



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

# 2023 Annual Report

## IMPORTANT TIPS

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

During the Reporting Period, the Company realized a net profit attributable to the shareholders of the Company of RMB4,413,272,000 and earnings per share of approximately RMB0.8760. The board of directors of the Company proposed to distribute cash dividends of RMB0.47 per share (tax inclusive) to all shareholders based on the total share capital of the Company of 5,037,747,500 shares. The proposed dividends are expected to be paid on 26 July 2024.

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

Applicable  N/A

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

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

No

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

No

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

No

### X. Major risk alerts

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

### XI. Others

Applicable  N/A

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

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

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



# DEFINITIONS

## I. DEFINITIONS

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

### Definitions of commonly used terms

The Company	refers to	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
The Group	refers to	the Company and its subsidiaries
Controlling Shareholder, Jiangsu Communications Holding	refers to	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway	refers to	China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)
Ningchang Zhenli Company	refers to	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)
Ninghu International Company	refers to	Jiangsu Expressway International (Hong Kong) Company Limited (江蘇寧滬國際(香港)有限公司)
Yangtze River Management Company	refers to	Jiangsu Yangtze River Expressway Management Co., Ltd. (江蘇揚子江高速通道管理有限公司)
Ninghu Investment Company	refers to	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)
Factoring Company	refers to	Jiangsu Communications Holding Commercial Factoring (Guangzhou) Co., Ltd. (蘇交控商業保理(廣州)有限公司)(formerly known as Jiangsu Commercial Factoring (Guangzhou) Co., Ltd.) (寧滬商業保理(廣州)有限公司)
Ninghu Properties Company	refers to	Jiangsu Ninghu Properties Co., Ltd. (江蘇寧滬置業有限責任公司)
Hanwei Company	refers to	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)
Yangtze Commerce and Energy Company	refers to	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)
Guangjing Xicheng Company	refers to	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)
YS Energy Company	refers to	Jiangsu Yunshan Green Energy Investment Holding Company Limited (江蘇雲杉清潔能源投資控股有限公司)
YS Energy Group	refers to	YS Energy Company, its 11 subsidiaries and 6 joint stock companies
YS Capital	refers to	Jiangsu YS Capital Management Co., LTD. (江蘇雲杉資本管理有限公司)
Nantong Tiandian Company	refers to	Nantong Tiandian Xinxing Energy Co., Ltd. (南通天電新興能源有限公司)
Jiangsu Communications Holding Renewable Energy Jiangsu Company	refers to	Jiangsu Communications Holding Renewable Energy Jiangsu Co., LTD. (江蘇交控清潔能源江蘇有限公司)
Rudong Company	refers to	Jiangsu Traffic Control Rudong Offshore Wind Power Co., Ltd. (蘇交控如東海上風力發電有限公司)

## DEFINITIONS

Zhendan Company	refers to	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Wufengshan Toll Bridge Company	refers to	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Longtan Bridge Company	refers to	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
Yuexin Company	refers to	Jiangsu Yuexin Ninghu Gas Co., Ltd. (江蘇悅鑫寧滬天然氣有限公司) (previously known as Jiangsu Xiexin Ninghu Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司))
Kuailu Company	refers to	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)
Suzhou Expressway Company	refers to	Suzhou Expressway Management Company Limited (蘇州市高速公路管理有限公司)
Yangtze Bridge Company	refers to	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Hutong Bridge Company	refers to	Jiangsu Hutong Bridge Co., Ltd. (江蘇滬通大橋有限責任公司)
Finance Company, Group Finance Company	refers to	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Media Company	refers to	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)
Digital Transportation Research Institute, Digital Research Institute	refers to	JiangSu CH Digital Transportation Research Institute Company Limited (江蘇交控數字交通研究院有限公司)
Xiandai R&B Company	refers to	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)
Network Operation Company	refers to	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu	refers to	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Zijin Trust Company	refers to	Zijin Trust Co., Ltd. (紫金信託有限責任公司)
Yichang Company	refers to	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	refers to	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Suxichang South Expressway Company	refers to	Jiangsu Suxichang South Expressway Co., Ltd. (江蘇蘇錫常南部高速公路有限公司)
Nanlin Hotel Company	refers to	Suzhou Jinling Nanlin Hotel Co., Ltd. (蘇州金陵南林飯店有限責任公司)
Yanjiang Company	refers to	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Jiangsu Leasing Company	refers to	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Railway Group Company	refers to	Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司)
Tongxingbao Company	refers to	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技股份有限公司)
Jinghu Company	refers to	Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司)

## DEFINITIONS

Expressway Petroleum Company, Expressway Energy Company	refers to	Jiangsu Expressway Energy Development Co., Ltd. (江蘇高速公路能源發展有限公司) (previously known as Jiangsu Expressway Petroleum Development Co., Ltd. (江蘇高速公路石油發展有限公司))
Taixing Oil Products Company	refers to	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
Far East Shipping Company	refers to	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)
Information Company	refers to	Jiangsu Expressway Information Engineering Co., Ltd. (江蘇高速公路信息工程有限公司)
Maintenance Technology Company	refers to	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Engineering Maintenance Company	refers to	Jiangsu Expressway Engineering Maintenance Co., Ltd. (江蘇高速公路工程養護有限公司)
Communications Holding Human Resources Company	refers to	Jiangsu Communications Holding Human Resources Development Co., Ltd. (江蘇交控人力資源發展有限公司) (previously known as Jiangsu Communications Holding Training Co., Ltd.) (江蘇交控培訓有限公司)
East Road & Bridge Company	refers to	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
Communications Holding Commercial Operation Company	refers to	Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司)
Xitai Company	refers to	Jiangsu Xitai Tunnel Company Limited (江蘇錫泰隧道有限責任公司)
Cuipingshan Hotel	refers to	Jiangsu Cuipingshan Hotel Management Co., Ltd. (江蘇翠屏山賓館管理有限公司)
Luode Fund Company	refers to	Jiangsu Luode Equity Investment Fund Management Co., Ltd. (江蘇洛德股權投資基金管理有限公司)
Zhongbei Zhiyuan Fund	refers to	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))
Luode Huizhi Fund	refers to	Nanjing Luode Huizhi Equity Investment Partnership (Limited Partnership) (南京洛德匯智股權投資合夥企業(有限合夥))
Ninghang Company	refers to	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Ninghang Cultural Tourism Company	refers to	Jiangsu Ninghang Cultural Tourism Development Co., Ltd. (江蘇寧杭文化旅遊發展有限公司)
Husuzhe Company	refers to	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Engineering Company	refers to	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	refers to	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限責任公司)
Sundian Testing Company	refers to	Jiangsu Sundian Engineering Testing Co., Ltd. (江蘇現代工程檢測有限公司)
Micro Video Company	refers to	Nanjing Micro Video Technology Company Limited (南京感動科技有限公司)
Tongchang Real Estate Investment Company	refers to	Jiangsu Tongchang Real Estate Investment Co., Ltd. (江蘇通昌置業投資有限公司)

## DEFINITIONS

CDB Kai Yuan Phase II Fund	refers to	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership) (蘇州工業園區國創開元二期投資中心(有限合夥))
PPP	refers to	Public-Private-Partnership, which is a mode of cooperation between the government and social capital in accordance with laws
Shanghai-Nanjing Expressway	refers to	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	refers to	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	refers to	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	refers to	Jiangyin Yangtze Bridge
Sujiahang Expressway	refers to	Jiangsu Section of Suzhou-Jiaxing Expressway and Suzhou-Hangzhou Expressway
Yanjiang Expressway	refers to	Changzhou-Taicang Expressway
Changjia Expressway	refers to	Kunshan-Wujia Section of Changshu-Jiaxing Expressway
Zhendao Expressway	refers to	Zhenjiang-Danyang Expressway
Ningchang Expressway	refers to	Lishui Guizhuang Hub-Changzhou South Interchange Expressway
Zhenli Expressway	refers to	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	refers to	Wuxi North Hub-Yixing Xiwu Hub Expressway
Wuxi Huantaihu	refers to	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Wufengshan Toll Bridge	refers to	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	refers to	Changzhou-Yixing Expressway
Yichang Expressway	refers to	Jiangsu Section of Yixing-Changxing Expressway
Suxichang Expressway, Suxichang South Expressway	refers to	Changzhou Qianhuang Hub – Wuxi Nanquan Hub
North Connection Project of Longtan Bridge	refers to	Yizheng-Lukou Airport Highway and Shanghai-Xi'an Highway-Yangtze River North Embankment Project
Expansion Project of South Section of Xiyi Expressway	refers to	Wuxi-Yixing Highway and Xueyan Hub-Xiwu Hub Expansion Project
Wuxi to Taicang project	refers to	Wuxi to Taicang Expressway Wuxi to Suzhou Section
Infrastructure public offering REITs	refers to	a standardized financial product that raises funds publicly from social investors in accordance with the law to form fund property, holds infrastructure projects through special-purpose vehicles such as infrastructure asset-backed securities, manages and operates the said infrastructure projects on the initiative of the fund manager, etc., and distributes the vast majority of the proceeds generated to investors.
BIM	refers to	Building Information Modeling
GIS	refers to	Geographic Information System

## DEFINITIONS

ROE	refers to	Rate of Return on Common Stockholders' Equity, the calculation formula as: $ROE = \text{Net Profit}/\text{Net Asset}$
Reporting Period	refers to	From 1 January 2023 to 31 December 2023
Year-on-year	refers to	as compared with the same period of 2022
CSRC	refers to	China Securities Regulatory Commission
SFC	refers to	Securities and Futures Commission of Hong Kong
SSE	refers to	Shanghai Stock Exchange
Stock Exchange	refers to	The Stock Exchange of Hong Kong Limited
A Share(s)	refers to	RMB-denominated ordinary shares(s) issued by the Company and listed on the SSE
H Share(s)	refers to	overseas-listed foreign shares(s) issued by the Company and listed on the Stock Exchange
ADR	refers to	Level 1 depositary receipts of the Company listed and traded in the over-the-counter market in the United States
Listing Rules	refers to	Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	refers to	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	refers to	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	refers to	Accounting Standards for Business Enterprises and Relevant Provisions promulgated by the Ministry of Finance of the People's Republic of China
KPMG or Auditors	refers to	KPMG Huazhen LLP
Corporate Governance Code	refers to	The Corporate Governance Code (《企業管治守則》) set out in Appendix 14 to the Hong Kong Listing Rules



**Chen Yunjiang**  
Chairman



# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## I. CORPORATE INFORMATION

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

## II. CONTACT PERSONS AND CONTACT METHODS

	Company secretary	Secretary to the board of directors	Representative of security affairs
Name	Yao Yongjia	Chen Jinjia	Tu Jun
Address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Telephone	8625-84362700-301815	8625-84362700-301838	8625-84362700-301835
Fax	8625-84207788	8625-84207788	8625-84466643
Email	yyj@jsexpwy.com	jsnh@jsexpwy.com	tujun@jsexpwy.com

## III. BASIC INFORMATION

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

## IV. PLACES FOR DISCLOSURE AND INSPECTION OF INFORMATION

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

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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

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

## VI. OTHER RELEVANT INFORMATION

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



# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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

### (I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	2023	2022	Increase/ decrease of the period as compared to the same period of the previous year (%)	2021		2020		2019	
				After restatement	Before restatement	After restatement	Before restatement	After restatement	Before restatement
Operating Income	15,192,010,226.04	13,255,603,107.72	14.61	14,260,532,858.18	13,792,587,242.50	8,138,606,879.35	8,032,466,746.34	10,185,097,639.26	10,078,181,218.81
Net profit attributable to shareholders of the listed company	4,413,271,587.29	3,724,115,165.87	18.51	4,280,010,033.09	4,178,794,496.71	2,493,157,887.45	2,464,213,675.74	4,233,161,625.08	4,199,704,371.82
Net profit attributable to shareholders of the listed company, net of nonrecurring profit and loss	4,174,743,637.63	3,423,828,879.88	21.93	3,763,332,484.59	3,678,823,218.12	2,369,290,066.87	2,339,998,349.98	4,220,443,364.24	4,186,308,062.59
Net cash inflow from operating activities	7,392,424,081.75	5,527,921,046.44	33.73	5,702,769,303.25	5,467,265,535.69	3,174,626,755.01	3,137,401,530.39	5,807,694,458.17	5,763,283,624.15
	End of 2023	End of 2022	Increase/ decrease of the period as compared to the same period of the previous year (%)	End of 2021		End of 2020		End of 2019	
				After restatement	Before restatement	After restatement	Before restatement	After restatement	Before restatement
Net assets attributable to shareholders of the listed company	33,987,287,307.06	31,940,807,710.11	6.41	32,042,387,869.42	30,230,283,751.28	29,874,365,910.98	28,209,961,098.83	29,792,270,207.59	28,546,983,607.15
Total Assets	78,661,443,944.36	78,458,345,074.07	0.26	74,246,831,643.32	67,662,020,722.45	65,433,359,329.20	61,095,560,365.16	57,524,609,240.13	55,625,048,624.75

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## (II) Principal financial indicators

Principal Financial Indicators	2023	2022	Increase/ decrease of the period as compared to the same period of the previous year  (%)	2021	
				After restatement	Before restatement
Primary earnings per share (RMB/share)	0.8760	0.7392	18.51	0.8496	0.8295
Diluted earnings per share (RMB/share)	0.8760	0.7392	18.51	0.8496	0.8295
Basic earnings per share, net of non-recurring profit or loss (RMB/share)	0.8287	0.6796	21.93	0.7470	0.7303
Weighted average return rate on net assets (%)	13.39	11.23	Increased by 2.16 percentage points	13.90	14.37
Weighted average return rate on net assets, net of non-recurring profit or loss (%)	12.67	10.33	Increased by 2.34 percentage points	12.22	12.76

Explanation of reasons for retrospective adjustment or restatement:

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

At the same time, in 2022, the Group implemented the "Bulletin of Accounting Standards for Business Enterprises No. 15" (Cai Kuai [2021] No. 35) issued by the Ministry of Finance, which was implemented from 1 January 2022. The Company made retroactive adjustments to the trial run sales between 1 January 2021 and the initial implementation date in accordance with the above provisions.

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

Applicable  N/A

During the Reporting Period, benefited from the increase in the volume of traffic on the road network operation, the Company's income from its principal business of road and bridge increased correspondingly, and the gross profit from road and bridge toll business and service area ancillary business recorded a year-on-year increase, resulting in a year-on-year increases in the Company's operating revenue, net profit attributable to shareholders of the listed company, net profit attributable to shareholders of the listed company after extraordinary gain or loss, basic earnings per share, basic earnings per share after non-recurring gains and losses, and net cash flow from operating activities.

