management/(Note)			Zijin Trust			Yanjiang Company			Total		
	31 December 2022/		30 June 2023/For	31 December 2022/		30 June 2023/For	31 December 2022/		30 June 2023/For	31 December 2022/		30 June 2023/For	31 December 2022/		30 June 2023/For
	the six-month period ended 30 June 2022	the six-month period ended 30 June 2023		the six-month period ended 30 June 2022	the six-month period ended 30 June 2023		the six-month period ended 30 June 2022	the six-month period ended 30 June 2023		the six-month period ended 30 June 2022	the six-month period ended 30 June 2023		the six-month period ended 30 June 2022	the six-month period ended 30 June 2023	
Current assets	1,266,263,456.16	707,114,884.59	2,449,830,289.78	1,476,465,048.04	362,789,396.91	1,052,964,526.50	362,789,396.91	9,244,211,608.20	8,748,986,272.98	11,295,355,602.52	14,013,269,880.64	11,295,355,602.52			
Non-current assets	32,166,106,344.71	29,763,834,864.59	10,031,540,051.62	9,081,458,924.59	8,914,299,689.07	10,588,614,487.72	8,914,299,689.07	7,296,384,936.35	7,519,342,115.51	55,278,935,593.76	60,082,645,920.40	55,278,935,593.76			
Total assets	33,432,369,800.87	30,470,949,749.18	12,481,370,341.40	10,557,923,972.63	9,277,089,085.98	11,641,579,014.22	9,277,089,085.98	16,540,596,544.55	16,268,328,388.49	66,574,291,196.28	74,095,915,701.04	66,574,291,196.28			
Current liabilities	1,745,551,160.55	1,598,105,308.30	605,411,303.68	741,094,724.49	818,155,118.21	1,619,441,930.50	818,155,118.21	713,971,847.86	717,859,016.47	3,875,214,167.47	4,684,376,242.59	3,875,214,167.47			
Non-current liabilities	15,673,617,873.26	15,009,465,477.89	2,668,277,374.99	2,655,380,575.11	109,171,632.06	1,477,147,756.17	109,171,632.06	5,300,633,955.39	5,383,177,664.28	23,157,215,349.34	25,119,676,959.81	23,157,215,349.34			
Total liabilities	17,419,169,033.81	16,607,590,786.19	3,273,688,678.67	3,396,475,299.60	927,326,750.27	3,096,589,686.67	927,326,750.27	6,014,605,803.25	6,101,036,680.75	27,032,429,516.81	29,804,053,202.40	27,032,429,516.81			





## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

#### 2. Interests in joint ventures or associates (Continued)

##### (2) Key financial information of material associates (Continued)

*Note:* Yanjiang Company presented the shareholders' equity and net profit attributable to the parent company of Yanjiang Expressway on the basis of 40% of the shareholders' equity and net profit attributable to the Zhangjiagang Harbor Diversion Expressway Project less the shareholders' equity and net profit attributable to the Zhangjiagang Harbor Diversion Expressway Project enjoyed by Zhangjiagang City Directly Undertaken Public Assets Operation Co. The Group was entitled to the relevant shareholders' equity at a ratio of 27.6%.

##### (3) Summarised financial information of immaterial joint ventures and associates:

	<b>30 June 2023/ For the six-month period ended 30 June 2023</b>	31 December 2022/ For the six-month period ended 30 June 2022
<b>Joint ventures:</b>		
Aggregate carrying amount of investments	<b>10,627,223.62</b>	9,921,731.43
Aggregate amount of share of		
– Net profit	<b>705,492.19</b>	569,885.00
– Other comprehensive income	–	–
– Total comprehensive income	<b>705,492.19</b>	569,885.00
<b>Associates:</b>		
Aggregate carrying amount of investments	<b>1,899,182,843.73</b>	1,830,107,817.94
Aggregate amount of share of		
– Net profit	<b>81,575,025.79</b>	60,469,525.66
– Other comprehensive income	–	–
– Total comprehensive income	<b>81,575,025.79</b>	60,469,525.66

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### VIII. RISK RELATED TO FINANCIAL INSTRUMENTS

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

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

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

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

#### 1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, bills receivable, accounts receivable, other receivables, factoring receivable, long-term receivables disclosed in Notes V, 1, 3, 4, 6, 9 and 10, and the guarantee contract amount related to real estate sales disclosed in Note XII "Contingencies". Exposures to these credit risks are monitored by management on an ongoing basis.

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

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country/region in which the customers operate. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at the balance sheet date, 80.31% (2022: 89.10%) of total accounts receivable and contract assets were due from the Group's five largest customers.

For details of accounts receivable, refer to Note V.4.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### 2. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

#### 3. Interest rate risk

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

#### 4. Other price risks

Other price risks include assets price risk and commodity price risk.

In order to avoid the risk of equity investment, the Group uses the stock capital to invest in some domestic listed companies with certain scale, competitive advantage and development potential through the securities market in accordance with the authorization of the board of directors of the Company. At the same time, the Group reasonably controls its investment scale and collectively studies on specific investment strategies based on the stock market and the management of target enterprises. On the other hand, the Group divides stock investment into other equity instrument investment in strict accordance with national laws and regulations and in combination with the Group's investment arrangement, and carries out targeted tracking management. For the stock investment divided into other equity instruments, the Group pay attention to the operation and development of the target company, and understand the operation and management of the company through attending its shareholders' meeting.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### IX. FAIR VALUE DISCLOSURE

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

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

#### 1. Fair value of assets and liabilities measured at fair value at 30 June 2023

Item	Note	30 June 2023			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
Financial assets held for trading	V.2	31,944,083.24	4,725,000,000.00	–	4,756,944,083.24
Including: Fund investments		31,944,083.24	–	–	31,944,083.24
Stock investments		–	–	–	–
Financial products		–	4,725,000,000.00	–	4,725,000,000.00
Investments in other equity instruments	V.12	7,107,088,380.00	–	–	7,107,088,380.00
Other non-current financial assets	V.13	504,581,131.08	–	2,428,006,063.17	2,932,587,194.25
Including: Equity instruments		504,581,131.08	–	2,428,006,063.17	2,932,587,194.25
Total assets measured at fair value on a recurring basis		<u>7,643,613,594.32</u>	<u>4,725,000,000.00</u>	<u>2,428,006,063.17</u>	<u>14,796,619,657.49</u>

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

Items in Level 1 fair value measurement on a recurring basis include held-for-trading financial assets-fund investment and stock investment and part of other equity instruments, whose fair values are the prices of similar items quoted at active market at the end of the period.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### IX. FAIR VALUE DISCLOSURE (CONTINUED)

#### 3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 2

The fair value of the held-for-trading financial assets – financial products are determined by discounted future cash flows based on expected yield rate.

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

Non-current financial assets in Level 3 fair value measurements on recurring basis mainly include private equity fund shares held by the Group. The Group adopts valuation technology for fair value measurement, which is mainly calculated and recognized by market method.

#### 5. Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements

#### 6. Valuation technology changes that occurred during the period and the reasons for the changes

During the Period, there were no changes to the valuation techniques used by the Group for the above continuous and non-ongoing fair value measurement.