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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

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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

## IX. PRINCIPAL FINANCIAL DATA FOR 2023 BY QUARTERS

Unit: Yuan Currency: RMB

	Q1 (January – March)	Q2 (April – June)	Q3 (July – September)	Q4 (October –December)
Operating Income	3,629,503,688.10	3,506,508,265.37	4,473,101,196.03	3,582,897,076.54
Net profit attributable to shareholders of the listed company	1,227,071,673.50	1,254,823,702.12	1,554,872,523.94	376,503,687.73
Net profit attributable to the shareholders of the listed company, net of non-recurring profit or loss	1,178,526,591.22	1,169,635,888.48	1,416,772,710.74	409,808,447.19
Net cash inflow from operating activities	1,623,269,207.65	2,007,685,229.63	1,924,426,237.79	1,837,043,406.68

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

Applicable  N/A

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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

Applicable  N/A

Unit: Yuan Currency: RMB

Items of non-recurring profit or loss	Amount of 2023	Note (if applicable)	Amount of 2022	Amount of 2021
Gain or loss from disposal of non-current assets, including the write-off of asset impairment provisions that have been made	13,901,642.18		25,731,786.68	7,868,251.48
Government grants accounted in profit or loss of the period excluding those that are closely related to the ordinary operations of the Company and grants in compliance with national policies and regulations or subject to fixed amounts or fixed quantity under certain standards	18,423,300.33	This was mainly due to the additional VAT deduction recognized during the Reporting Period.	31,982,996.77	30,036,194.33
For a company which is not a financial institution, gains and losses arising from changes in the fair value of financial assets and financial liabilities held by the company, and those arising from the disposal of financial assets and financial liabilities, other than those held for effective hedging related to normal operations	237,288,430.54	This was mainly due to the recognition of gains from fair value changes of approximately RMB85,937,000 from other non-current financial assets held by subsidiaries during the Reporting Period, dividends from the CDB Kai Yuan Phase II Fund of approximately RMB69,174,000, and gains from short-term bank wealth management products of approximately RMB82,177,000.	144,800,179.62	620,818,161.05
Net profit or loss for the period from the beginning of the period to the date of consolidation of a subsidiary arising from a business combination under common control	–		125,330,455.92	–
Custodian fees earned from entrusted operation	69,455,673.77		32,351,845.35	–
Other non-operating income and expenses other than the aforesaid items	-25,504,963.91	Mainly due to road property damage repair expenses incurred during the Reporting Period.	-39,337,791.93	-16,721,590.76
Other profit and loss items in line with the definition of non-recurring gains and losses	–		13,595,265.73	–
Less: Effects of income tax	57,631,222.37		40,056,503.31	133,977,435.19
Effects attributable to minority interests (after tax)	17,404,910.88		-5,888,051.16	-8,653,967.59
Total	238,527,949.66		300,286,285.99	516,677,548.50

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

Applicable  N/A

# COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

## XI. ITEMS MEASURED AT FAIR VALUE

Applicable       N/A

Unit: Yuan    Currency: RMB

Item	Opening balance	Closing balance	Changes during the Reporting Period	Effect on profit for the Reporting Period
Fund investment – Fuanda Advantageous Growth Wealth Management product	30,613,163.10	26,586,404.72	-4,026,758.38	-4,026,758.38
Other non-current financial assets (CDB Kai Yuan Phase II)	3,444,000,000.00	3,637,000,000.00	193,000,000.00	80,633,415.72
Other non-current financial assets (Zhongbei Zhiyuan Fund)	1,686,932,351.72	1,679,195,170.11	-7,737,181.61	101,398,116.44
Other non-current financial assets (Luode Huizhi Fund)	257,357,110.04	245,139,994.59	-12,217,115.45	-17,236,353.60
Other non-current financial assets (Jiangsu Leasing Company Convertible Bonds)	460,425,716.91	418,287,961.17	-42,137,755.74	-22,137,755.74
Other equity Instruments (Bank of Jiangsu)	472,640,608.44	569,754,839.16	97,114,230.72	98,592,404.30
Other equity Instruments (Jiangsu Leasing Company)	5,707,128,132.00	5,237,405,652.00	-469,722,480.00	384,154,701.56
Other	1,282,320,000.00	1,585,584,000.00	303,264,000.00	81,900,000.00
Other	6,985.16	-	-6,985.16	65,361.80
Total	13,341,424,067.37	13,398,954,021.75	57,529,954.38	703,343,132.10

## XII. OTHERS

Applicable       N/A



# REPORT OF THE BOARD

## I. DISCUSSION AND ANALYSIS OF THE OPERATIONS

### (I) Company status

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

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

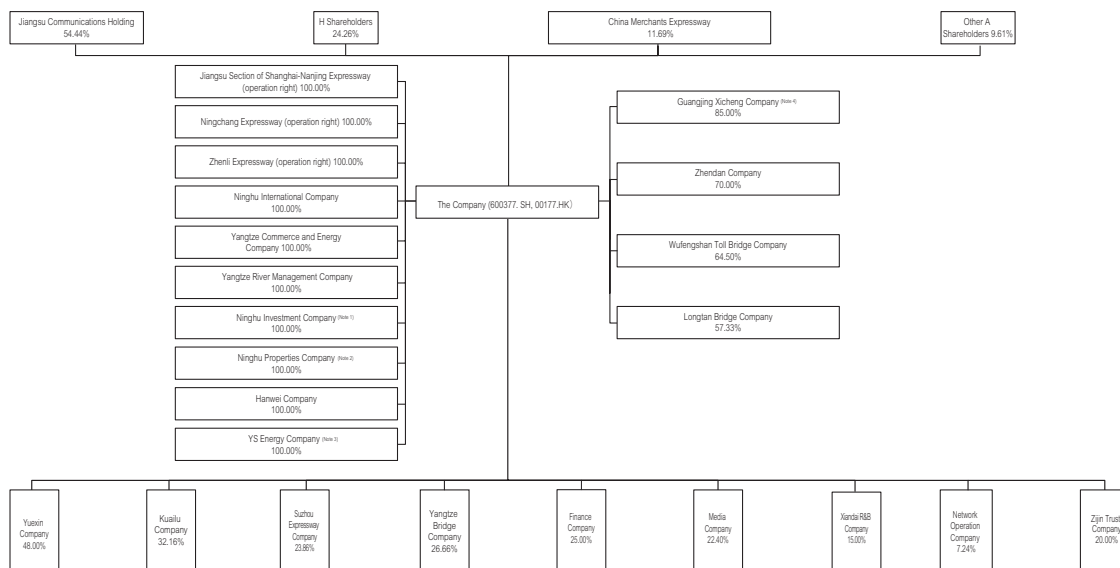
The Group's operating areas are located in the Yangtze River Delta, which is the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Group involve the roads and bridges serving as the major transport corridors linking roads stretching east-to-west and south-to-north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

In addition, the Group is also actively exploring and developing its transportation+, new energy business and finance industry that promotes production with finance, in order to further expand its profitability and achieve sustainable development for the Group. As at the end of the Reporting Period, the Group directly owns seven wholly-owned subsidiaries, four non wholly-owned subsidiaries and nine associates and joint ventures, indirectly owned ten wholly-owned subsidiaries, eight non wholly-owned subsidiaries and six associates and joint ventures, with total assets of approximately RMB78,661 million and net assets attributable to shareholders of the listed company of approximately RMB33,987 million.



# REPORT OF THE BOARD

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



**Note 1:** Jiangsu Ninghu Investment Company, a subsidiary of the Company, owns 100% equity of Kunshan Fengyuan Real Estate Development Co., Ltd. ( 昆山豐源房地產開發有限公司 ) and 39.00% equity of Loude Fund Company. The Company's subsidiary Jiangsu Ninghu Investment Company originally owned 100% of the equity of the Factoring Company. On 27 February 2023, Jiangsu Ninghu Investment Company, Jiangsu Communications Holding, YS Capital and the Factoring Company signed an equity transfer agreement. Pursuant to which, Jiangsu Ninghu Investment Company transferred its 100% equity interest in the Factoring Company, of which 80% was transferred to Jiangsu Communications Holding and 20% was transferred to YS Capital. During the Reporting Period, Jiangsu Ninghu Investment Company received the entire equity transfer payment of RMB346 million concerning the transfer of Factoring Company, and parties completed the delivery and handled the change registration. After the completion of this transfer, the Company no longer held any equity interest in the Factoring Company and no longer included it in the Company's consolidated financial statements.

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

**Note 3:** YS Energy Company, a wholly-owned subsidiary of the Company, owns 100% equity interest in of Sujaokong Clean Energy Xuzhou Co., Ltd. ( 蘇交控清潔能源徐州有限公司 ), 100% equity interest in Sujaokong Clean Energy Tongshan Co., Ltd. ( 蘇交控清潔能源銅山有限公司 ), and 100% equity interest in Sujaokong New Energy Technology Fengxian Co., Ltd. ( 蘇交控新能源科技豐縣有限公司 ), 100% equity interest in Sujaokong Fengxian Agricultural Science and Technology Co., Ltd. ( 蘇交控豐縣農業科技有限公司 ), 100% equity interest in Jiangsu Communications Holding Renewable Energy Jiangsu Company ( 蘇交控清能江蘇公司 ), 90% equity interest in Liyang Youke Energy Co., Ltd. ( 溧陽市優科能源有限公司 ), 80% equity interest in Yancheng Yunshan Photovoltaic Power Generation Co., Ltd. ( 鹽城雲杉光伏發電有限公司 ), 72% equity interest in the Rudong company, 70% equity interest in Changzhou Jintan Heyi New Energy Technology Co., Ltd. ( 常州金壇禾一新能源科技有限公司 ), 70% equity interest in Sujaokong Fengxian Renewable Energy Co., Ltd. ( 蘇交控豐縣再生能源有限公司 ), 65% equity interest in Sujaokong Clean Energy Suqian Co., Ltd. ( 蘇交控清潔能源宿遷有限公司 ), 49% equity interest in Jiangsu Energy Investment New City Photovoltaic Power Generation Co., Ltd. ( 江蘇能投新城光伏發電有限公司 ), 40% equity interest in Three Gorges New Energy Taizhou Power Generation Co., Ltd. ( 三峽新能泰州發電有限公司 ), 30% equity interest in Longyuan Donghai Wind Power Generation Co., Ltd. ( 龍源東海風力發電有限公司 ), 20% equity interest in Three Gorges Nantong Company, 20% equity interest in Three Gorges Changzhou Xinbei New Energy Co., Ltd. ( 三峽常州新北新能源有限公司 ) and 30% equity interest in Three Gorges Yunshan Taizhou Hailing Power Generation Co., Ltd ( 三峽雲杉泰州海陵發電有限公司 ).

**Note 4:** Guangjing Xicheng Company, a subsidiary of the Company, holds 100% equity interest in Wuxi Jingcheng Advertising Company ( 無錫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.

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

In 2023, the Company closely adhered to high-quality development, focused on the main business of roads and bridges, insisted on making progress while maintaining stability, and laid a solid foundation for development. It optimized business layout, strengthened multi-level capital operations, and cultivated development momentum. It has explored "Transportation +" to collaboratively promote industrial integration and improve the development model. It has solidly promoted all work to be deeper and more practical, and the economic benefits reached new heights.

As of the end of 2023, the Company's total assets were RMB78.661 billion, and the net assets attributable to shareholders of the listed company were RMB33.987 billion. During the Reporting Period, the Company achieved annual operating income of RMB15.192 billion, a year-on-year increase of 14.61%, a total profit of RMB5.672 billion, a year-on-year increase of 23.82%. The net profit attributable to shareholders of the listed company was RMB4.413 billion, a year-on-year increase of 18.51% and earnings per share was RMB0.8760. The operating net cash flow was RMB7.392 billion, and the weighted average return on equity was 13.39%.

### 1. Road and bridge operations

Investment in the main business is steadily advancing. **First, the construction of the Longtan Bridge and the North Connection Project was in order.** During the Reporting Period, approximately RMB747 million was invested in the construction of the Longtan Bridge project (which is expected to be opened in early 2025), with a cumulative investment of approximately RMB3,882 million, accounting for 62.08% of the total project investment. As a key project to connect the Longtan Bridge under construction to the expressway network, the Longtan Bridge North Connection Project started construction in August 2022. During the reporting period, approximately RMB974 million was invested in the construction, and the accumulated investment of approximately RMB2.620 billion, accounting for 37.51% of the total investment in the project, it is expected to be fully opened by the end of 2025. **Second, the expansion project of the southern section of the Shanghai-Yixing Expressway was steady progress.** The project was commenced on 6 January 2023, and will be completed and open to traffic by the end of June 2026. The construction capital invested in the southern section expansion project of Xiyi Expressway during the reporting period was approximately RMB775 million, and the accumulated investment in the construction was approximately RMB1.392 billion, accounting for 17.95% of the total investment in the project. This renovation and expansion can greatly improve the traffic capacity of Xiyi Expressway, alleviate traffic pressure, enhance service level, and create economic and social benefits. **Third, active preparation for the renovation and expansion project of the Jiangsu section of the Shanghai-Nanjing Expressway.** During the reporting period, the Company carried out preliminary research on the expansion of the Jiangsu section of the Shanghai-Nanjing Expressway and prepared a planning plan proposal. The expansion of the Shanghai-Nanjing Expressway will help improve the traffic capacity and service level of the national corridor, and promote the agglomeration development of the five cities in southern Jiangsu. **Fourth, this will facilitate investment preparation for the Xitai project.** The Xitai Project is an important part of the ninth east-west route (Taicang to Gaochun) under the Plan of Jiangsu Province Expressway Network (2017–2035). Investing in the construction of the Xitai Project is in line with the needs of the open development of the Yangtze River Delta and is conducive to eliminating the impact of regional parallel road traffic diversion and improving operating efficiency. The estimated total investment of the project is approximately RMB24.198 billion, of which the project capital is approximately RMB12.099 billion. The initial registered capital of the project company is RMB6.5 billion, and the Company will invest RMB3.25 billion in capital, with a shareholding ratio of 50%. As of the end of this reporting period, the Xitai Project was still in the preparation stage.