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

#### 1. Information about the parent of the Company

Company name	Registered place	Business nature	Registered capital	Shareholding percentage (%)	Percentage of voting rights (%)
Communication Holding	Nanjing, Jiangsu Province	Investment, construction, operation and management of traffic infrastructure, transportation and other relevant industry	16,800,000,000.00	54.44	54.44

The ultimate control party of the Company is Communication Holding.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

#### 3. Information about associates of the Company

For information about the associates of the Company, refer to Note VII.2.

#### 4. Information on other related parties

Name of other related parties	Related party relationship
Jiangsu Tongxingbao Smart Transportation Science & Technology Co., Ltd. ("Tongxingbao Company")	Same ultimate shareholder
Jiangsu Expressway Energy Development Co., Ltd. ("Expressway Energy Development Company") (formerly known as Jiangsu Expressway Petroleum Development Co., Ltd.)	Same ultimate shareholder
Jiangsu Sutong Bridge Co., Ltd. ("Sutong Bridge Company")	Same ultimate shareholder
Jiangsu Taizhou Bridge Co., Ltd. ("Taizhou Bridge Company")	Same ultimate shareholder
Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. ("Maintenance Technology Company")	Same ultimate shareholder
Jiangsu Huatong Engineering Testing Co., Ltd. ("Huatong Company")	Same ultimate shareholder
Jiangsu Jinghu Expressway Co., Ltd. ("Jinghu Company")	Same ultimate shareholder
Jiangsu Railway Group Co., Ltd. ("Railway Group Company")	Same ultimate shareholder
Jiangsu Xiandai Engineering Testing Co., Ltd. ("Engineering Testing Company")	Same ultimate shareholder
Nanjing Micro Video Co., Ltd. ("Micro Video Company")	Same ultimate shareholder
Taixing Hechang Petroleum Sales Co., Ltd. ("Taixing Hechang Petroleum Company")	Same ultimate shareholder
Jiangsu Highway Engineering Maintenance Co., Ltd. ("Engineering Maintenance Company")	Same ultimate shareholder
Jiangsu Hutong Bridge Co., Ltd. ("Hutong Bridge Company")	Same ultimate shareholder
Jiangsu Shanghai Jiangsu Zhejiang Expressway Co., Ltd. ("Husuzhe Expressway")	Same ultimate shareholder
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. ("Communications Holding Commercial Operation Company")	Same ultimate shareholder
Jiangsu Cuipingshan Hotel ("Cuipingshan Hotel")	Same ultimate shareholder
Jiangsu Communications Holding Training Co., Ltd. ("Communications Holding Training Company")	Same ultimate shareholder
Jiangsu Xitai Tunnel Company Limited ("Xitai Tunnel Company")	Same ultimate shareholder
Jiangsu Dongfang Road and Bridge Construction Maintenance Co., Ltd. ("Dongfang R&B Company")	Same ultimate shareholder

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Information on other related parties (Continued)

Name of other related parties	Related party relationship
Jiangsu Expressway Operation and Management Centre (“Expressway Management Centre”)	Same ultimate shareholder
Jiangsu Runyang Bridge Development Co., Ltd. (“Runyang Bridge Company”)	Same ultimate shareholder
Jiangsu East Expressway Management Co., Ltd. (“East Expressway Company”)	Same ultimate shareholder
Jiangsu Yunshan Capital Management Co., Ltd. (“Yunshan Capital”)	Same ultimate shareholder
Changzhou Expressway Management Co., Ltd. (“Changzhou Expressway Management”)	Same ultimate shareholder
Jiangsu Yanshe Expressway Co., Ltd. (“Yanshe Expressway Company”)	Same ultimate shareholder
Jiangsu Suhuaiyan Expressway Management Co., Ltd. (“Suhuaiyan Expressway Company”)	Same ultimate shareholder
Jiangsu Ninghang Expressway Co., Ltd. (“Ninghang Expressway Company”)	Same ultimate shareholder
Jiangsu Lianxu Expressway Co., Ltd. (“Lianxu Expressway Company”)	Same ultimate shareholder
Jiangsu Ningsuxu Expressway Co., Ltd. (“Ningsuxu Expressway Company”)	Same ultimate shareholder
Jiangsu Suxichang South Expressway Co., Ltd. (“Suxichang South Company”)	Same ultimate shareholder
Nanjing Highway Development (Group) Co., Ltd. (“Nanjing Highway Development Company”)	Same ultimate shareholder
Jiangsu Hetai Expressway Operating and Management Co., Ltd. (“Hetai Expressway Company”)	Same ultimate shareholder
Tongchang Real Estate Nantong Co., Ltd. (“Tongchang Real Estate”)	Same ultimate shareholder
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (“JCH Commercial Operation Company”)	Same ultimate shareholder
Jiangsu Tongchang Real Estate Investment Co., Ltd. (“Tongchang Real Estate Investment”)	Same ultimate shareholder
Nantong Tongsha Harbor Business Co., Ltd. (“Tongsha Harbor Business”)	Same ultimate shareholder
Nantong Tiandian Xinxing Energy Co., Ltd. (“Nantong Tiandian Company”)	Same ultimate shareholder
Jiangsu South Yanjiang Intercity Railway Co., Ltd. (“South Yanjiang Railway”)	Same ultimate shareholder
Bank of Jiangsu Co., Ltd. (“Bank of Jiangsu”)	Associate of the parent company
Bank of Nanjing Co., Ltd. (“Bank of Nanjing”)	Associate of the parent company
Fuanda Fund Management Co., Ltd. (“Fuanda Company”)	Associate of the parent company



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 4. Information on other related parties (Continued)

Name of other related parties	Related party relationship
Jiangsu Expressway Information Engineering Co., Ltd. ("Expressway Information Company")	Associate of the parent company
Suzhou Suchang Auto Repair Service Co., Ltd. ("Suchang Auto Repair Company")	Subsidiary of an associate

#### 5. Transactions with related parties

The transactions below with related parties were conducted under normal commercial terms or agreements.

##### (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties

Purchase of goods/receipt of services/interest expense of loans

Name of related party	Nature of transaction	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Sundian R&B Company*	Road maintenance fee	<b>21,898,903.08</b>	281,512,711.07
Sundian R&B Company*	Special engineering projects	<b>22,078,979.89</b>	–
Sundian R&B Company*	Winter precaution emergency cooperation projects	<b>9,729,881.28</b>	–
Network Operation Company*	Maintenance and operating administration fees for toll collection system	<b>16,862,403.07</b>	11,828,666.00
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	<b>18,566,409.91</b>	4,956,865.04
Maintenance Technology Company*	Road maintenance fee	<b>1,389,297.49</b>	5,305,452.20
Expressway Information Company*	System maintenance fee	–	4,528,698.15
Expressway Information Company*	Renewal and renovation project	<b>1,920,452.60</b>	–
Kuailu Company*	Lease fee of transportation service	<b>8,342,193.26</b>	6,997,697.52
Nanlin Hotel	Catering and accommodations	<b>4,668.00</b>	–
Micro Video Company*	Three major system construction and maintenance fees	–	45,500.00

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Transactions with related parties (Continued)

##### (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties (Continued)

Name of related party	Nature of transaction	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Engineering Testing Company	Road maintenance fee	885,747.68	–
Dongfang R&B Company	Road maintenance fee	–	1,910,396.00
Culture Media	Entrusted management fee	3,209,394.64	2,687,144.15
Cuipingshan Hotel*	Procurement and service fee	258,400.00	146,305.70
JCH Commercial Operation Company	Procurement and service fee	3,989,862.75	239,228.64
Communications Holding Human Resources Company*	Procurement and service fee	4,110,225.91	3,262,259.01
	Training fee and outsourcing service fee	2,044,291.51	5,318,843.73
Communications Holding	Interest expenses of loans from a related party	61,144,308.72	56,655,910.73
Bank of Jiangsu	Underwriting fee	17,435.62	5,222.22
Bank of Nanjing	Underwriting fee	13,056.00	–
Bank of Jiangsu	Commission charges	254.00	200.00
Bank of Nanjing	Commission charges	380.00	566.00
Bank of Nanjing	Investment income from wealth management products	9,700,416.67	–
Husuzhe Expressway Group Finance Company*	Interest expenses of entrusted loan	–	462,555.56
	Interest expenses of working capital loan	15,968,410.29	17,887,188.39
Dongfang R&B Company	Interest expenses of working capital loan	–	442,444.44
Culture Media	Interest expenses of working capital loan	–	2,120,139.10
Tongchang Real Estate	Interest expenses of working capital loan	–	1,392,888.92
Yunshan Capital	Interest expenses of working capital loan	–	235,916.68

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

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Transactions with related parties (Continued)

##### (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties (Continued)

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

Name of related party	Nature of transaction	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Group Finance Company*	Interest income from deposits	<b>2,003,466.63</b>	1,141,487.37
Bank of Jiangsu	Interest income from deposits	<b>14,525.97</b>	639.42
Bank of Nanjing	Interest income from deposits	<b>210,356.75</b>	33,682.44
Kuailu Company	Toll road income	<b>145,831.65</b>	–
Kuailu Company	Income from sales of oil	<b>420,906.21</b>	–
Suxichang South Company	Income from sales of oil	<b>138,013.5</b>	25,031.38
Sundian R&B Company	Income from sales of oil	<b>639,218.09</b>	433,840.09
Luode Fund Company	Income from sales of oil	<b>7,195.22</b>	491.28
Suxichang South Company*	Entrusted management income	<b>15,073,683.28</b>	14,352,827.72
Yangtze Bridge Company*	Entrusted management income	<b>7,489,000.00</b>	6,705,000.00
Hutong Bridge Company*	Entrusted management income	<b>3,826,500.00</b>	3,723,000.00
Xitai Tunnel Company	Entrusted management income	<b>215,000.00</b>	210,000.00
Lianxu Expressway Company	Income from sales of electricity	<b>600,709.50</b>	465,571.10
East Expressway Company	Income from sales of electricity	<b>373,422.80</b>	347,887.96
Suhuaiyan Expressway Company	Income from sales of electricity	<b>444,813.28</b>	298,180.93
Ningsuxu Expressway Company	Income from sales of electricity	<b>552,420.27</b>	442,408.88
Yanjiang Company	Income from sales of electricity	<b>73,965.15</b>	57,872.52
Runyang Bridge Company	Income from sales of electricity	<b>147,777.68</b>	141,210.64
Jinghu Company	Income from sales of electricity	<b>239,781.19</b>	121,374.19

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Transactions with related parties (Continued)

##### (2) Leases

As the lessor

Name of lessee	Type of assets leased	Lease income recognised in the current period	Lease income recognised in the prior period
Expressway Energy Development Company*	Fixed assets	14,454,625.98	6,623,472.54
Taixing Hechang Oil Company*	Fixed assets	1,951,495.70	861,993.36
Railway Group Company	Fixed assets	1,986,820.02	1,986,820.02
Sundian R&B Company*	Fixed assets	844,999.98	844,999.98
Culture Media*	Fixed assets	21,743,251.11	22,403,894.73
Tongxingbao Company*	Fixed assets	315,026.76	276,863.27
Three Gorges Nantong	Fixed assets	<u>1,031,784.68</u>	<u>215,333.33</u>

As the lessee

Name of lessor	Type of assets leased	Lease expense recognised in the current period	Lease expense recognised in the prior period
JCH Commercial Operation Company	Fixed assets	7,224,294.97	5,574,953.50
Suhuaiyan Expressway Company	Fixed assets	51,378.00	51,378.00
Yanjiang Company	Fixed assets	8,505.00	8,505.00
Lianxu Expressway Company	Fixed assets	50,185.71	39,900.00
Ningsuxu Expressway Company	Fixed assets	92,730.00	–
Jinghu Company	Fixed assets	<u>39,000.00</u>	<u>–</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Transactions with related parties (Continued)

##### (3) Guarantee

The Group as the guarantor

Guarantee holder	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Communications Holding	USD1,362,685.71	15 October 1998	18 July 2027	N

##### (4) Funding from related party

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the period	Note
Funds received/repaid Group Finance Company*	-	1 December 2022	30 November 2023	100,000,000.00	Related party loans at 2.90% per annum
Group Finance Company*	(150,000,000.00)	1 December 2022	30 June 2023	-	Related party loans at 2.90% per annum
Group Finance Company*	150,000,000.00	12 May 2023	11 May 2024	150,000,000.00	Related party loans at 2.90% per annum
Group Finance Company*	100,000,000.00	15 May 2023	14 May 2024	100,000,000.00	Related party loans at 2.90% per annum
Group Finance Company*	(5,500,000.00)	24 August 2022	20 June 2027	49,500,000.00	Related party loans at 3.50% per annum
Group Finance Company*	(1,000,000.00)	24 August 2022	20 June 2028	23,000,000.00	Related party loans at 3.50% per annum
Group Finance Company*	(2,000,000.00)	24 August 2022	10 August 2037	198,000,000.00	Related party loans at 3.50% per annum
Group Finance Company*	(3,000,000.00)	24 August 2022	20 June 2028	45,000,000.00	Related party loans at 3.50% per annum
Group Finance Company*	(100,000,000.00)	16 March 2022	16 March 2023	-	Related party loans at 2.95% per annum
Group Finance Company*	(100,000,000.00)	24 April 2022	23 April 2023	-	Related party loans at 2.95% per annum
Group Finance Company*	(100,000,000.00)	15 June 2022	30 May 2023	-	Related party loans at 2.80% per annum
Group Finance Company*	(150,000,000.00)	15 July 2022	30 May 2023	-	Related party loans at 2.65% per annum
Group Finance Company*	(120,000,000.00)	19 July 2022	30 May 2023	-	Related party loans at 2.65% per annum

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Transactions with related parties (Continued)