**Traffic efficiency continues to improve. First, the "AI Square" incident application was innovatively introduced to enhance the active discovery of incidents with machine vision.** The platform currently has 132 algorithm engines in 5 categories, with high precision perception capabilities. The detection rate and accuracy of highway accidents, suspension of traffic and trespassing reached over 95.8%, effectively reducing the false alarm rate and repeated alerts. The incident response speed has been significantly improved; **Second, promotion and construction of free flow have been carried out to achieve the full coverage of Cloud Tolling.** During the reporting period, the transformation of the free-flow cloud tolling model for the whole station of the Shanghai-Nanjing Expressway Suzhou Station was completed, and the free-flow cloud tolling model was fully applied in large-traffic toll stations for the first time. As at the date of this report, the toll stations directly under the Company's jurisdiction have achieved full coverage of self-service lanes with at least one entry and one exit for each station, with the total number of self-service lanes exceeding 120. **Third, special management of key road sections has achieved another breakthrough in large traffic control.** Through measures such as improving traffic safety facilities and increasing and enlarging delineation signs, the number of accidents on multiple high-risk sections has dropped by 30%. We carried out special inspections of accident-prone road sections and promoted special management of congestion-prone road sections. The number of congestion-prone road sections under the Company's management dropped from 21 to 12. During the Mid-Autumn Festival and National Day, the road sections with over-saturated traffic flow achieved a 10-minute arrival rate<sup>1</sup> of 90.79% for hindrance clearance and rescue and 1-hour accessibility rate<sup>2</sup> of 100%.

<sup>1</sup> 10-minute arrival rate = the number of times that the hindrance clearance operation arrived at the scene within 10 minutes in the month/the total number of effective clearing operations in the month × 100%.

<sup>2</sup> 1-hour accessibility rate = actual number of vehicles towed away from the site within 1 hour/total number of effective clearing operations in the month × 100%.

# REPORT OF THE BOARD

**Maintenance quality continues to be optimized. First, intensive maintenance demonstrates effectiveness.**

By introducing the concept of digital transportation development, traffic organization will be transformed from passive to active, and from static to digital, dynamic to intelligent. We have built a traffic congestion warning and alarm system to predict traffic development trends. We formulated hierarchical control measures, and road occupation rate<sup>3</sup> has been declining year by year. In 2023, the annual maintenance operation rate was 0.39, a decrease of 30.47% from last year. **Second, mechanized maintenance stimulates vitality.** During the reporting period, the centralized maintenance project of the Jiangsu section of the Shanghai-Nanjing Expressway was selected as the pilot project of the Ministry of Transport's National Highway Modern Maintenance Project. The Company established a traffic demand prediction model to conduct simulation tests, upgraded the entire process of asphalt pavement maintenance and construction intelligent management and control platform, and applied high-precision unmanned rolling and a variety of other new maintenance technologies to complete all 15 maintenance construction tasks in 7 categories within only 16 effective working days, generating comprehensive economic benefits of nearly RMB20 million compared with traditional maintenance methods. This has reduced the number of days affected by construction traffic by more than 100 days and is another successful practice of the "Jiangsu Expressway-style maintenance" brand. **The third is the coordinated development of green maintenance.** We actively expanded the resonance effect of "green" and "maintenance", used technological innovation to drive green maintenance, achieved 100% pavement material recovery rate and 100% recycling rate. This has accelerated comprehensive regeneration, and continued to reduce carbon emissions.

**Smart highways leading the industry.** In October 2023, at the 29th World Congress on Intelligent Transportation, the most influential comprehensive international conference in the field of intelligent transportation, the Suzhou section of the Shanghai-Nanjing Expressway served as the only expressway scene technology inspection route at the conference, demonstrating the smart expressway model project that integrates comprehensive operation management platform, smart capacity expansion, free-flow cloud tolling, and cloud service areas. This has provided our experience for the smart transformation of in-service expressways, and has been unanimously recognized by experts and scholars at home and abroad.

2. Ancillary business

**The "brand" service area strives to reach new heights.** We created a benchmark demonstration and maintained the first place in the service area. We clarified the characteristic positioning of each service area, made two-way efforts in decoration design and investment promotion, upgraded the service areas with different themes such as "Dao" culture, "Song Rhyme", etc., and demonstrated service capabilities with exquisite brands. We explored the new methods of district investment promotion, operation, and management and formed a batch of replicable and propagable experiences and practices, leading the construction of version 4.0 of national service districts and opening up a road to sustainable development with the purpose of "integration of transportation and tourism". Fangmaoshan Service Area was selected into the first batch of typical cases of integrated development of transportation and tourism jointly selected by the General Office of the Ministry of Transport and other units. Maoshan Service Area was selected as the "Expressway Tourism Characteristic Service Area" by the China Highway & Transportation Society (中國公路協會) at the Third Session of such award.



**The “three exquisite” service areas have different layouts.** We closely adhere to the development concept of “more exquisite environment, more refined operations, and more sophisticated services”, innovate service consumption scenarios, tap the consumption potential of road vehicle passenger flow, and activate the comprehensive effectiveness of the “golden channel”. We completed the upgrade and iteration of the ETC contactless payment system cloud gateway, zero-management system, and smart refueling machines at all gas stations on the Shanghai-Nanjing Expressway, improving system stability and data transmission efficiency to better serve the public. We launched fuel card payments through cooperation with Sinopec, continuously improved the vehicle entry rate, passing rate, and filling rate, and increased retail sales, and profit margins. We deepened the “big platform” investment model in the operation service area, increased the proportion of retail and experiential formats, introduced the country’s first SuGuo Supermarket expressway network version innovative stores, and carried out themed activities such as open-air car movie nights and trunk markets to build a diversified business ecosystem with high standards and improve the operating efficiency of the service area.

3 Maintenance operation ratio = total maintenance operation time/maintenance expenditure

**The “green” service area is expanded and built.** In order to implement the national major decision-making and deployment of “carbon peaking and carbon neutrality”, the Company used the Xianrenshan service area as a pilot project to propose renovation plans for building energy saving, equipment energy saving, energy transformation, etc., carried out the construction of zero-carbon service areas, and strove to build the province’s demonstration benchmark for low-carbon construction in the expressway industry. Multiple service areas have achieved full coverage of new energy infrastructure, with a total of 22 new energy charging stations, 112 charging piles, 52 fast charging piles, and 3 liquid-cooled super charging stations, to effectively alleviate the “mileage anxiety” of drivers and passengers and ensure the implementation of green highways and carbon emission reduction work. In September 2023, the Xianrenshan Service Area and Fangmaoshan Service Area created a “provincial-level water-saving highway service area” to assist green transformation and development of highways.

### 3. New energy business

In 2022, the Company acquired 100% equity interest in YS Energy Company and made its entry into the new energy industry. As of the end of the reporting period, the installed capacity of YS Energy Company’s investment in clean energy power stations reached 561.6 MW (including installed capacity of participating companies), including 410 MW of wind power projects and 151.6 MW of photovoltaic projects. All power stations held have been put into operation, with a total power generation of 905 million kWh during the reporting period. YS Energy Company continues to promote the in-depth integration of clean energy and transportation fields, and actively explores and practices transportation and energy integration paths and scenarios. During the reporting period, the Baoying Near-Zero Carbon Service Area Optical Storage and Charging Demonstration Project was completed and put into operation. It became the first project in Jiangsu Province with multiple new application scenarios of transportation photovoltaics such as highway slope photovoltaics and photovoltaic curtain walls. It is a brand-new attempt of transportation energy integration and photovoltaic building integration, providing pioneering experience in promoting energy conservation and carbon reduction in the industry.

### 4. Financial investment

In order to adjust and optimize the Company’s industrial layout and further focus on the development of its main responsibilities and main business, during the reporting period, the Company’s wholly-owned subsidiary Jiangsu Ninghu Investment Company transferred its 100% equity interest in the Factoring Company to Jiangsu Communications Holding and YS Capital at the consideration of RMB346 million. As of the end of this reporting period, parties had completed the transfer of equity interest and the change of registration.

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

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

From the macroeconomic background, in 2023, China’s economy withstood external pressure and made a turnaround. The GDP exceeded RMB126 trillion, an increase of 5.2% over the previous year, and the economic aggregate and per capita level continued to increase. Practice has fully proved that China’s economy has strong resilience, great potential, broad space and long-term positive fundamentals that will not change. New drivers of high-quality development are constantly taking shape and growing, creating a good external environment for the operation and development of the highway industry.

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

# REPORT OF THE BOARD

From the perspective of changes in the competitive landscape, road, as the most basic and extensive transport infrastructure, is the main support for bridging various other modes of transport and playing a role in the overall efficiency of the integrated transport network; the rapid development of modern logistics and express delivery industry will also provide a guarantee for the growth of the subsequent road freight volume. According to the Statistical Communiqué of The People's Republic of China on the 2023 National Economic and Social Development (《中華人民共和國 2023 國民經濟和社會發展統計公報》) issued by the National Bureau of Statistics, road transport is responsible for 49.14% of passenger traffic and 72.45% of cargo traffic in China, and plays an irreplaceable role in the comprehensive transport system.

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

In terms of location, the Company is the only listed road and bridge company in Jiangsu Province, focusing on the continuous integration of high-quality road and bridge projects in the road network of southern Jiangsu. The roads operated by the Group occupy a dominant position in the expressway network of southern Jiangsu. Jiangsu Province has always been playing an important and supportive role in the overall development of the country. The province's gross regional production volume reached RMB12.82 trillion in 2023, an increase of 5.80% over the previous year, ranking second in the country and further narrowing the gap with Guangdong Province, ranking second in China, and 5 cities have a regional GDP of over trillion of RMB. The economic performance of Jiangsu Province remains stable with a positive trend of recovery and improvement, providing favorable external conditions for the development of the Company's business.

From the perspective of market image, the Company has been awarded the highest grade of A in information disclosure assessment by the SSE for four consecutive years. In 2023, the Company was awarded the 18th China Listed Company Board of Directors "Golden Roundtable Award" Corporate Award – Corporate Governance Special Contribution Award, China Association of Listed Companies 2023 Listed Company Board of Directors Best Practice Activities "Excellent Practice Cases", the 25th Golden Bull of Listed Companies: the "2022 Golden Bull Most Investment Value Award" and the "2022 Golden Bull Outstanding Entrepreneur Award", and won the "2022 ESG Golden Bull Top 100" in the first Guoxin Cup • ESG Golden Bull Award. The successive winning of several authoritative awards demonstrated the capital market's recognition of the Company's operating results and its high-quality development path.

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

## (III) Policies relating to road transportation industry

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

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

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

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

In addition, there is a 5% discount on ETC vehicle tolls, toll-free travel for small passenger vehicles on major holidays, toll reduction and exemption for the "green channel" for the transportation of fresh agricultural products, and discounts such as "Yunzheng Sutong Card" and "Preferential Port Container Vehicles" within Jiangsu Province. The preferential policy continues to be implemented.

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

**Main business of roads and bridges.** During the reporting period, the Group achieved toll revenue of approximately RMB9,510,967,000, a year-on-year increase of approximately 29.88%. Toll revenue accounted for approximately 62.61% of the Group's total operating revenue. Among them, the average daily toll revenue of Shanghai-Nanjing Expressway was approximately RMB14,386,080, a year-on-year increase of approximately 22.66%. During the reporting period, the operating data of various road and bridge projects are as follows:

Class	Indicator	Reporting	The Same	Year-on-year (%)
		Period	Period of the Prior Year	
Shanghai-Nanjing Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	89,774	59,578	50.68
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	19,841	19,972	-0.65
	Total traffic volume ( <i>vehicle/day</i> )	109,616	79,550	37.79
	Average daily toll revenue ( <i>RMB'000/day</i> )	14,386.08	11,728.51	22.66
Ningchang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	38,579	25,985	48.46
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	13,252	12,563	5.49
	Total traffic volume ( <i>vehicle/day</i> )	51,831	38,548	34.46
	Average daily toll revenue ( <i>RMB'000/day</i> )	2,787.90	2,317.99	20.27
Zhenli Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	15,967	9,152	74.46
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	6,296	7,713	-18.37
	Total traffic volume ( <i>vehicle/day</i> )	22,264	16,865	32.01
	Average daily toll revenue ( <i>RMB'000/day</i> )	966.52	964.86	0.17
Xicheng Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	70,265	43,186	62.70
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	17,018	15,028	13.24
	Total traffic volume ( <i>vehicle/day</i> )	87,283	58,214	49.94
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,703.43	1,246.61	36.65
Guangjing Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	59,657	37,451	59.29
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	17,200	15,443	11.37
	Total traffic volume ( <i>vehicle/day</i> )	76,857	52,894	45.30
	Average daily toll revenue ( <i>RMB'000/day</i> )	815.71	622.46	31.05
Xiyi Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	28,333	17,673	60.32
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	7,008	6,286	11.48
	Total traffic volume ( <i>vehicle/day</i> )	35,341	23,959	47.51
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,416.77	1,062.02	33.40
Wuxi Huantaihu	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	31,687	15,445	105.16
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	3,919	3,949	-0.74
	Total traffic volume ( <i>vehicle/day</i> )	35,606	19,394	83.59
	Average daily toll revenue ( <i>RMB'000/day</i> )	327.88	207.13	58.30
Jiangyin Bridge	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	73,795	44,998	64.00
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	24,433	20,746	17.77
	Total traffic volume ( <i>vehicle/day</i> )	98,228	65,744	49.41
	Average daily toll revenue ( <i>RMB'000/day</i> )	3,548.80	2,649.17	33.96
Sujiahang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	46,783	31,866	46.81
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	8,713	8,628	0.98
	Total traffic volume ( <i>vehicle/day</i> )	55,496	40,494	37.05
	Average daily toll revenue ( <i>RMB'000/day</i> )	2,544.64	2,029.78	25.37

# REPORT OF THE BOARD

Class	Indicator	Reporting Period	The Same	
			Period of the Prior Year	Year-on-year (%)
Yanjiang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	43,280	26,292	64.61
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	18,353	17,450	5.18
	Total traffic volume ( <i>vehicle/day</i> )	61,634	43,742	40.90
	Average daily toll revenue ( <i>RMB'000/day</i> )	5,524.09	4,077.52	35.48
Changjia Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	34,913	19,367	80.27
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	26,736	26,886	-0.56
	Total traffic volume ( <i>vehicle/day</i> )	61,649	46,253	33.29
	Average daily toll revenue ( <i>RMB'000/day</i> )	1,279.73	1,129.91	13.26
Zhendan Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	19,110	12,303	55.33
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	3,249	3,195	1.69
	Total traffic volume ( <i>vehicle/day</i> )	22,358	15,498	44.27
	Average daily toll revenue ( <i>RMB'000/day</i> )	264.92	204.49	29.55
Changyi Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	24,629	14,410	70.92
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	9,805	7,625	28.59
	Total traffic volume ( <i>vehicle/day</i> )	34,434	22,035	56.27
	Average daily toll revenue ( <i>RMB'000/day</i> )	390.51	271.53	43.81
Yichang Expressway	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	14,971	10,221	46.47
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	5,684	6,967	-18.41
	Total traffic volume ( <i>vehicle/day</i> )	20,655	17,188	20.17
	Average daily toll revenue ( <i>RMB'000/day</i> )	352.42	362.38	-2.75
Wufengshan Toll Bridge	Traffic volume of passenger vehicles ( <i>vehicle/day</i> )	29,649	10,887	172.33
	Traffic volume of trucks vehicles ( <i>vehicle/day</i> )	11,212	5,010	123.79
	Total traffic volume ( <i>vehicle/day</i> )	40,861	15,897	157.03
	Average daily toll revenue ( <i>RMB'000/day</i> )	2,645.31	1,075.08	146.06

**Note 1:** The 17 toll road and bridge projects controlled or invested by the Group included Longtan Bridge and North Connection of Longtan Bridge in addition to the 15 toll roads and bridges projects listed in the table above. Of which, Luma First Class Highway was operated by Xiyi Expressway, and the data of the operation of Xiyi Expressway included the data of the operation of Luma First Class Highway. Luma First Class Highway was approved by the Jiangsu Provincial Government in September 2022 and repurchased by the Wuxi Municipal Government. In February 2023, Guangjing Xicheng Company and the Wuxi Municipal Transportation Bureau entered into the "Supplementary Agreement on the Termination of the Toll Collection Rights of Luma First-Class Highway". From 20 January 2024, the Luma First-Class Highway has ceased toll collection.