##### (4) Funding from related party (Continued)

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the period	Note
Group Finance Company*	(30,000,000.00)	19 July 2022	29 June 2023	-	Related party loans at 2.65% per annum
Group Finance Company*	(140,000,000.00)	11 August 2022	29 June 2023	-	Related party loans at 2.65% per annum
Group Finance Company*	-	11 August 2022	10 August 2023	10,000,000.00	Related party loans at 2.65% per annum
Group Finance Company*	-	26 August 2022	25 August 2023	100,000,000.00	Related party loans at 2.60% per annum
Group Finance Company*	100,000,000.00	29 March 2023	28 March 2024	100,000,000.00	Related party loans at 2.40% per annum
Communications Holding	(250,000,000.00)	17 May 2013	17 May 2023	-	Related party loans at 5.30% per annum
Communications Holding	-	21 June 2020	29 May 2035	500,000,000.00	Related party loans at 3.45% per annum
Communications Holding	-	22 July 2020	22 July 2025	548,795,875.80	Related party loans at 3.85% per annum
Communications Holding	-	20 November 2018	24 October 2023	500,000,000.00	Related party loans at 4.43% per annum
Communications Holding	-	8 November 2019	29 August 2024	100,000,000.00	Related party loans at 3.76% per annum
Communications Holding	-	22 July 2020	22 July 2025	50,000,000.00	Related party loans at 3.85% per annum
Communications Holding	-	20 November 2018	24 October 2023	300,000,000.00	Related party loans at 4.43% per annum
Communications Holding	-	22 July 2020	22 July 2025	200,000,000.00	Related party loans at 3.85% per annum
Communications Holding	-	14 September 2022	13 September 2039	496,170,000.00	Related party loans at 3.10% per annum
Communications Holding	-	21 January 2020	20 January 2025	298,482,290.44	Related party loans at 3.74% per annum

Note: When the Group is the borrower, the positive amount represents borrowing from a related party while the negative amount represents repayment to a related party; When the Group is the lender, positive amount represents lending to a related party while the negative amount represents collecting the money from a related party.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 5. Transactions with related parties (Continued)

##### (5) Remuneration of key management personnel

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Remuneration of key management personnel	<b>4,463,321.00</b>	3,841,186.00

##### (6) Other explanations

\* Representing the connected transaction as defined in Chapter 14A of the Listing Rules.

#### 6. Receivables from and payables to related parties

##### (1) Receivables from related parties

Item	Name of related party	30 June 2023	31 December 2022
Deposits with banks (Note 1)	Group Finance Company	<b>398,947,537.59</b>	597,044,456.03
	Bank of Jiangsu	<b>158,198.64</b>	308,902.43
	Bank of Nanjing	<b>533,911.45</b>	2,180,913.87
	Sub-total	<b>399,639,647.68</b>	599,534,272.33
Financial assets held for trading	Bank of Nanjing	<b>300,000,000.00</b>	300,000,000.00
Accounts receivable (Note 2)	Expressway Energy Development Company	<b>8,191,942.94</b>	10,916,263.55
	Yangtze Bridge Company	<b>177,746.18</b>	14,262,200.00
	Hutong Bridge Company	<b>3,826,500.00</b>	8,210,800.00
	Kuailu Company	–	247,484.52
	Luode Fund Company	<b>837.32</b>	2,555.33
	Sundian R&B Company	<b>1,094,455.50</b>	102,458.02
	Culture Media	<b>15,387,417.22</b>	7,515,612.20
	Taixing Hechang Oil Company (Note 3)	<b>1,716,246.03</b>	1,951,495.70
	Xitai Tunnel Company	<b>215,000.00</b>	420,000.00
	East Expressway Company	<b>120,376.29</b>	11,071.52
	Suhuaiyan Expressway Company	<b>113,780.10</b>	6,475.95
	Lianxu Expressway Company	<b>81,858.13</b>	43,337.93
Ningsuxu Expressway Company	<b>159,918.93</b>	50,513.82	

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

## 6. Receivables from and payables to related parties (Continued)

## (1) Receivables from related parties (Continued)

Item	Name of related party	30 June 2023	31 December 2022
	Runyang Bridge Company	1,194,563.21	1.42
	Suxichang South Company	49,635,783.48	34,468,610.46
	Tongxingbao Company	7,079,804.88	7,819,964.84
	Fuanda Company	–	483,634.08
	Sub-total	<b>88,996,230.21</b>	<b>86,512,479.34</b>
Long-term receivables (including those due within one year)	JCH Commercial Operation Company	<b>173,904,575.09</b>	173,904,575.09
Prepayments	Tongxingbao Company	<b>20,000.00</b>	33,941.78
Other receivables	Luode Fund Company	<b>16,598,493.35</b>	16,598,493.35
	Sundian R&B Company	–	12,509.15
	Network Operation Company	–	324.00
	Tongxingbao Company	<b>14,069.22</b>	109,161.22
	Engineering Testing Company	<b>123,082.21</b>	123,082.21
	Expressway Information Company	–	329.00
	JCH Commercial Operation Company	–	289,705.00
	Nengtou Xincheng	<b>295,849.06</b>	295,849.06
	Sub-total	<b>17,031,493.84</b>	<b>17,429,452.99</b>
Dividends receivable	Kuailu Company	<b>4,989,960.00</b>	4,989,960.00
	Yangtze Bridge Company	<b>34,190,139.60</b>	–
	Sub-total	<b>39,180,099.60</b>	<b>4,989,960.00</b>

Note 1: A financial service agreement was signed and concluded between the Group and Group Finance Company, in which Group Finance Company would provide financial service to the Group such as deposit, credit and so on. The Company's subsidiaries, Guangjing Xicheng Company, Changyi Company, Yichang Company, Zhendan Expressway, Yangtze River Management and Longtan Bridge have also participated in this agreement. As at 30 June 2023, the Group has deposited RMB398,947,537.59 (31 December 2022: RMB597,044,456.03) in Group Finance Company in accordance with the financial service agreement.

Note 2: As at 30 June 2023, besides the accounts receivable from related party stated above, there are split toll road fee receivables from Eastern Expressway Company, Jinghu Company and other expressway companies within the toll road network companies ("Toll Road Network Companies") which amounted to RMB120,246,482.51 (31 December 2022: RMB142,584,009.69). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which the Company has no other control, joint control or significant influence relationship with them.

Note 3: As at 30 June 2023, the carrying amount with Expressway Energy Development Company and Taixing Hechang Oil Company were lease receivables.



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### 6. Receivables from and payables to related parties (Continued)

##### (2) Payables to related parties

Item	Name of related party	30 June 2023	31 December 2022
Accounts payable (Note)	Sundian R&B Company	<b>39,186,256.06</b>	128,136,021.54
	Yangtze Bridge Company	<b>45,314.08</b>	–
	Yanjiang Company	<b>68,460.55</b>	–
	Expressway Information Company	<b>4,562,917.70</b>	8,357,624.10
	Suzhou Expressway Management	<b>45,574.60</b>	–
	Network Operation Company	<b>4,838,780.00</b>	2,348,127.00
	Tongxingbao Company	<b>5,574,984.89</b>	2,198,085.96
	Kuailu Company	<b>1,032,759.35</b>	7,860,954.80
	Micro Video Company	<b>1,055,909.37</b>	1,860,510.26
	Maintenance Technology Company	<b>9,029,798.87</b>	10,745,361.56
	Huatong Company	<b>3,369,621.65</b>	7,270,296.84
	Culture Media	<b>5,204,842.10</b>	2,021,800.00
	Engineering Testing Company	–	377,377.00
	Communications Holding	–	522,207.94
	Human Resources Company	<b>240,000.00</b>	621,048.00
	Runyang Bridge Company	<b>9,396.58</b>	–
	Engineering Maintenance Company	<b>904,292.00</b>	904,292.00
	Bank of Nanjing	<b>1,000,000.00</b>	1,490,000.00
	JCH Commercial Operation Company	<b>281,873.04</b>	279,364.28
	Luode Fund Company	<b>7,666,802.99</b>	7,666,802.99
	Sub-total	<b>84,117,583.83</b>	182,659,874.27
Advance payments received	Kuailu Company	–	458,689.67
	Sundian R&B Company	<b>80,000.00</b>	80,000.00
	Yanjiang Company	–	1,738,949.66
	Yangtze Bridge Company	–	601,551.00
	Sub-total	<b>80,000.00</b>	2,879,190.33