**Note 2:** Due to the closure and control of some surrounding expressways in the same period last year, vehicles were diverted to Zhenli Expressway, with a relatively high base, resulting in a lower year-on-year growth in toll revenue in this reporting period.

**Note 3:** Due to the traffic diversion caused by the opening of the Liyang to Ningde Jiangsu section of the Liyang-Ningde Expressway in November 2022, the toll revenue of the Yichang Expressway decreased year-on-year.



## REPORT OF THE BOARD

**Ancillary business.** During the reporting period, the Group's ancillary service business achieved revenue of approximately RMB1,844,055,000, an increase of 64.05% over the same period last year. Among them, the leasing business income in the service area was approximately RMB100,440,000, a year-on-year increase of 97.04%. This is mainly due to the termination of the original lease contract in some service areas in the same period last year and the reduction of rentals in accordance with relevant national policies. As a result of the increase in oil product sales, the oil product sales revenue was approximately RMB1,716,583,000, a year-on-year increase of 63.02%, and oil product operating gross profit increased by 72% year-on-year. Driven by the year-on-year increase in operating gross profit of the oil product sales business, the operating gross profit of the ancillary service business increased significantly year-on-year.

**New energy business.** During the reporting period, affected by weather factors such as decrease in wind speed, the offshore wind power project of YS Energy Company recorded a decrease of on-grid electricity consumption, and the Group's electricity sales revenue reached approximately RMB642,167,000, a year-on-year decrease of approximately 1.46%.

**Property business.** The Group's real estate development and sales were operated by its subsidiaries Ninghu Properties Company and Hanwei Company. During the Reporting Period, the Group pushed forward the construction of projects under construction in an orderly manner and actively promoted destock of existing projects. During the Reporting Period, the Group carry-forward sales revenue of approximately RMB474,898,000, representing a year-on-year decrease of 29.55%, mainly due to the smaller scale of property projects delivered compared to the same period of the previous year.

**Other business. First, the investment income of investee companies.** During the reporting period, despite 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 was approximately RMB504,252,000, representing a year-on-year decrease of approximately 31.25% and an investment income from financial companies in which the Group held equity of approximately RMB230,656,000, representing a year-on-year increase of approximately 11.45%, due to the relatively high base of investment income recognized from the issuance of infrastructure public REITs by an associated company, Yanjiang Company, through the transfer of 100% equity interest in Husuzhe Company in the corresponding period of previous year. **Second, the distribution of other equity instruments and other non-current financial assets.** During the reporting period, the Group received a total of approximately RMB536,707,000 in income from dividends from other equity instruments and other non-current financial assets, a year-on-year decrease of approximately 17.93%, mainly due to a decrease in dividends from the funds invested by the Company compared with the same period last year. **Third, the business income of subsidiaries such as advertising operations and management services.** During the reporting period, such business achieved revenue of approximately RMB223,870,000, a year-on-year increase of approximately 57.25%, mainly due to the increase in advertising revenue of subsidiaries and new hotel service revenue.



# REPORT OF THE BOARD

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

Applicable       N/A

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

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

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

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

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

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

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

## REPORT OF THE BOARD

### V. PRIMARY OPERATING CONDITIONS DURING THE REPORTING PERIOD

During the reporting period, the Group achieved total operating revenue of approximately RMB15,192,010,000, an increase of approximately 14.61% year-on-year. In accordance with the PRC accounting standards, the Group achieved operating profit of approximately RMB5,697,780,000, an increase of approximately 23.32% year-on-year. Net profit attributable to shareholders of the Company was approximately RMB4,413,272,000, with earnings per share of approximately RMB0.8760, an increase of approximately 18.51% over the same period last year.

#### (I) Analysis of principal businesses

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

Unit: Yuan Currency: RMB

ITEM	Amount in the Reporting Period	Amount in the Same Period of the Previous Year	Changes (%)
Operating Income	15,192,010,226.04	13,255,603,107.72	14.61
Operating costs	9,580,684,804.43	8,841,449,322.89	8.36
Selling expenses	10,026,993.87	14,501,739.24	-30.86
Administrative expenses	283,506,233.50	293,508,570.18	-3.41
Finance costs	1,126,370,193.34	1,094,226,669.03	2.94
Research and development expenses	-	-	-
Net cash flow from operating activities	7,392,424,081.75	5,527,921,046.44	33.73
Net cash flow from investing activities	-2,878,558,544.55	-6,426,644,763.03	-55.21
Net cash flow from financing activities	-4,605,274,861.80	1,206,429,772.33	-
Taxes and surcharges	53,378,012.08	168,927,615.17	-68.40
Gains from changes in fair value	85,937,472.55	-142,950,442.33	-
Investment income	1,464,582,102.32	1,867,961,513.05	-21.59
Gains from asset disposals	13,404,236.61	25,731,786.68	-47.91
Impairment losses on assets	-14,594,829.24	-	-
Credit impairment loss	-20,431,539.23	-5,354,679.05	281.56
Non-operating income	13,957,656.30	10,630,200.48	31.30
Non-operating expenses	39,462,620.21	49,967,992.41	-21.02
Income tax	1,062,649,445.98	833,033,706.01	27.56
Other comprehensive income, net of tax	-41,655,992.29	847,357,806.80	-

## REPORT OF THE BOARD

Explanation of the reasons for the change in operating income: This was mainly attributable to the corresponding increase in operating revenue from the Company's road and bridge main business, which benefited from the impact of factors such as the increase in traffic volume of the operating road network during the reporting period.

Explanation of the reasons for the change in operating costs: This was mainly attributable to the corresponding increase in amortization of toll operating rights due to the impact of rising traffic flow during the reporting period, the corresponding increase in oil procurement costs due to the increase in oil sales, and the year-on-year increase in road and bridge maintenance costs due to the implementation of centralized maintenance of road surfaces and the enhancement of the refinement of traffic safety facilities.

Explanation of reasons for changes in sales expenses: Mainly due to the year-on-year decrease in sales commissions and advertising and publicity cost for the real estate projects of its subsidiaries during the reporting period.

Explanation of reasons for changes in administrative expenses: Mainly due to the year-on-year decrease in intermediary agency fees during the reporting period.

Explanation of reasons for changes in financial expenses: Mainly due to the year-on-year increase in exchange losses recognized due to exchange rate fluctuations during the reporting period.

Explanation of reasons for changes in R&D expenses: None.

Explanation of reasons for changes in net cash flow from operating activities: Mainly due to the increase in traffic volume on the road network during the reporting period, the main business income increased strongly compared with the same period last year.

Explanation of reasons for changes in net cash flow generated from investing activities: This was mainly due to the year-on-year decrease in net cash outflows for the purchase of wealth management products and construction investments in road and bridge projects, as well as the year-on-year increase in cash received from the disposal of subsidiaries during the reporting period.

Reasons for changes in net cash flow generated from financing activities: Mainly due to the year-on-year increase in the Company's net debt repayments during the reporting period.

Explanation of reasons for the changes in taxes and surcharges: Mainly due to the year-on-year decrease in the real estate sales revenue of the subsidiary during the reporting period, and the corresponding decrease in the taxes and surcharges accrued.

Explanation of reasons for changes in fair value gains and losses: Mainly due to the increase in the fair value of other non-current financial assets held by subsidiaries during the reporting period.

Explanation of reasons for changes in investment income: Mainly due to the year-on-year decrease in investment income contributed by associates and distribution from other non-current financial assets during the reporting period.

Explanation of the reasons for the change in asset disposal income: Mainly due to the asset disposal of the Nanquan Toll Station of the Huantaihu Expressway in the same period last year.

Explanation of reasons for changes in asset impairment losses: Mainly due to the provision for impairment of assets for the expansion and demolition of the southern section of the Xiyi Expressway during the reporting period.

Explanation of reasons for changes in credit impairment losses: Mainly due to the year-on-year increase in bad debt provisions for measurement of electricity bills receivable during the reporting period.

Explanation of reasons for changes in non-operating expenses: Mainly due to the year-on-year decrease in road property repair expenses during the reporting period.

Explanation of reasons for changes in income tax: Mainly due to the year-on-year increase in the Group's taxable income during the reporting period.

Explanation of reasons for changes in the net amount of other comprehensive income after tax: This 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 decrease in other comprehensive income year-on-year.

Explanation of the reasons for the change in non-operating income: Mainly due to the year-on-year increase in income from asset retirements during the reporting period.

Detailed description of major changes in the Company's business type, profit composition or profit sources during the current period.

Applicable

N/A

# REPORT OF THE BOARD

## 2. Analysis of revenue and cost

Applicable  N/A

During the reporting period, the Group's operating income accumulated to approximately RMB15,192,010,000, an increase of approximately 14.61% over the same period last year. This was mainly due to the increase in traffic volume on the road network, with road toll income and ancillary business income increasing year-on-year. The cumulative operating costs were approximately RMB9,580,685,000, an increase of approximately 8.36% over the same period last year, mainly due to the increase in traffic volume and the corresponding increase in the amortization of toll operating rights; the increase in oil product sales and the corresponding increase in oil product purchase costs; and the year-on-year increase in road and bridge maintenance costs due to the implementation of centralized maintenance of road surfaces and the enhancement of the refinement of traffic safety facilities. The Group's comprehensive gross profit margin increased by approximately 3.64 percentage points compared with the same period last year.

(1) The main business based on different industries, products, regions and sales models.

Unit: Yuan Currency: RMB

By Industry	Principal Business by Industry					
	Operating Income	Operating Costs	Gross Profit Margin (%)	Change in Operating Revenue over the Same Period of the Previous Year (%)	Change in Operating Costs over the Same Period of the Previous Year (%)	Change in Gross Profit Margin over the Same Period of the Previous Year (%)
<b>Toll road</b>	<b>9,510,966,569.17</b>	<b>4,325,239,133.68</b>	<b>54.52</b>	<b>29.88</b>	<b>28.31</b>	<b>Increased by 0.56 percentage point</b>
Shanghai-Nanjing Expressway	5,250,917,488.62	2,456,889,787.24	53.21	22.66	35.41	Decreased by 4.40 percentage points
Guangjing Expressway and Xicheng Expressway	919,488,144.09	296,983,753.42	67.70	34.78	-7.82	Increased by 14.93 percentage points
Ningchang Expressway and Zhenli Expressway	1,370,361,422.90	508,726,419.55	62.88	14.36	3.16	Increased by 4.03 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	636,798,958.33	412,395,272.20	35.24	37.47	51.67	Decreased by 6.06 percentage points
Zhendao Expressway	96,694,697.58	75,051,012.28	22.38	29.55	16.81	Increased by 8.46 percentage points
Changyi Expressway	142,534,942.04	119,933,158.39	15.86	43.81	35.42	Increased by 5.22 percentage points
Yichang Expressway	128,634,487.42	101,870,090.43	20.81	-2.75	-9.73	Increased by 6.13 percentage points
Wufengshan Toll Bridge	965,536,428.19	353,389,640.17	63.40	146.06	73.58	Increased by 15.28 percentage points
<b>Ancillary services</b>	<b>1,844,054,648.46</b>	<b>1,888,309,928.10</b>	<b>-2.40</b>	<b>64.05</b>	<b>46.54</b>	<b>Increased by 12.24 percentage points</b>
<b>Property sales</b>	<b>474,897,940.35</b>	<b>360,797,542.62</b>	<b>24.03</b>	<b>-29.55</b>	<b>-17.13</b>	<b>A decrease of 11.39 percentage points</b>
<b>Electricity sales</b>	<b>642,167,322.18</b>	<b>341,443,168.15</b>	<b>46.83</b>	<b>-1.46</b>	<b>4.05</b>	<b>A decrease of 2.82 percentage points</b>
<b>Revenue/cost during the construction period</b>	<b>2,496,053,906.65</b>	<b>2,496,053,906.65</b>	<b>0.00</b>	<b>-25.28</b>	<b>-25.28</b>	
<b>Other businesses</b>	<b>223,869,839.23</b>	<b>168,841,125.23</b>	<b>24.58</b>	<b>57.25</b>	<b>116.54</b>	<b>Decreased by 20.65 percentage points</b>
<b>Total</b>	<b>15,192,010,226.04</b>	<b>9,580,684,804.43</b>	<b>36.94</b>	<b>14.61</b>	<b>8.36</b>	<b>Increased by 3.64 percentage points</b>

## REPORT OF THE BOARD

By Industry	Main business by product					
	Operating Income	Operating Costs	Gross Profit Margin (%)	Change in Operating Revenue over the Same Period of the Previous Year (%)	Change in Operating Costs over the Same Period of the Previous Year (%)	Change in Gross Profit Margin over the Same Period of the Previous Year (%)
-	-	-	-	-	-	-

By Industry	Main business by region					
	Operating Income	Operating Costs	Gross Profit Margin (%)	Change in Operating Revenue over the Same Period of the Previous Year (%)	Change in Operating Costs over the Same Period of the Previous Year (%)	Change in Gross Profit Margin over the Same Period of the Previous Year (%)
-	-	-	-	-	-	-

By Industry	Main business by sales model					
	Operating Income	Operating Costs	Gross Profit Margin (%)	Change in Operating Revenue over the Same Period of the Previous Year (%)	Change in Operating Costs over the Same Period of the Previous Year (%)	Change in Gross Profit Margin over the Same Period of the Previous Year (%)
-	-	-	-	-	-	-

*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, the toll road business of the Group was affected by the increase in traffic volume of the operating road network and the increase in toll revenue, and the overall gross profit margin level of the toll road business increased as compared with the corresponding period of the previous year. The Shanghai-Nanjing Expressway was affected by the centralized maintenance of road surfaces and the refinement of traffic safety facilities. Road maintenance costs increased year-on-year, and the gross profit margin of the toll business decreased year-on-year. Affected by the overhaul of the Huantaihu Expressway, the road maintenance costs increased year-on-year, and the gross profit margin of the toll business decreased accordingly.

*Note 3:* During the reporting period, the sales volume of oil products increased and the price spread of refined oil products increased, which led to a year-on-year increase in the gross profit margin of the ancillary service business.

*Note 4:* The hotel project of the subsidiary Ninghu Properties Company opened in January 2023. It is currently in the early stages of operation and its revenue has yet to be cultivated. Affected by this, the operating gross profit margin of other businesses during the reporting period decreased year-on-year.

*Note 5:* During this reporting period, affected by weather factors such as decreased wind speed, YS Energy Company's offshore wind power project's grid-connected electricity volume decreased, and electricity sales revenue decreased year-on-year.

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

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

# REPORT OF THE BOARD

(2) Analysis on production and sales volume

Applicable  N/A

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

Applicable  N/A

(4) Analysis of costs

Unit: Yuan Currency: RMB

By Industry	Components of Costs	Amount for the Reporting Period	By Industry				Explanation
			Percentage in Total Costs for the Reporting Period (%)	Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year (%)	Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year (%)	
Toll road business	-	4,325,239,133.68	45.15	3,370,981,816.85	38.13	28.31	
-	Depreciation and amortization	2,035,588,705.98	21.25	1,590,550,707.37	17.99	27.98	Mainly due to the corresponding increase in amortization of toll operating rights due to the impact of rising traffic flow during the reporting period.
-	Costs on maintenance	1,054,468,236.17	11.01	609,917,852.14	6.90	72.89	Mainly due to the centralized maintenance of road surfaces and the refinement of traffic safety facilities during the reporting period.
-	Costs on system maintenance	69,711,728.02	0.73	81,559,904.85	0.92	-14.53	This was mainly due to the upgrade of the toll communication and monitoring system during the same period last year, which resulted in relatively high maintenance costs.
-	Levy costs	241,673,920.88	2.52	188,341,488.19	2.13	28.32	This was mainly attributable to the growth in toll revenue and the corresponding increase in road network management fees during the reporting period; as well as the year-on-year increase in investment in production safety.
-	Labor costs	923,796,482.63	9.64	900,611,864.30	10.19	2.57	
Ancillary services business	-	1,888,309,928.10	19.71	1,288,604,543.24	14.57	46.54	
-	Raw materials	1,411,939,794.54	14.74	856,865,519.39	9.68	64.98	Mainly due to the increase in oil product sales and the corresponding increase in oil product purchase costs.
-	Depreciation and amortization	69,476,211.59	0.73	66,872,218.72	0.76	3.89	
-	Labor costs	264,342,259.72	2.76	253,946,197.45	2.87	4.09	
-	Other costs	142,491,662.25	1.49	111,920,607.68	1.27	27.31	This is mainly due to the fact that some service areas were closed for control during the same period last year and related costs were less incurred.
Property sales business	-	360,797,542.62	3.77	435,356,228.58	4.92	-17.13	This was mainly due to the fact that the scale of delivery of real estate projects of subsidiaries in the current reporting period was smaller than that of the same period of the previous year.
Electricity sales	-	341,443,168.15	3.56	328,148,600.23	3.71	4.05	This was mainly due to the year-on-year increase in safety production fees and property insurance accrued for clean energy projects of subsidiaries during the reporting period.
Construction period costs	-	2,496,053,906.65	26.05	3,340,387,380.03	37.78	-25.28	Mainly due to the year-on-year decrease in construction investment in road and bridge projects during the reporting period.
Other businesses	-	168,841,125.23	1.76	77,970,753.96	0.89	116.54	Mainly due to the year-on-year increase in operating costs of hotel project operated by its subsidiary.

## REPORT OF THE BOARD

By Industry	Main business by product						Explanation
	Components of Costs	Amount for the Reporting Period	Percentage in Total Costs for the Reporting Period	Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year	Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year	
			(%)		(%)	(%)	
-	-	-	-	-	-	-	-

Explanation on other details of cost analysis

None.

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

Applicable  N/A

On 17 February 2023, with the approval of the 15th meeting of the 10th session of the board of directors of the Company, the Company's wholly-owned subsidiary Jiangsu Ninghu Investment Company transferred its 100% equity interest in the Factoring Company to Jiangsu Communications Holding and YS Capital. On 27 February 2023, Jiangsu Ninghu Investment Company, Factoring Company, Jiangsu Communications Holding and YS Capital signed the "Equity Transfer Agreement". According to the evaluation results after filing with the state-owned assets management department, the consideration was RMB346 million, of which: the consideration for the transfer of 80% of the equity interest of the target to Jiangsu Communications Holdings was RMB276.8 million; the consideration for the transfer of 20% of the equity interest of the target to YS Capital was RMB69.2 million. In July 2023, the Guangzhou Local Financial Supervision and Administration Bureau approved the change of shareholders of the Factoring Company. During the reporting period, Jiangsu Ninghu Investment Company received the entire equity transfer payment of RMB346 million concerning the Factoring Company and completed the change of registration. After the completion of this transfer, the Company no longer holds any equity interest in the Factoring Company and no longer includes it in the Company's consolidated financial statements.

Approved by the 14th meeting of the Company's 10th session of the board of directors, YS Energy Company and Jiangsu Tonghu Logistics Park Co., Ltd. (江蘇通湖物流園有限公司) jointly established Jiangsu Communications Holding Clean Energy Suqian Co., Ltd. (蘇交控清潔能源宿遷有限公司) with a registered capital of RMB20 million. YS Energy Company held 65% of the equity interest while Tonghu Logistics Park holds 35%. The registered capital will be allocated in batches according to the progress of the actual investment project. Suqian Company completed the change of registration on 20 March 2023. During the reporting period, YS Energy Company made a capital contribution of RMB3.9 million.

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

Applicable  N/A



(7) *Major sales customers and major suppliers*

A. Major sales customers of the Company

Applicable  N/A

The sales to the top five customers amounted to RMB610,230,000, accounting for 4.02% of the total sales for the year; among which, the sales to related parties among the top five customers amounted to RMB84,310,000, accounting for 0.55% of the total sales for the year.

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

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

Applicable  N/A

B. Major suppliers of the Company

Applicable  N/A

The purchase amount of the top five suppliers was RMB1,709.73 million, accounting for 48.53% of the total annual procurement (of which the largest supplier accounted for 14.39% the total purchases for the year); among the purchases from the top five suppliers, the purchase amount from related parties was RMB0.00 million, accounting for 0.00 % of the total annual procurement.

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



## REPORT OF THE BOARD

During the reporting period, the proportion of purchases from a single supplier exceeds 50% of the total amount. There are new suppliers in the top 5 suppliers or there is heavy reliance on a small number of suppliers.

Applicable  N/A

Other instructions

None.

### 3. Expenses

Applicable  N/A

#### (1) *Management expenses*

During the reporting period, the Group's cumulative administrative expenses incurred were approximately RMB283,506,000, a decrease of approximately 3.41% compared with the same period last year. Mainly due to the year-on-year decrease in intermediary agency fees during the reporting period.

#### (2) *Financial expenses*

During the reporting period, the Group's cumulative financial expenses were approximately RMB1,126,370,000, an increase of approximately 2.94% over the same period last year. Mainly due to the year-on-year increase in exchange losses recognized due to exchange rate fluctuations during the reporting period.

#### (3) *Selling expenses*

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB10,027,000, representing a year-on-year decrease of approximately 30.86%. The decrease in selling expenses was mainly due to the year-on-year decrease in sales commission and advertising fees of the property projects of relevant subsidiaries during the Reporting Period.

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

During the reporting period, the Group's taxes and surcharges incurred a total of RMB53,378,000, a year-on-year decrease of approximately 68.40%. This is mainly due to the year-on-year decrease in the Group's real estate sales revenue during the reporting period, which resulted in a corresponding decrease in accrued taxes and surcharges.

#### (5) *Income tax*

The statutory income tax rates of companies affiliated to the Group are approximately 25%, 16.5%, etc. During the reporting period, the Group's accumulated income tax expenses were approximately RMB1,062,649,000, a year-on-year increase of approximately 27.56%. This is mainly due to the fact that the operating income during the reporting period was affected by the increase in road network traffic, resulting in a corresponding increase in the Group's taxable income.

4. R&D input

(1) *Table of R&D input*

Applicable  N/A

(2) *Table of R&D personnel*

Applicable  N/A

(3) *Explanation*

Applicable  N/A

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

Applicable  N/A

5. Cash flow

Applicable  N/A

The Group's toll revenue is collected in cash, and its operating cash flow is stable. During the reporting period, the Group's net cash inflow from operating activities was approximately RMB7,392,424,000, a year-on-year increase of approximately 33.73%. This was mainly due to the increase in traffic volume on the road network during the reporting period, and the strong growth in main business income compared with the same period last year, resulting in a year-on-year increase in net cash flows from operating activities. The net cash outflow generated from investing activities was approximately RMB2,878,559,000, a year-on-year decrease of approximately 55.21%. This is mainly due to the year-on-year net cash outflow from the purchase of wealth management products and the decrease in construction investment in road and bridge projects during the reporting period, as well as the year-on-year increase in cash received from the disposal of subsidiaries. The net cash outflow generated from financing activities was approximately RMB4,605,275,000, compared with the net inflow of approximately RMB1,206,430,000 in the same period last year. This was mainly due to the year-on-year increase in the Company's net debt repayment during the reporting period, resulting in a year-on-year decrease in net cash flow generated from financing activities.

6. Gains from changes in fair value

During the reporting period, the Group realized a gain on changes in fair value of approximately RMB85,937,000, as compared to RMB-142,950,000 for the same period last year, which was mainly due to the increase in fair value of other non-current financial assets held by subsidiaries during the reporting period.

## REPORT OF THE BOARD

### 7. Investment income

During the reporting period, the Group's investment income amounted to approximately RMB1,464,582,000, representing a decrease of approximately 21.59% year-on-year. This was mainly due to the relatively high base of investment income recognized as a result of the issuance of infrastructure public REITs by an associate, Yanjiang Company, in the same period last year by way of transferring 100% equity interest in Husuzhe Company, despite the increase in the volume of road network traffic during the reporting period; as well as year-on-year decreases in allocations of other non-current financial assets and gains from wealth management, among others. Various associates and joint ventures in which the Group had equity participation contributed investment income of approximately RMB846,679,000 during the reporting period, representing a decrease of approximately 22.10% year-on-year. The operating results of important associates are as follows:

Unit: Yuan Currency: RMB

Name of Company	Principal Business	Investment Cost	Equity Interest Attributable to the Company %	Net Profit Attributable to the Shareholders of the Associates	Contribution to Investment Income	Percentage of the Company's Net Profit %	Year-on-year Increase/Decrease %
Suzhou Expressway Company	Mainly responsible for the management and operation businesses of Sujiahang Expressway and Changjia Expressway	957,700,163.00	23.86	556,109,019.61	132,687,612.08	3.01	52.26
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243.00	26.66	1,176,690,745.54	313,705,752.76	7.11	39.37
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000.00	25.15	209,634,282.50	57,859,061.97	1.31	-86.26
Zijin Trust Company	Mainly engaged in trust investment business approved by laws and regulations or the China Banking Regulatory Commission	1,989,582,000.00	20.00	971,976,635.71	194,395,327.14	4.40	15.92

### 8. Other income

During the reporting period, the Group realized other income of approximately RMB30,838,000, a year-on-year decrease of approximately 3.58%, mainly due to the year-on-year decrease in government subsidy income during the reporting period.

### 9. Non-operating income and expenditure

During the reporting period, the Group realized non-operating income of approximately RMB13,958,000, representing a year-on-year increase of approximately 31.30%, which was mainly due to the year-on-year increase in income from asset scrapping during the reporting period. During the reporting period, the Group incurred non-operating expenses of approximately RMB39,463,000, representing a year-on-year decrease of approximately 21.02%, which was mainly attributable to the year-on-year decrease in the expenses for the repair of road properties during the reporting period.