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

## 6. Receivables from and payables to related parties (Continued)

## (2) Payables to related parties (Continued)

Item	Name of related party	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022	
Other payables	Communications Holding	–	8,511,094.34	
	Tongxingbao Company	–	74,150.00	
	Network Operation Company	1,380.00	1,620.00	
	Sundian R&B Company	11,926,873.42	19,964,294.25	
	Luode Fund Company	10,000,000.00	10,000,000.00	
	Dongfang R&B Company	376,181.40	376,181.40	
	Expressway Information Company	27,497.48	283,428.96	
	East Expressway Company	–	367,803.57	
	Expressway Management Centre	–	2.52	
	Human Resources Company	200,000.00	200,000.00	
	Micro Video Company	104,295.16	102,364.66	
	Culture Media	35,585.85	35,585.85	
		Sub-total	<u>22,671,813.31</u>	<u>39,916,525.55</u>
	Short-term loans	Group Finance Company	<u>560,440,277.80</u>	<u>1,100,932,707.78</u>
Long-term loans (including long-term loans due within one year)	Group Finance Company	315,803,333.32	327,349,708.33	
	Communications Holding	<u>3,053,796,097.87</u>	<u>3,287,709,999.15</u>	
	Sub-total	<u>3,369,599,431.19</u>	<u>3,615,059,707.48</u>	

Note: As at 30 June 2023, besides the accounts payable to related party stated above, there are split toll road fee payables to other Toll Road Network Companies which amounted to RMB1,916,799.55 (31 December 2022: RMB3,956,028.26). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which the Company has no other control, joint control or significant influence relationship with them.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XI. COMMITMENTS AND CONTINGENCIES

#### 1. Significant commitments

##### (1) Capital commitments

Item	30 June 2023	31 December 2022
Capital commitments that have been entered into but have not been recognized in the financial statements		
– Commitment for acquisition and construction of long-term assets	15,028,683,946.84	15,292,496,496.36

#### 2. Contingencies

Ninghu Properties and Hanwei Company, the subsidiaries of the Company provide joint and several liability guarantees to banks for bank borrowings granted to buyers of properties in accordance with real estate industry practices. The obligation begins from the date on which the guarantee contract comes into effect and will end when the buyers obtain certifications of the purchased properties and complete registration of mortgage and pass the properties warrants certification to the bank. As at 30 June 2023, the outstanding guarantees amounted to approximately RMB181,504,405.05 (31 December 2022: RMB131,898,198.22).

### XII. SUBSEQUENT EVENTS

#### 1. Disposal of subsidiaries, change in scope of consolidation

On February 17, 2023, with the consent of the Fifteenth Meeting of the Tenth Session of the Board of Directors of the Company, Ninghu Investment Company, a wholly-owned subsidiary of the Company, transferred 100% equity interests in Factoring Company held by the Company to Communication Holding and Yunshan Capital. on February 27, 2023, Ninghu Investment Company, a wholly-owned subsidiary of the Company, Factoring Company, and Communication Holding and Yunshan Capital entered into an Equity Transfer Agreement. According to the appraisal results filed by the state-owned assets management department, the transaction price was RMB346,000,000, of which the consideration for the transfer of 80% of the subject equity interest in Communication Holding was RMB276,800,000; and the consideration for the transfer of 20% of the subject equity interest in Yunshan Capital was RMB69,200,000. In July 2023, the Guangzhou Local Financial Supervisory Authority approved the approval of the change of shareholders of the Factoring Company. As at the reporting date, Ninghu Investment Company has received all the equity transfer payment of RMB346,000,000 from Factoring Company and both parties have completed the settlement, and is currently in the process of handling the industrial and commercial change procedures. Upon completion of the transfer, the Company no longer holds equity interests in the Factoring Company and will no longer include it in the scope of the Company's consolidated statements.

## NOTES TO THE FINANCIAL STATEMENTS

*For the Six-month period ended 30 June 2023*

### XIII. OTHER SIGNIFICANT ITEMS

#### 1. Segment reporting

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 13 operating segments, including Shanghai-Nanjing Expressway, Ningchang Expressway and Zhenli Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Zhendan Expressway, Wufengshan Toll Bridge Company, Changyi Expressway, Yichang Expressway, Longtan Bridge, ancillary services (including petrol, food and retail in service zones along the expressways), real estate development, sales of electricity and advertising and others. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance.

##### (1) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders. Non-operating income and expenses, tax expenses, financial expenses, investment income, gain or loss from changes in fair value and part of general and administrative expenses are not allocated to individual segments.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIII. OTHER SIGNIFICANT ITEMS (CONTINUED)

#### 1. Segment reporting (Continued)

##### (1) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments set out below is the measure of segment profit and segment assets reviewed by the chief operating decision maker or is otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment profit and segment assets:

	Shanghai-Nanjing Expressway		Guangji Expressway and Xicheng Expressway		Xiyi Expressway and Wuxi Huantaihu Expressway		Changyi Expressway		Yichang Expressway		
	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	
	Segment operating income	2,587,561,515.16	1,901,136,511.47	428,290,778.80	302,268,027.43	293,529,522.24	220,023,528.20	62,422,260.18	50,362,037.58	64,826,188.79	67,761,084.64
	Operating cost	819,032,856.47	697,230,886.79	100,115,895.57	177,423,071.74	187,787,993.95	112,847,245.64	51,664,516.37	45,930,486.95	47,053,251.95	64,025,961.14
Including: Amortisation of toll roads operation rights	343,558,570.66	221,567,172.38	45,247,938.46	32,820,095.19	94,106,183.38	64,825,058.12	44,415,889.15	38,859,220.73	35,295,736.87	53,802,408.76	
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	
Segment operating profit	1,768,528,658.69	1,203,905,624.68	328,174,883.23	124,844,955.69	105,741,528.29	107,176,282.56	10,757,743.81	4,431,550.63	17,772,936.84	3,735,123.50	
Reconciling items:											
Less: Taxes and surcharges	9,315,221.45	6,844,091.44	1,541,846.80	1,088,164.90	1,056,706.28	792,084.70	224,720.14	181,303.34	233,374.28	243,939.90	
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-	
General and administrative expenses	31,473,447.42	31,473,447.42	-	-	-	-	-	-	-	-	
Financial expenses	-	-	-	-	-	-	-	-	-	-	
Add: Other income	8,507,890.11	9,440,794.81	-	62,276.00	-	-	-	34,000.00	-	16,000.00	
Investment income	-	-	-	-	-	-	-	-	-	-	
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-	-	-	
Credit losses	-	-	-	-	-	-	-	-	-	-	
Impairment losses	-	-	-	-	-	-	-	-	-	-	
Gains from asset disposals	-	-	-	-	-	29,346,100.00	-	-	-	-	
Operating profit/(loss)	1,736,247,879.93	1,175,028,880.63	326,633,036.43	123,819,066.79	104,684,822.01	135,730,297.86	10,533,023.67	4,284,247.29	17,539,562.56	3,507,183.60	
Non-operating income	-	-	-	-	-	-	-	-	-	-	
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	
Profit/(loss) before taxation	1,736,247,879.93	1,175,028,880.63	326,633,036.43	123,819,066.79	104,684,822.01	135,730,297.86	10,533,023.67	4,284,247.29	17,539,562.56	3,507,183.60	
Income tax	-	-	-	-	-	-	-	-	-	-	
Net profit/(loss) for the period	1,736,247,879.93	1,175,028,880.63	326,633,036.43	123,819,066.79	104,684,822.01	135,730,297.86	10,533,023.67	4,284,247.29	17,539,562.56	3,507,183.60	
Total segment assets	7,363,914,940.52	7,959,302,297.51	646,336,370.55	734,412,265.37	1,314,088,060.71	1,467,784,060.20	3,603,820,139.74	3,650,602,587.96	3,717,850,651.82	3,758,692,967.05	