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

Applicable  N/A

## (III) Analysis of assets and liabilities

Applicable  N/A

### 1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount as at the End of the Reporting Period	Percentage in the Total Assets as at the End of the Reporting Period (%)	Amount as at the End of the Previous Period	Percentage in the Total Assets as at the End of the Previous Period (%)	Percentage Change of the Amount as at the End of the Reporting Period as Compared with the End of the Previous Period (%)	Explanation
Cash at bank and on hand	862,161,074.06	1.10	932,931,344.38	1.19	-7.59	This was mainly due to the fact that the Group utilized its own funds to repay part of its borrowings during the reporting period.
Accounts receivable	1,650,030,300.22	2.10	1,127,669,970.08	1.44	46.32	Mainly due to the increase in the amount of state subsidy receivable from power stations transmitting electricity to the State Grid at the end of the Reporting Period as compared with the beginning of the period.
Inventories	2,238,246,666.22	2.85	2,585,018,115.85	3.29	-13.41	Mainly due to the delivery and carry-forward of real estate projects of subsidiaries during the Reporting Period.
Long-term equity investments	11,882,583,176.73	15.11	11,089,989,971.83	14.13	7.15	Mainly due to the increase in investment income contributed by associates during the Reporting Period.
Fixed assets	7,595,044,911.05	9.66	8,045,978,815.98	10.26	-5.60	Mainly due to the depreciation charged during the Reporting Period.
Short-term loan	1,003,987,152.92	1.28	2,434,124,067.61	3.10	-58.75	This is mainly due to the decrease in short-term loans from financial institutions during the reporting period compared with the beginning of the period.
Contract liabilities	39,662,422.59	0.05	162,928,919.15	0.21	-75.66	Mainly due to the delivery and carry-forward of real estate projects of subsidiaries during the Reporting Period
Long-term loan	19,448,100,982.09	24.73	16,053,597,366.94	20.46	21.15	This was mainly due to the increase in borrowings for road and bridge projects under construction and other long-term bank borrowings during the reporting period as compared to the beginning of the period.
Trading financial assets	3,663,586,404.72	4.66	3,474,620,148.26	4.43	5.44	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared with the beginning of the period.
bill receivable	8,663,103.00	0.01	950,000.00	0.00	811.91	This is mainly due to the increase in bank acceptance bills receivable from subsidiaries at the end of the reporting period compared with the beginning of the period.
Prepayments	6,112,638.02	0.01	7,737,346.20	0.01	-21.00	This was mainly due to the decrease in prepayments for construction work at the end of the reporting period as compared to the beginning of the period.
Other receivables	61,589,717.54	0.08	62,758,902.02	0.08	-1.86	This was mainly due to the release of mortgage deposits for property projects of subsidiaries during the reporting period.
Notes payable	252,900,000.00	0.32	366,000,000.00	0.47	-30.90	This was mainly due to the change in the scope of consolidation during the reporting period, which resulted in a reduction in the bank acceptance bills originally issued by Factoring Company.
Other payables	341,841,510.15	0.43	288,042,394.72	0.37	18.68	The increase was mainly due to the project payments collected by subsidiaries during the reporting period.
Non-current liabilities due within one year	3,031,210,204.68	3.85	1,815,208,560.25	2.31	66.99	Mainly due to the transfer of long-term loans due within one year during the Reporting Period.
Other current liabilities	1,927,281,542.83	2.45	5,359,728,092.37	6.83	-64.04	Mainly due to the redemption of ultra-short-term notes during the Reporting Period, which resulted in a decrease in the balance as compared with the beginning of the period.
Bonds payable	7,984,206,539.05	10.15	9,972,337,481.34	12.71	-19.94	Mainly due to the adjustment of bonds payable due within one year during the reporting period.
Special reserves	2,090,207.92	0.00	577,468.02	0.00	261.96	This was mainly due to the provision of safety production fees by subsidiaries in the current reporting period.
Total assets	78,661,443,944.36	100.00	78,458,345,074.07	100.00	0.26	
Total gearing ratio	48.02%	-	51.63%	-	Decrease by 3.61 percentage points	
Net gearing ratio	92.38%	-	106.74%	-	Decrease by 14.36 percentage points	

#### Other explanations

During the reporting period, the accumulated amount of wealth management products purchased by the Group from any one bank did not reach or exceed 5% of total assets (adjusted to reduce dividends payable in accordance with listing rules) or market capitalisation.

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

## REPORT OF THE BOARD

2. Overseas assets

Applicable  N/A

(1) *Asset size*

Including: Overseas assets of 54,747.75 (Unit: Dollar Currency: USD), accounting for 0.0004930% of the total assets.

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

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

Applicable  N/A

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

Applicable  N/A

Unit: Yuan Currency: RMB

Class	Book Value as at the End of the Reporting Period	Reasons for Restriction
Bank deposits	28,557,544.17	Margin deposits for notes issued
Intangible assets	24,831,498,864.13	Pledge of toll road concession rights of expressways
Accounts receivable	882,192,252.31	Pledge of the right to charge for electricity receivables
Total	25,742,248,660.61	

(1) *Explanation for restrictions on bank deposits*

At the end of the reporting period, the Group's restricted bank deposits were mainly bill deposits collected by financial institutions in accordance with regulatory regulations on a pro rata basis for commercial bills issued with Longtan Bridge Company, YS Energy Company, and Guangjing Xicheng Company as the drawees.

(2) *Explanation for restrictions on intangible assets*

Guangjing Xicheng Company, a subsidiary of the Group, entered into a loan contract with Wuxi Branch of Industrial and Commercial Bank of China in respect of a loan of RMB1,200,000,000 in aggregate, which was secured by the toll road concession right of Guangjing Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB255,000,000.

A subsidiary of the Group, Wufengshan Toll Bridge Company, entered into loan contracts with the Jiangsu Branch of China Construction Bank, the Jiangsu Branch of China Development Bank, the Jiangsu Branch of Bank of Communications, the Nanjing Branch of Postal Savings Bank of China and the Nanjing Chengnan Branch of Industrial and China Merchants Bank Nanjing Branch 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 part of the Wufengshan Toll Bridge and the toll road concession rights of North-South Connection. As of the end of the reporting period, the loan balance amounted to RMB1,559,000,000, RMB162,000,000, RMB834,407,000, RMB962,212,000, RMB357,500,000, RMB1,152,000,000, respectively.

Longtan Bridge Company, a subsidiary of the Group, pledged the toll operating rights of the Longtan Cross-River Channel and signed loan contracts with the Jiangsu Branch of the China Development Bank, Jiangsu Branch of China Merchants Bank, and Jiangsu Branch of the Bank of China for a total loan amount of RMB2,000,000,000, and RMB1,000,000,000, and RMB1,200,000,000, respectively. As of the end of this reporting period, the balances of loans were RMB301,000,000, RMB200,000,000 and RMB200,000,000, respectively.

Longtan Bridge Company, a subsidiary of the Group, pledged the toll operating rights of Longtan North Connection and signed a loan contract with the Jiangsu Branch of the China Development Bank totaling RMB1,000,000,000. As of the end of this reporting period, the loan balance was RMB1,000,000.

Changyi Company, a subsidiary of the Group, pledged the toll operating rights of Changyi Expressway and signed loan contracts with Nanjing Branch of Postal Savings Bank, Wuxi Chengzhong Branch of Agricultural Bank of China, Wuxi Branch of Industrial and Commercial Bank of China, and Nanjing Chengzhong Branch of Bank of Communications with a total amount of RMB500,000,000, RMB382,900,000, RMB2,000,000,000, and RMB8,000,000,000, respectively. As of the end of the reporting period, the loan balances were RMB47,460,000, RMB354,000,000, RMB550,500,000, and RMB591,912,500, respectively.

Yichang Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Branch of Industrial and Commercial Bank of China, the Jiangsu Branch of China Development Bank, and Bank of Communications with a total amount of RMB500,000,000, RMB2,400,000,000, RMB2,000,000,000 and RMB300,000,000, respectively, which were secured by the toll road concession rights of Yichang Expressway. As of the end of the Reporting Period, the loan balance amounted to RMB374,780,000, RMB475,000,000, RMB376,000,000, and RMB43,340,000, respectively.

(3) *Explanation for restrictions on accounts receivable*

Rudong Company, a subsidiary of the Group, entered into a loan contract with the Jiangsu Branch of the China Development Bank for loan total amount of up to RMB4,000,000,000, and signed a supplemental agreement in March 2023, revising the total loan amount to up to RMB2,663,000,000. In addition to the guarantee provided by the Company, the project's electricity fee charging rights were pledged. As of the end of this reporting period, the loan balance was RMB2,437,000,000.

## REPORT OF THE BOARD

4. Other explanations

Applicable  N/A

(1) *Investment expenditure*

During the reporting period, the Group has implemented planned investment expenditures of approximately RMB2,740,833,000, a decrease of approximately RMB4,901,147,000 or 64.13% from RMB7,641,980,000 for the same period last year. This was mainly due to the Group's investment in road and bridge project construction, the investment and other equity instrument investment and equity investment decreased year-on-year during the reporting period. During the reporting period, the investment projects and amounts implemented by the Group were:

Names of Investment Projects	Amount (RMB)
Longtan Bridge and North Connection Project	1,720,627,196.22
Xiyi Expressway South Section Expansion Project	775,426,710.43
Investment in Jiangsu Communications Holding Clean Energy (Suqian) Co., Ltd. <i>(Note)</i>	3,900,000.00
Investment in Jiangsu Communications Holding Clean Energy (Jiangsu) Co., Ltd. <i>(Note)</i>	26,456,500.00
Investment in Changzhou Jintan Heyi New Energy Technology Co., Ltd. <i>(Note)</i>	1,904,000.00
Renovation and expansion of service areas and toll stations	23,949,834.92
Three major systems and information construction projects	21,805,535.41
Photovoltaic power generation projects	109,232,243.23
Other capital expenditure of the Group	57,531,447.19
<b>Total</b>	<b>2,740,833,467.40</b>

*Note:* These three items represent the Company's capital investment in subsidiaries.

(2) *Capital structure and solvency*

The Group focuses on maintaining a reasonable capital structure and continuously improving profitability to maintain the Group's good credit rating and sound financial condition. The total liabilities at the end of the reporting period were approximately RMB37,772,936,000, and the Group's total asset-liability ratio was approximately 48.02%, a decrease of approximately 3.61 percentage points from the end of the previous period. Based on the Group's stable and abundant operating cash flow and good financing and capital management capabilities, the management believes that the financial leverage ratio at the end of the reporting period is at a safe level.



(3) *Financial strategy and financing arrangement*

During the reporting period, the Group actively expanded its financing channels, adjusted debt structure, reduced financing costs, met the capital needs for operation management and project investment through active financing strategies, and effectively controlled financing costs. There is no seasonal impact on the Group's borrowing demand. The amount of new direct financing during the reporting period was RMB12,050,000,000. As of 31 December 2023, the Group's borrowing amount was RMB21,349,091,370, of which RMB4,103,282,330 was fixed-rate loan. As of the end of the reporting period, the principal balance of interest-bearing debt was approximately RMB33,191,882,450, a decrease of approximately RMB2,234,775,020 from the beginning of the period, of which short-term interest-bearing debt accounted for approximately 8.70% and long-term interest-bearing debt accounted for approximately 91.30%. The consolidated borrowing cost of the Group's interest-bearing debt was approximately 3.25%, a year-on-year decrease of approximately 0.16 percentage points, which was lower than the current Loan Prime Rate ("LPR") by approximately 0.74 percentage point (the above amount does not include interest). Details on the main financing activities during the reporting period are set out in Section IX Particulars of Corporate Bonds.

(4) *Credit policy*

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

(5) *Contingencies*

As an industrial practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide joint and several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased property is completed and the Building Right Encumbrances Certificate is submitted to banks for enforcement. As of 31 December 2023, the outstanding guarantees amounted to approximately RMB111,530,000.



## REPORT OF THE BOARD

### (6) Foreign exchange risks

The Group currently operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and major capital expenditures are all settled in RMB except for dividend payments for H Shares and the Group has no investment in foreign currency. In 1998, the Group obtained a loan from the Spanish government of USD9,800,000 at an interest rate of 2% per annum with interest payable annually and due on 18 July 2027. As of 31 December 2023, the balance of the loan was equivalent to approximately RMB8,774,000. On 14 July 2023, the Group borrowed Euro 66 million of offshore financing against domestic guarantee from China Merchants Bank London Branch. The annual interest is 3-month Euro Interbank Offered Rate (EURIBOR) plus 75 BP (base points). It will be adjusted every three months and the principal will be repaid upon maturity. Interest is paid every three months and the loan will mature on 5 July 2024. As of 31 December 2023, the balance of the loan was equivalent to approximately RMB518,707,000.

### (7) Reserve

Unit: Yuan Currency: RMB

	Total Equity Attributable to Shareholders of the Parent Company							Total
	Share Capital	Capital Reserve	Comprehensive Income	Surplus Reserve	General Risk Reserve	Special Reserve	Undistributed Profits	
I. Balance at the beginning of the year	5,037,747,500.00	9,776,409,372.86	1,752,882,112.53	4,019,593,072.94	9,737,731.83	577,468.02	11,343,860,451.93	31,940,807,710.11
II. Changes in equity during the year ("-" for decreases)	-	24,832,312.05	-75,773,192.29	163,687,170.58	-9,737,731.83	1,512,739.90	1,941,968,298.54	2,046,479,596.95
(I). Total comprehensive income	-	-	-75,773,192.29	-	-	-	4,413,271,587.29	4,337,498,395.00
(II) Shareholders' investment and reduction of capital	-	-	-	-2,804,119.00	-8,408,946.17	-	11,213,065.17	-
1. Disposal of subsidiaries	-	-	-	-2,804,119.00	-8,408,946.17	-	11,213,065.17	-
(III). Appropriation of profits	-	24,832,312.05	-	166,491,289.58	-1,328,785.66	-	-2,482,526,353.92	-2,292,531,537.95
1. Appropriation for surplus reserve	-	-	-	166,491,289.58	-	-	-166,491,289.58	-
2. Distributions to shareholders	-	-	-	-	-	-	-2,317,363,850.00	-2,317,363,850.00
3. Appropriation for general risk reserve	-	-	-	-	-1,328,785.66	-	1,328,785.66	-
4. Miscellaneous	-	24,832,312.05	-	-	-	-	-	24,832,312.05
(IV). Transfers within equity	-	-	-	-	-	-	-	-
1. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-
(V). Consideration paid for business merger under common control	-	-	-	-	-	-	-	-
(VI). Specific reserve	-	-	-	-	-	1,512,739.90	-	1,512,739.90
1. Appropriations during the year	-	-	-	-	-	6,806,240.52	-	6,806,240.52
2. Utilisations during the year	-	-	-	-	-	-5,293,500.62	-	-5,293,500.62
III. Balance at the end of the year	5,037,747,500.00	9,801,241,684.91	1,677,108,920.24	4,183,280,243.52	-	2,090,207.92	13,285,818,750.47	33,987,287,307.06

Note: The above statutory reserves may not be used for purposes other than their intended purposes and may not be used for distribution as cash dividends. As of 31 December 2023, the reserves available for distribution to shareholders calculated in accordance with the PRC Accounting Standards amounted to RMB13,285,818,750.47 (as of 31 December 2022: RMB11,343,860,451.93).

### (IV) Analysis of operating information

Applicable  N/A

## (V) Analysis of investment

Overall analysis of external equity investment

Applicable  N/A

During the reporting period, the details of the Group's significant equity investments, significant non-equity investments and financial assets measured at fair value are as follows:

1. Significant equity investment

Applicable  N/A

Unit: Yuan Currency: RMB

Name of investee Corporation	Principal Business	Whether the Target is Principally Engaged in the Investment Business	Investment Method	Invested Amount	Shareholding Percentage	Whether to Consolidate	Statement Item (if applicable)	Sources of Funds	Partner (if applicable)	Investment Term (if any)	Status as at the Balance Sheet Date	Estimate Earnings (if any)	Impact on profit and loss for the current period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Three Gorges Changzhou Xirbei New Energy Co., Ltd.	photovoltaic power	no	Newly established	17,500,000	20%	no	Long-term equity investment/income	Private capital	Yangtze Three Gorges Corporation Jiangsu Energy Investment Co., Ltd., Shanghai Shengdenui Investment Development Co., Ltd.	25 years	The change of registration has been completed, but the capital contribution has not yet been made.	-	0	no	2023-10-30	For details, please refer to the Company's board resolution announcement published on the Shanghai Stock Exchange website www.sse.com.cn on 30 October 2023 and on the Stock Exchange website www.hkexnews.hk on 27 October 2023.
Three Gorges Yunshan Taizhou Hailing Power Generation Co., Ltd.	photovoltaic power	no	Newly established	27,840,000	30%	no	Long-term equity investment/income	Private capital	Yangtze Three Gorges Corporation Jiangsu Energy Investment Co., Ltd., Shanghai Shengdenui Investment Development Co., Ltd.	25 years	The change of registration has been completed, but the capital contribution has not yet been made.	-	0	no	2023-10-30	For details, please refer to the Company's board resolution announcement published on the Shanghai Stock Exchange website www.sse.com.cn on 30 October 2023 and on the Stock Exchange website www.hkexnews.hk on 27 October 2023.
Three Gorges New Energy Taizhou Power Generation Co., Ltd.	photovoltaic power	no	acquisition	25,600,000	40%	no	Long-term equity investment/income	Private capital	Yangtze Three Gorges Group Jiangsu Energy Investment Co., Ltd.	25 years	The change of registration has been completed, but the capital contribution has not yet been made/(Note)	-	0	no	2023-11-18	For details, please refer to the Company's board resolution announcement published on the Shanghai Stock Exchange website www.sse.com.cn on 18 November 2023 and on the Stock Exchange website www.hkexnews.hk on 17 November 2023.
Total	/	/	/	70,940,000	/	/	/	/	/	/	/	-	0	/	/	/

Note: In January 2024, the Company made capital contribution of RMB10,800,000 in Three Gorges New Energy Taizhou Power Generation Co., Ltd.

## REPORT OF THE BOARD

2. Material non-equity investments

Applicable  N/A

**Investment in the construction of road and bridge project.** During the Reporting Period, the Group continued to efficiently advance the construction of road and bridge projects under construction in an orderly fashion. In 2023, approximately RMB747 million was invested in the construction of the Longtan Bridge project, with a cumulative investment of approximately RMB3,882 million, accounting for 62.08% of the total project investment. Longtan Bridge North Connection Project invested construction funds of about RMB974 million, and accumulated construction funds of about RMB2.62 billion, accounting for 37.51% of the total investment of the project. During the Reporting Period, approximately RMB775 million was invested in the construction of the southern section expansion project of Xiyi Expressway, with a cumulative investment of approximately RMB1.392 billion, accounting for 17.95% of the total investment in the project.

3. Financial assets measured at fair value

Applicable  N/A

Unit: 0' 000 Currency: RMB

Asset Category	Amount at the Beginning of the Reporting Period	Gains or Losses from Changes in Fair Value during the Reporting Period	Accumulative Fair Value Changes Included in Equity	Impairments Accrued during the Reporting Period	Purchased Amount during the Reporting Period	Amount Sold/ Redeemed during the Reporting Period	Other Changes	Amount at the End of the Reporting Period	Asset Category
Private Equity Fund	240,471.52	-715.00	-	-	-	5,494.21	-	-	234,262.31
Stock	698,944.81	-	-16,645.85	-	-	-	-	-	682,298.96
Others	394,726.07	9,308.74	-	-	1,736,707.56	1,717,408.25	-	-	423,334.12
Total	1,334,142.40	8,593.74	-16,645.85	-	1,736,707.56	1,722,902.46	-	-	1,339,895.39

Note:

The private equity funds comprise the CDB Kai Yuan Phase II Fund, Zhongbei Zhiyuan Fund and Luode Huizhi Fund held by the Company during the Reporting Period. For details, please refer to the following section headed "Private Equity Fund Investment".

Shares include shares of Bank of Jiangsu and Jiangsu Leasing Company held by the Company during the Reporting Period. For details, please refer to the table below headed "Securities Investment".

Others include the Fuanda Advantageous Growth Fund, wealth management products and Jiangsu Leasing Company convertible bonds held by the Company during the Reporting Period. During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, held Fuanda Advantageous Growth Fund purchased in 2011, being approximately 10,000,000 units in total with a net value of approximately RMB26,586,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. There was a decrease in fair value of approximately RMB4,027,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB16,587,000.

# REPORT OF THE BOARD

## Securities Investment

Applicable  N/A

Unit: 0' 000 Currency: RMB

Securities Type	Securities Code	Securities Abbreviation	Initial Investment Cost	Sources of Funds	Book Value	Gains or	Accumulative Fair Value Changes Included in Equity	Purchased Amount during the Reporting Period	Sold Amount during the Reporting Period	Gain or Loss on Investments for the Period	Book value	Accounting Items
					as at the Beginning of the Reporting Period	Losses from Changes in Fair Value during the Reporting Period					as at the End of the Reporting Period	
Shares	600919	Jiangsu Bank (Note)	462,953.09	Self-owned fund	570,712.81	-	-46,972.25	-	-	38,415.47	523,740.56	Investments in other equity instruments
Shares	600901	Jiangsu Financial Lease	27,089.85	Self-owned fund	128,232.00	-	30,326.40	-	-	8,190.00	158,558.40	Investments in other equity instruments
Total	/	/	490,042.94	/	698,944.81	-	-16,645.85	-	-	46,605.47	682,298.96	/

*Note:* As of 31 December 2023, the Group held 782,870,800 shares (i.e. 4.27% of the equity) in Bank of Jiangsu (stock code: 600919), with a market value of approximately RMB5,237,405,700, accounting for about 6.66% of the Group's total assets. Bank of Jiangsu commenced its business on 24 January 2007. It is one of the 19 systemically important banks in China and the largest corporate bank in Jiangsu Province. As of the end of September 2023, Bank of Jiangsu's total assets reached RMB3.34 trillion, ranking 68th among the world's top 1000 banks in 2023, continuing to be among the top 100 global banks, and ranking No.71 among the top 500 global bank brands in 2023. In addition, it was elected as the East Asia regional director representative of the "United Nations Environment Program Financial Initiative Banking Council". The Company continued to invest in the equity of Bank of Jiangsu from 2013 to 2022, and received considerable cash dividend distribution income every year (the dividend distribution income received from Bank of Jiangsu during the reporting period was RMB384,154,701.56), effectively improving the Company's profit level. Bank of Jiangsu has performed steadily 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. It will help the Company further improve the efficiency of the use of funds, expand the Company's profit channels, and create greater value for shareholders.

## Explanation of securities investment situation

Applicable  N/A

## Private Equity Fund Investment

Applicable  N/A

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.

## REPORT OF THE BOARD

During the reporting period, Ninghu Investment Company held the CDB Kai Yuan Phase II Fund subscribed in 2016. The net value at the beginning of the reporting period was approximately RMB1,686,932,000, and the investment cost was RMB1,113,021,000. During the reporting period, the investment recovered was RMB39,961,000, the investment income was approximately RMB69,174,000, and the net value was approximately RMB1,679,195,000 at the end of the reporting period. The fair value increased by approximately RMB32,224,000 during the reporting period, and the accumulated fair value increased by approximately RMB606,136,000.

During the reporting period, Ninghu Investment Company held the Zhongbei Zhiyuan Fund subscribed in 2019, with a net value of approximately RMB257,357,000 at the beginning of the reporting period and an investment cost of RMB270,000,000. During the reporting period, the investment of RMB20,000,000 was recovered, and the net value value decreased by approximately RMB17,236,000 during the reporting period, and the accumulated fair value decreased by approximately RMB33,333,000.

During the reporting period, Ninghu Investment Company held the Luode Huizhi Fund subscribed in 2020. The net value at the beginning of the reporting period was approximately RMB460,426,000, and the investment cost was RMB500,000,000. During the reporting period, the investment of RMB20,000,000 was recovered, and the net value at the end of the reporting period was approximately RMB418,288,000. The fair value decreased by approximately RMB22,138,000 during the reporting period, and the accumulated fair value decreased by approximately RMB58,258,000.

Investment in Derivatives

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

On 17 February 2023, with the approval of the 15th meeting of the 10th session of the board of directors of the Company, the Company's wholly-owned subsidiary Ninghu Investment Company transferred its 100% equity interest in the Factoring Company to Jiangsu Communications Holding and YS Capital. On 27 February 2023, Ninghu Investment Company, Factoring Company, Jiangsu Communications Holding and YS Capital entered into the "Equity Transfer Agreement". According to the evaluation results after filing with the state-owned assets management department, the consideration was RMB346 million, of which: the consideration for the transfer of 80% of the target's equity interests to Jiangsu Communications Holdings was RMB276.8 million; the consideration for the transfer of 20% of the target's equity interest to YS Capital was RMB69.2 million. In July 2023, the Guangzhou Local Financial Supervision and Administration Bureau approved the change of shareholders of the Factoring Company. During the reporting period, Ninghu Investment Company received the entire equity transfer payment of RMB346 million concerning the Factoring Company and completed the change of registration. After the completion of this transfer, the Company no longer holds any equity interest in the Factoring Company and no longer includes it in the Company's consolidated financial statements.

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

Applicable       N/A

### 1. Operations of major subsidiaries

Unit: Yuan    Currency: RMB

Name of Company	Principal Business	Investment Cost	Equity Interest Attributable to the Company %	Total Assets	Net Assets	Net Profit	Percentage of the Company's Net Profit %	Year-on-year Increase/Decrease in Net Profit %
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85	16,073,286,988.85	9,138,137,894.42	682,075,265.48	14.80	-8.89
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,595,241,595.22	347,869,213.07	-49,999,833.92	-	-2.48
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	12,277,790,279.08	4,844,987,277.83	309,602,601.15	6.72	-
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	2,154,434,377.98	100	3,460,285,669.93	3,322,926,579.25	96,468,679.78	2.09	31.57
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,372,733,886.48	1,255,553,971.77	14,837,225.91	0.32	107.34
Hanwei Company	Real estate development and operation	374,499,800	100	1,535,593,491.68	238,759,430.97	245,668.73	0.01	-97.50
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000	100	59,508,573.41	56,982,068.87	3,557,120.89	0.08	37.23
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	2,520,710,000	57.33	7,091,799,683.21	4,782,666,041.14	457,900.87	0.01	-18.09
Ninghu International Company	Overseas infrastructure investment	732,310.87	100	387,761.89	96,747.27	77,035.37	0.00	262.31
Yangtze Commerce and Energy Company	Operation and management of expressway service areas and other ancillary facilities	100,000,000.00	100	106,407,984.63	103,822,121.02	4,119,629.10	0.09	3,604.63
YS Energy Company	Investment, development and operation management of photovoltaic power generation and wind power generation	2,048,182,181.20	100	6,641,971,117.75	2,817,651,857.15	192,739,665.37	4.18	-13.31

**Note 1:** During the reporting period, benefiting from the increase in traffic volume of the operating road network, the operating performance of Wufengshan Toll Bridge Company, a subsidiary of the Group's road and bridge segment, increased significantly year-on-year. The main business of Guangjing Xicheng Company increased significantly year-on-year during the reporting period. However, due to the joint venture Yanjiang Company issuing infrastructure public REITs by transferring 100% equity interest in the Husuzhe Company in the same period last year, the investment income base was confirmed to be relatively high, resulting in a year-on-year decrease in net profit.

**Note 2:** During the reporting period, the decrease in fair value of other non-current financial assets held by Ninghu Investment Company decreased compared with the same period last year, which affected the year-on-year increase in net profit.

**Note 3:** Due to the liquidation and reversal of land value-added tax during the reporting period, Ninghu Properties Company's net profit increased year-on-year.

**Note 4:** For details of changes in the operation and results of Ninghu Properties Company and Hanwei Company, please refer to the section headed "Property Business" in this report.

**Note 5:** Due to the influence of weather factors such as the decrease in wind speed, YS Energy Company's offshore wind power project's on-grid electricity decreased compared to the same period of last year, and its operating results decreased year-on-year.

# REPORT OF THE BOARD

## (VIII) Structured entities controlled by the Company

Applicable  N/A

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

### (I) Industry landscape and development trends

Applicable  N/A

Transportation is fundamental to economic development. Transportation is a basic, leading and strategic industry in the national economy. It is an important support for building a new development pattern and a solid guarantee for serving the people's better life and promoting common prosperity. Among them, highways, as the most basic and extensive transportation infrastructure, are the main support for connecting various other transportation modes and exerting the overall efficiency of the comprehensive transportation network. They play an irreplaceable role in the comprehensive transportation system.

In January 2022, the Ministry of Transport issued the "Highway "14th Five-Year Plan" Development Plan", pointing out that during the "14th Five-Year Plan" period, China's highway transportation development will present five major stage characteristics: First, from the perspective of demand scale and structure, while maintaining steady growth in transport volume, with the adjustment of the transport structure, the proportion of medium- and long-haul passenger transport and large-volume, long-distance freight transport on roads will gradually decline, and the demand for personalized travel that is mobile, flexible and convenient and the demand for high-value-added, lightweight cargo transport will continue to increase. Second, from the point of view of the demand quality, we will change our focus from "guaranteeing the basics and covering the bottom line" in the "13th Five-Year Plan" period to "pleasing their travel and smooth flow", i.e., paying more attention to travel experience and transportation efficiency. Third, from the perspective of demand types, there will be a more diversified and differentiated development trend in different regions across the country. The traffic agglomeration effect of main highway corridors and urban agglomerations will continue to increase. The scale and frequency of external economic and transportation connections in rural areas will also increase obviously. Fourth, from the perspective of development priorities, infrastructure still needs to be improved, and construction tasks are still heavy. At the same time, quality improvement, efficiency improvement, upgrading, and high-quality development requirements are more urgent. Fifth, from the perspective of development momentum, the driving role of traditional factor inputs such as capital, labor, and land will further weaken, and there will be a shift towards a greater focus on innovation-driven development.