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## XIII. OTHER SIGNIFICANT ITEMS (CONTINUED)

## 1. Segment reporting (Continued)

## (1) Segment results, assets and liabilities (Continued)

	Ningchang Expressway and Zhenli Expressway		Zhendan Expressway		Wufengshan Toll Bridge Company		Longtan Bridge		Ancillary services		
	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	30 June 2023/ For the six-month period ended 30 June 2023	31 December 2022/ For the six-month period ended 30 June 2022	
	Segment operating income	662,912,930.57	576,263,448.67	44,766,021.04	36,465,829.89	378,076,286.10	179,138,408.03	-	-	900,406,623.93	447,715,717.78
	Operating cost	227,251,943.36	239,071,926.29	35,468,758.43	27,671,309.56	136,789,514.45	98,521,691.80	-	-	892,236,576.39	507,196,431.13
Including: Amortisation of toll roads operation rights	154,278,552.83	161,573,721.48	20,278,482.31	15,212,997.02	46,532,099.19	69,344,022.52	-	-	-	-	
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	730,382,066.86	362,459,208.51	
Segment operating profit	435,660,987.21	337,191,522.38	9,297,262.61	8,794,520.33	241,286,771.65	80,616,716.23	0.00	0.00	8,170,047.54	(59,480,713.35)	
Reconciling items:											
Less: Taxes and surcharges	2,386,486.55	2,074,548.42	161,157.68	131,276.99	1,361,074.63	644,898.27	-	-	2,528,128.44	2,535,528.80	
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-	
General and administrative expenses	-	-	-	-	-	-	-	-	-	-	
Financial expenses	-	-	-	-	-	-	-	-	-	-	
Add: Other income	2,104,878.01	1,970,339.75	-	-	-	-	-	-	-	-	
Investment income	-	-	-	-	-	-	-	-	-	-	
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-	-	-	
Credit losses	-	-	-	-	-	-	-	-	-	-	
Impairment losses	-	-	-	-	-	-	-	-	-	-	
Gains from asset disposals	-	-	-	-	-	-	-	-	-	-	
Operating profit/(loss)	435,379,378.67	337,087,313.71	9,136,104.93	8,663,243.34	239,925,697.02	79,971,817.96	-	-	5,641,919.10	(62,016,242.15)	
Non-operating income	-	-	-	-	-	-	-	-	-	-	
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	
Profit/(loss) before taxation	435,379,378.67	337,087,313.71	9,136,104.93	8,663,243.34	239,925,697.02	79,971,817.96	-	-	5,641,919.10	(62,016,242.15)	
Income tax	-	-	-	-	-	-	-	-	-	-	
Net profit/(loss) for the period	435,379,378.67	337,087,313.71	9,136,104.93	8,663,243.34	239,925,697.02	79,971,817.96	-	-	5,641,919.10	(62,016,242.15)	
Total segment assets	4,058,971,753.60	4,310,627,055.85	1,621,916,771.62	1,652,349,607.44	11,881,199,332.89	11,997,490,700.62	5,527,311,168.23	4,781,456,571.94	401,531,142.48	418,748,097.86	

# NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## XIII. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

#### (1) Segment results, assets and liabilities (Continued)

	Real estate development		Sales of electricity		Advertising and others		Unallocated items and Consolidation offset		Total	
	30 June 2023/	31 December 2022/	30 June 2023/	31 December 2022/	30 June 2023/	31 December 2022/	30 June 2023/	31 December 2022/	30 June 2023/	31 December 2022/
	For the six-month	For the six-month	For the six-month	For the six-month	For the six-month	For the six-month	For the six-month	For the six-month	For the six-month	For the six-month
	period ended	period ended	period ended	period ended	period ended	period ended	period ended	period ended	period ended	period ended
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Segment operating income	245,487,117.95	274,167,277.87	351,427,537.00	320,612,090.87	112,463,005.98	73,663,864.84	1,003,842,165.73	425,821,793.86	7,136,011,953.47	4,875,399,621.13
Operating cost	168,806,371.56	203,395,286.20	171,257,113.09	158,537,917.77	85,355,320.38	37,689,458.62	1,003,842,165.73	425,821,793.86	3,926,662,277.70	2,795,363,467.49
Including: Amortisation of toll roads operation rights	-	-	-	-	-	-	-	-	783,713,452.85	658,004,696.20
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	730,382,066.86	362,459,208.51
Segment operating profit	76,680,746.39	70,771,991.67	180,170,423.91	162,074,173.10	27,107,685.60	35,974,406.22	-	-	3,209,349,675.77	2,080,036,153.64
Reconciling items:										
Less: Taxes and surcharges	18,399,544.68	29,624,589.01	570,881.89	361,720.56	682,204.43	1,679,538.66	-	-	38,461,347.25	46,201,684.98
Selling and distribution expenses	5,803,128.77	6,093,714.35	-	-	-	-	-	-	5,803,128.77	6,093,714.35
General and administrative expenses	-	-	-	-	-	-	78,153,948.57	71,550,545.78	109,627,395.99	103,023,993.20
Financial expenses	-	-	-	-	-	-	533,463,186.75	549,500,912.66	533,463,186.75	549,500,912.66
Add: Other income	65,202.49	90,893.29	-	-	-	-	1,128,423.39	214,300.60	11,806,394.00	11,828,604.45
Investment income	-	-	-	-	-	-	613,519,419.63	826,449,841.39	613,519,419.63	826,449,841.39
Gains/losses from changes in fair value	-	-	-	-	-	-	75,602,122.87	35,105,006.37	75,602,122.87	35,105,006.37
Credit losses	-	-	-	-	-	-	(8,941,646.00)	(5,820,267.59)	(8,941,646.00)	(5,820,267.59)
Impairment losses	-	-	-	-	-	-	-	-	-	-
Gains from asset disposals	-	(8.74)	-	-	-	-	4,789,530.84	-	4,789,530.84	29,346,091.26
Operating profit/(loss)	52,543,275.43	35,144,572.86	179,599,542.02	161,712,452.54	26,425,481.17	34,294,867.56	74,480,715.41	234,897,422.33	3,218,770,438.35	2,272,125,124.33
Non-operating income	-	-	-	-	-	-	8,158,797.75	5,348,967.82	8,158,797.75	5,348,967.82
Non-operating expenses	-	-	-	-	-	-	10,813,382.08	9,833,410.40	10,813,382.08	9,833,410.40
Profit/(loss) before taxation	52,543,275.43	35,144,572.86	179,599,542.02	161,712,452.54	26,425,481.17	34,294,867.56	71,826,131.08	230,412,979.75	3,216,115,854.02	2,267,640,681.75
Income tax	-	-	-	-	-	-	628,491,894.66	447,454,541.12	628,491,894.66	447,454,541.12
Net profit/(loss) for the period	52,543,275.43	35,144,572.86	179,599,542.02	161,712,452.54	26,425,481.17	34,294,867.56	(556,665,763.58)	(217,041,561.37)	2,587,623,959.36	1,820,186,140.63
Total segment assets	2,315,882,104.44	2,564,181,184.87	4,592,355,612.81	4,738,959,726.71	1,276,697,123.95	1,348,382,163.25	31,465,810,317.98	29,075,355,787.44	79,787,685,491.34	78,458,345,074.07

#### (2) Geographical information

All income and non-current assets of the Group are from/located in Jiangsu Province.

#### (3) Major customers

There is no reliance on specific customers.

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

#### 1. Accounts receivable

##### (1) Accounts receivable by customer type are as follows:

Type	30 June 2023	31 December 2022
Amounts due from related party	272,843,035.11	254,080,327.59
Amounts due from third party	155,726,588.37	157,142,674.30
Sub-total	428,569,623.48	411,223,001.89
Less: Provision for bad and doubtful debts	596,358.26	596,358.26
Total	427,973,265.22	410,626,643.63

##### (2) The aging analysis of accounts receivable is as follows:

Aging	30 June 2023	31 December 2022
Within 1 year (inclusive)	426,008,639.49	403,619,682.90
Over 1 year but within 2 years (inclusive)	301,715.00	3,279,472.73
Over 2 years but within 3 years (inclusive)	2,259,268.99	4,323,846.26
Sub-total	428,569,623.48	411,223,001.89
Less: Provision for bad and doubtful debts	596,358.26	596,358.26
Total	427,973,265.22	410,626,643.63

The aging is counted starting from the date when accounts receivable are recognised.

##### (3) Accounts receivable by provisioning method

Category	30 June 2023					31 December 2022				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collective assessment	428,569,623.48	100	596,358.26	0.14	427,973,265.22	411,223,001.89	100	596,358.26	0.15	410,626,643.63



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 1. Accounts receivable (Continued)

##### (4) Movements of provisions for bad and doubtful debts

	30 June 2023	31 December 2022
Balance at the beginning of the period	596,358.26	129,013.48
Additions during the period	–	467,344.78
Recoveries or reversals during the period	–	–
Balance at the end of the period	<u>596,358.26</u>	<u>596,358.26</u>

##### (5) Five largest accounts receivable by debtor at 30 June 2023

The five largest accounts receivable of the Company amounted to RMB119,776,782.44, accounting for 27.95% of the total accounts receivable at the end of the period, and the corresponding balance of provision for bad and doubtful debts is RMB0.

##### (6) Derecognition of accounts receivable due to transfer of financial assets

The Company has no accounts receivable derecognition due to transfer to financial assets this period (31 December 2022: none).

##### (7) Assets and liabilities recognised due to the continuing involvement of accounts receivable transferred

The Company does not transfer receivables this period and continues to involve in the formation of assets and liabilities (31 December 2022: none).

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 2. Other receivables

	<i>Note</i>	<b>30 June 2023</b>	31 December 2022
Dividends receivable	(1)	<b>39,180,099.60</b>	4,989,960.00
Others	(2)	<b>5,477,400.26</b>	5,693,024.50
Total		<b>44,657,499.86</b>	10,682,984.50

## (1) Dividends receivable

<b>Investee</b>	<b>30 June 2023</b>	31 December 2022
Yangtze Bridge Company	<b>34,190,139.60</b>	–
Kuailu Company	<b>4,989,960.00</b>	4,989,960.00
Total	<b>39,180,099.60</b>	4,989,960.00

## (2) Others

## (a) Others by customer type:

<b>Customer type</b>	<b>30 June 2023</b>	31 December 2022
Amounts due from related party	<b>76,606.86</b>	457,570.21
Amounts due from third party	<b>21,313,150.30</b>	21,147,811.19
Sub-total	<b>21,389,757.16</b>	21,605,381.40
Less: Provision for bad and doubtful debts	<b>15,912,356.90</b>	15,912,356.90
Total	<b>5,477,400.26</b>	5,693,024.50

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 2. Other receivables (Continued)

##### (2) Others (Continued)

##### (b) The aging analysis is as follows:

Aging	30 June 2023	31 December 2022
Within 1 year (inclusive)	<b>5,156,157.78</b>	2,332,031.80
Over 1 year but within 2 years (inclusive)	<b>333,959.36</b>	2,524,514.02
Over 2 years but within 3 years (inclusive)	<b>80,000.00</b>	220,489.06
Over 3 years	<b>15,819,640.02</b>	16,528,346.52
Sub-total	<b>21,389,757.16</b>	21,605,381.40
Less: Provision for bad and doubtful debts	<b>15,912,356.90</b>	15,912,356.90
Total	<b>5,477,400.26</b>	5,693,024.50

##### (c) Others by method of provisioning

Category	30 June 2023					31 December 2022				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
Amount	Percentage (%)	Amount	Percentage (%)	Amount		Percentage (%)	Amount	Percentage (%)		
Individual assessment	15,812,140.02	73.92	15,812,140.02	100.00	-	15,812,140.02	73.19	15,812,140.02	100.00	-
Collective assessment	5,577,617.14	26.08	100,216.88	1.80	5,477,400.26	5,793,241.38	26.81	100,216.88	1.73	5,693,024.50
Total	<b>21,389,757.16</b>	<b>100.00</b>	<b>15,912,356.90</b>	<b>74.39</b>	<b>5,477,400.26</b>	<b>21,605,381.40</b>	<b>100.00</b>	<b>15,912,356.90</b>	<b>73.65</b>	<b>5,693,024.50</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 2. Other receivables (Continued)

##### (2) Others (Continued)

##### (d) Movements of provision for bad and doubtful debts

	30 June 2023				Total	31 December 2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL – Not credit impaired	Stage 3 Lifetime ECL – Credit impaired			Stage 1 12-month ECL	Stage 2 Lifetime ECL – Not credit impaired	Stage 3 Lifetime ECL – Credit impaired	
Balance at the beginning of the period	100,216.88	-	15,812,140.02	15,912,356.90	100,216.88	-	15,812,140.02	15,912,356.90	
Transfer to stage 2	-	-	-	-	-	-	-	-	
Transfer to stage 3	-	-	-	-	-	-	-	-	
Reverse to stage 2	-	-	-	-	-	-	-	-	
Reverse to stage 1	-	-	-	-	-	-	-	-	
Additions during the period	-	-	-	-	-	-	-	-	
Recoveries or reversals during the period	-	-	-	-	-	-	-	-	
Written-off during the period	-	-	-	-	-	-	-	-	
Balance at the end of the period	<u>100,216.88</u>	<u>-</u>	<u>15,812,140.02</u>	<u>15,912,356.90</u>	<u>100,216.88</u>	<u>-</u>	<u>15,812,140.02</u>	<u>15,912,356.90</u>	

##### (e) Others categorised by nature

Nature of other receivables	30 June 2023	31 December 2022
Amounts of investment clearance	15,812,140.02	15,812,140.02
Petty cash	2,514,000.00	2,759,474.60
Other insignificant amounts	3,063,617.14	3,033,766.78
Sub-total	<u>21,389,757.16</u>	<u>21,605,381.40</u>
Less: Provision for bad and doubtful debts	<u>15,912,356.90</u>	<u>15,912,356.90</u>
Total	<u>5,477,400.26</u>	<u>5,693,024.50</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 2. Other receivables (Continued)

##### (2) Others (Continued)

##### (f) Five largest others-by debtor at 30 June 2023

Debtor	Nature of the receivable	Balance at the end of the period	Aging	Percentage of ending balance of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Yixing Highway Administration Department	Amounts of investment clearance	15,812,140.02	Over 3 years	73.92	15,812,140.02
Suzhou Power Supply Company of State Grid Jiangsu Province Electric Power Co., Ltd.	Electricity	146,337.55	Within 1 year	0.68	-
Wuxi Huarun Gas Co., Ltd.	Natural gas deposit	135,000.00	Over 3 years	0.63	-
Changzhou Dinuo Fangmaoshan Commercial Management Co., Ltd	Water and electricity expenses	53,730.50	Within 1 year	0.25	-
Shanghai Chizhuo Automotive Service Co., Ltd	Margin	45,371.21	Within 1 year	0.21	-
Total		16,192,579.28		75.70	15,812,140.02

#### 3. Long-term equity investments

Item	Book value	30 June 2023		Book value	31 December 2022	
		Provision for impairment	Carrying amount		Provision for impairment	Carrying amount
Investments in subsidiaries	12,820,598,670.05	-	12,820,598,670.05	12,697,898,670.05	-	12,697,898,670.05
Investments in associates	7,744,886,735.99	-	7,744,886,735.99	7,451,254,731.71	-	7,451,254,731.71
Less: Provisions	-	-	-	-	-	-
Total	20,565,485,406.04	-	20,565,485,406.04	20,149,153,401.76	-	20,149,153,401.76

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Long-term equity investments (Continued)

##### (1) Investments in subsidiaries

Subsidiary	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Provision made during the period	Impairment at the end of the period
Guangjing Xicheng Company	2,125,000,000.00	-	-	2,125,000,000.00	-	-
Ninghu Properties Company	500,000,000.00	-	-	500,000,000.00	-	-
Ninghu Investment Company	2,154,434,377.98	-	-	2,154,434,377.98	-	-
Zhendao Company	423,910,000.00	-	-	423,910,000.00	-	-
Wufengshan Toll Bridge Company	3,112,980,000.00	-	-	3,112,980,000.00	-	-
Hanwei Company	374,499,800.00	-	-	374,499,800.00	-	-
Longtan Bridge	1,827,260,000.00	110,000,000.00	-	1,937,260,000.00	-	-
Ninghu International Company	732,310.87	-	-	732,310.87	-	-
Yangtze Commerce and Energy Company	100,000,000.00	-	-	100,000,000.00	-	-
Yangtze River Management Company	50,000,000.00	-	-	50,000,000.00	-	-
YS Energy Company	2,029,082,181.20	12,700,000.00	-	2,041,782,181.20	-	-
Total	12,697,898,670.05	122,700,000.00	-	12,820,598,670.05	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Long-term equity investments (Continued)

##### (2) Investments in associates

Investee	Balance at the beginning of the period	Movements during the period						Balance at the end of the period	Balance of provision for impairment at the end of the period
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits	Provision for impairment		
Associates									
Kuailu Company	29,006,148.31	-	-	128,799.20	-	-	-	29,134,947.51	-
Zijin Trust	2,096,153,026.49	-	-	25,757,162.99	-	-	-	2,121,910,189.48	-
Suzhou Expressway									
Management	2,154,938,923.37	-	-	64,963,622.00	-	-	-	2,219,902,545.37	-
Yangtze Bridge									
Company	2,194,739,782.25	-	-	183,954,000.00	22,487,569.28	(34,190,139.60)	-	2,366,991,211.93	-
Group Finance Company	708,708,011.31	-	-	19,353,687.50	-	(12,500,000.00)	-	715,561,698.81	-
Sundian R&B Company	148,903,649.23	-	-	18,598,020.24	-	-	-	167,501,669.47	-
Culture Media	77,626,203.86	-	-	3,061,205.71	-	-	-	80,687,409.57	-
Network Operation									
Company	29,994,283.94	-	-	1,378,205.44	-	-	-	31,372,489.38	-
Yuexin Ninghu Company	11,184,702.95	-	-	639,871.52	-	-	-	11,824,574.47	-
Total	7,451,254,731.71	-	-	317,834,574.60	22,487,569.28	(46,690,139.60)	-	7,744,886,735.99	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

## 4. Operating income and operating costs

## (1) Operating income and operating costs

Item	Note	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
		Income	Cost	Income	Cost
Principal activities		4,133,867,894.27	1,909,560,682.44	2,917,525,129.00	1,410,156,240.66
Other operating activities		45,769,544.41	—	40,174,811.63	—
Total		<u>4,179,637,438.68</u>	<u>1,909,560,682.44</u>	<u>2,957,699,940.63</u>	<u>1,410,156,240.66</u>

## (2) Disaggregation of revenue from contracts with customers

Type of contract	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
By timing of transferring goods or services		
Revenue recognized at a point in time	4,087,601,316.13	2,875,483,522.39
Revenue recognized over time	45,769,544.41	40,174,811.63
Total	<u>4,133,370,860.54</u>	<u>2,915,658,334.02</u>

## 5. Investment income

Item	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Income from long-term equity investments accounted for using equity method	317,834,574.60	225,015,071.27
Income from long-term equity investments accounted for using cost method	—	—
Income from investments in other equity instruments during the holding period	—	296,993,920.00
Investment income from disposal of financial assets held for trading	27,908,963.55	83,002,877.00
Interest income from loans	31,466,249.12	36,439,483.26
Total	<u>377,209,787.27</u>	<u>641,451,351.53</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the Six-month period ended 30 June 2023

### XV. EXTRAORDINARY GAINS AND LOSSES IN THE CURRENT PERIOD

Item	Amount	Note
(1) Disposal of non-current assets	4,789,530.84	Note 1
(2) Government grants recognised through profit or loss (excluding those having close relationships with the Group's operation and enjoyed in fixed amount or quantity according to uniform national standard)	11,806,394.00	Note 1
(3) Changes in fair value of financial assets held for trading, and disposal of financial assets held for trading, other than those held for effective hedging related to normal operations	145,489,738.00	Note 1
(4) Custody fees received for entrusted operations	25,071,566.88	Note 1
(5) Other items that qualify as extraordinary gains and losses	(2,654,584.33)	Note 1
Sub-total	184,502,645.39	
(6) Tax effect	(46,125,661.35)	
(7) Effect on non-controlling interests after taxation	(4,644,088.12)	
Total	133,732,895.92	

Note 1: Extraordinary gain and loss items listed above are presented in the amount before taxation.

### XVI. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share" (2010 revised) issued by the CSRC and relevant accounting standards, the Group's return on net assets and earnings per share are calculated as follows:

Profit for the reporting period	Weighted average return on net assets (%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	7.47	0.4927	0.4927
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	7.08	0.4661	0.4661