In April 2023, the “Five-Year Action Plan for Accelerating the Construction of a Strong Transportation Country (2023–2027)” was released, proposing to focus on “connecting and supplementing the network, and strengthening the chain” to optimize and improve the layout of the comprehensive three-dimensional transportation network, and accelerate the construction of the main skeleton of the national comprehensive three-dimensional transportation network. It also proposed to accelerate the implementation of the innovation-driven development strategy, strengthen the strategic scientific and technological strength of transportation, and the construction of basic scientific and technological capabilities, accelerate the construction of smart transportation, and improve the transportation science and technology innovation system. In addition, it proposed to promote green development, coordinate the promotion of carbon reduction, pollution reduction, green expansion, and growth, promote ecological priority, conservation and intensive, green and low-carbon development, and promote clean and low-carbon transformation in the transportation field and other key tasks.

## (II) Development strategies of the Company

Applicable  N/A

In the second half of the 14th Five-Year Plan, the Company will further focus on its main business of highways and bridges, increase investment in highway networks and innovation, accelerate the coordinated layout of the east-west highway corridor connecting southern Jiangsu, continuously enhance the Company’s core competitiveness and its radiation and driving force in the southern Jiangsu highway network, consolidate the Company’s position as a major investor and operator in the southern Jiangsu road network, continuously meet the people’s needs for a better travel experience, and continuously drive revenue growth.

## (III) Operating plan

Applicable  N/A

1. In 2024, the Company will closely integrate with the actual development, pay more attention to improving quality and efficiency, building growth capabilities, and sustainable development, and strive to improve the “four forces”.

**To consolidate the foundation of the main business and highlight the “traction” of improving the road network.** We will do a good job in the construction of “first-class highways, first-class cross-river bridges, first-class maintenance work areas, and first-class service areas”, deepen and implement the main responsibilities and main businesses, and promote the implementation of “four first-class”. We will focus on “smooth highways, quality highways, smart highways, warm highways” and work hard on “precision maintenance, smart maintenance, and green maintenance” to keep strengthening the full life cycle maintenance management of roads, bridges and tunnels. We strive to become a professional entity in the investment, construction, operation, maintenance and service of highways and bridges in the Yangtze River Delta Economic Zone and southern Jiangsu Industrial Cluster.

**To strengthen technological innovation and empower “creativity” for industrial upgrading.** We will focus on smart operations, promote the application of “AI square”, smart lane precision management and other technical means, and strive to achieve 100% coverage of intelligent incident detection on roads. We will focus on smart management and maintenance, further expand the application scale of “intelligent unmanned cluster technology”, and ensure the leading road technology status in China. We will focus on digital transformation, using “Digital Ninghu” as a means to sort out business processes internally, and build a system for data standardization around various needs to improve management efficiency; externally, we will use digital transformation as an aid to promote smart methods such as toll collection robots and ETC contactless payment for refueling to meet the public’s needs for convenient travel.

**Committed to low-carbon transformation and building “new vitality” for green development.** Taking the construction of Xianrenshan zero-carbon service area as a model, we will promote the low-carbon transformation of multiple service areas and install a full-scenario carbon monitoring platform for highway operations such as roads, bridges, tunnels, and service areas. We will further explore green maintenance models and gradually create zero-carbon maintenance work areas, and promote comprehensive regeneration and recycling. We will explore the establishment of distributed “light storage and charging” integrated power stations, deepen the application of photovoltaic technology in highway scenarios, accelerate the formation of highway charging infrastructure networks, and achieve co-frequency resonance between corporate economy and green development.

**To optimize corporate governance and stimulate the “aggregation force” of value creation.** Adhering to the concept of international value management, we carry out special ESG improvement actions to improve the Company’s international ESG rating and achieve the common development of corporate environment, society and governance. We continue to iteratively upgrade the large risk control system, build the second phase of post-investment monitoring platform for investment projects, and comprehensively improve risks prevention and control level and management and control capabilities. We improve the whole-process democratic management system with the Workers’ Congress as the basic form, upgrade the construction of workers’ homes, and model worker studios, etc., and achieve new results promoting the construction of “Happy Ninghu” and “Harmonious Ninghu”.

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

The Group's investment plan in 2024 is expected to total approximately RMB13,860,233,000, an increase of RMB11,119,400,000 from the actual expenditure in 2023 of RMB2,740,833,000. The 2024 annual investment plan mainly includes:

Capital Expenditure	Amount (RMB)
Investment in the construction of the North Connection Project of Longtan Bridge	2,500,000,000
Xiyi Expressway South Section Expansion Project	1,150,000,000
Xital Expressway Construction Investment Project	7,800,000,000
Initial payment regarding the acquisition of Suxichang South Expressway Company	2,080,260,000
YS Energy Company's Photovoltaic Power Station Project Investment	39,180,000
Renovation and expansion of service areas and toll booths	1,180,000
Three major systems and information construction projects	114,226,000
Other capital expenditures of the Group	175,387,000
<b>Total</b>	<b>13,860,233,000</b>

The Group will, on the basis of making full use of its own funds, adjust its financing strategy in a timely manner according to the capital market conditions, further optimize its debt structure and reduce its capital costs to meet the Group's operating and development needs. At the same time, we actively explore various financing methods to provide effective financial support for the development of the group and plan ahead for the Group's future layout. As of the end of the reporting period, the Group has signed credit agreements with banks but has not yet utilised them. The loan amount with a credit period of more than one year is not less than RMB10 billion. In addition, the Group plans to apply for registration of corporate bonds of RMB5.0 billion and registration of notes: (1) two batches of ultra-short term notes with an issuance scale of not more than RMB4 billion (i.e. not more than RMB8 billion in total) and (2) medium-term notes with an issuance scale of not more than RMB4 billion in 2024. The credit line will be sufficient to support the Group's capital expenditure, debt roll-over and business development. If other capital expenditure is required under special circumstances, the Group will adjust the financing plan based on the scale of expenditures and actual cash flow conditions.

## (IV) Possible risks

Applicable  N/A

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

1. Risks associated with industry policies

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

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

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

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

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

### 3. Risks associated with project investment

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

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

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

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



## REPORT OF THE BOARD

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

### (V) Others

Applicable  N/A

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

Applicable  N/A

## VIII. DONATION

During the Reporting Period, the Group contributed a total of RMB1,410,000 externally, of which RMB1,320,000 was used for poverty alleviation, rural revitalisation and other projects.

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

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

## X. ENVIRONMENTAL POLICY AND PERFORMANCE

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

## XI. COMPLIANCE WITH LAWS

The Company was a joint-stock limited company established pursuant to the Company Law of the People's Republic of China (《中華人民共和國公司法》). The Group is principally engaged in the investment, construction, operations and management of toll roads and bridges within Jiangsu Province and the development and operations of ancillary service areas along such toll roads (e.g., refuelling and catering). In the course of routine operating activities, the Group must comply with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Contract Law of the People's Republic of China (《中華人民共和國合同法》), the Road Traffic Safety Law of the People's Republic of China (《中華人民共和國道路交通安全法》), the Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》) and all other applicable laws and regulations. For the year ended 31 December 2023, there had not been any material violation of or non-compliance with applicable laws and regulations. The Company and its subsidiaries obtained from relevant regulatory authorities all the licenses, approvals and permits that are material to our business operations.

To the knowledge of the Board of Directors and the Management, the Group had also been in compliance with the Hong Kong Listing Rules, the Securities and Futures Ordinance (《證券及期貨條例》) and applicable Hong Kong laws and regulations for the year ended 31 December 2023.

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

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

## XIII. PROPOSED DIVIDENDS

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

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

For the details of the permitted indemnity provision of directors and supervisors and interests of directors and supervisors in contracts of the Company during the Reporting Period, see "X. Details of Staff of the Parent Company and its Major Subsidiaries at the End of the Reporting Period-v. Others" in Section IV "Corporate Governance" of the annual report.

## XV. MANAGEMENT CONTRACTS

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

## XVI. INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

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

## XVII. INTERESTS OF DIRECTORS AND SUPERVISORS

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

## XVIII. EVENTS AFTER THE REPORTING PERIOD

In order to further expand the Company's asset scale in the southern Jiangsu road network, improve the main business layout and the sustainability of its continual development, on 26 January 2024, the Company (as the purchaser and transferee) and Jiangsu Communications Holding (as the vendor and transferor) signed an equity transfer agreement for the acquisition of 65% equity interest of Suxichang South Expressway Company. Completion of the acquisition is subject to fulfilment of conditions precedent, including but not limited to, the other shareholders of Suxichang South Expressway Company having waived the pre-emptive rights, the approval by the independent shareholders at a general meeting of the Company and the transferor having completed the necessary approval/filing procedures for the transfer of equity interest in compliance with the regulations of the relevant state-owned assets supervision and administration department and other competent/regulatory authorities. On 1 March 2024, the parties to the Equity Transfer Agreement entered into the Supplemental Agreement to amend the terms of payment and to provide for an undertaking in respect of the performance of Suxichang South Expressway Company for the first five financial years after the Valuation Date in favour of the Company. As of the date of this report, except for (1) the transferor having completed the necessary approval/filing procedures for the transfer of equity interest in compliance with the regulations of the relevant state-owned assets supervision and administration department and other competent/regulatory authorities and (2) the approval by independent shareholders at a shareholders' general meeting of the Company, other conditions precedent of the transfer of the target equity have been fulfilled. Please refer to the announcements of the Company dated 29 January 2024, 21 February 2024, 2 March 2024 and the circular of the Company dated 6 March 2024 for details.

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

*Chairman*  
**Chen Yunjiang**  
28 March 2024

# CORPORATE GOVERNANCE

## I. DETAILS OF CORPORATE GOVERNANCE OF THE COMPANY

Applicable  N/A

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

Throughout the Reporting Period, the corporate governance situation of the Group was in compliance with the requirements outlined by the Company Law (《公司法》), the Securities Law (《證券法》), and the normative documents on corporate governance of listed companies issued by the CSRC and the SSE. The Group strictly adhered to the guidelines laid out in the Corporate Governance Code, Appendix 14, (revised as Appendix C1) of the Hong Kong Listing Rules, and implemented the recommended best practices outlined in the aforementioned code. The Company, the board of directors of the Company, supervisory committee as well as directors, supervisors, and senior management personnel have not been subject to administrative punishment, or notice of criticism, and public condemnation by the regulatory authorities.

Throughout the Reporting Period, the Group’s corporate governance was widely acknowledged by the capital market and various sectors of society. The Group was awarded the 18th “Gold Prize of Round Table” of Chinese Boards of Listed Company – Special Contribution Award for Corporate Governance, the “Excellent Practice Cases” at the Best Practice Activities for Board of Listed Companies in 2023 by the China Association for Public Companies, “2022 Golden Bull Best Investment Value Award” and “2022 Golden Bull Outstanding Entrepreneur Award” in the 25th Listed Companies Golden Bull Awards, and “2022 Top 100 ESG Golden Bull Award” in the 1st National New Cup – ESG Golden Bull Award, which served as a testament to the Group’s dedication towards enhancing corporate governance and other related areas.

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

Applicable  N/A

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

Applicable  N/A

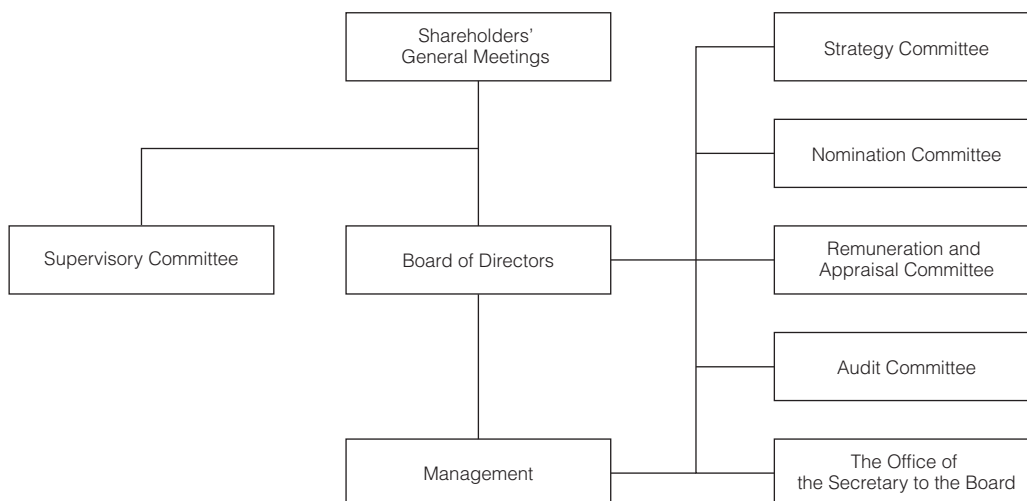
Based on the principle of “distinctive ownership, clearly defined powers and responsibilities”, the Company and Jiangsu Communications Holding, the Controlling Shareholder, are independent of each other in terms of operations, assets, personnel, organization and finance. The Company and its controlling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

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

Applicable  N/A

## III. BRIEF INTRODUCTION OF SHAREHOLDERS' GENERAL MEETINGS

### (I) Corporate governance structure and rules



The Company is listed on both the SSE and the Stock Exchange. In addition to the compliance with applicable laws and regulations, the Company is also required to comply with the following requirements in respect of corporate governance practice: the Corporate Governance Code for Listed Companies (《上市公司治理准则》) stipulated by the CSRC, the Corporate Governance Code under Appendix 14 (revised as Appendix C1) to the Hong Kong Listing Rules and the requirements as imposed by SSE and the Hong Kong Listing Rules. Meanwhile, the Company has formulated various governance systems to enhance its corporate governance standards, such as the Rules of Procedures for Shareholders' General Meetings, the Rules of Procedures for the Board of Directors Meetings, the Rules of Procedures for the Meetings of Supervisory Committee, the Working Rules for Special Committees, the Working Rules for Independent Directors, the Working Rules for the General Manager, the Standard Code of Conduct for Securities Trading by Directors, Supervisors, Senior Management, and Relevant Employees, the Management Measures for Information Disclosure, the System for Managing Related-Party Transactions\*, and the System for Managing Investor Relations. These systems are diligently adhered to in order to improve the Company's corporate governance level.

\* Including connected transactions



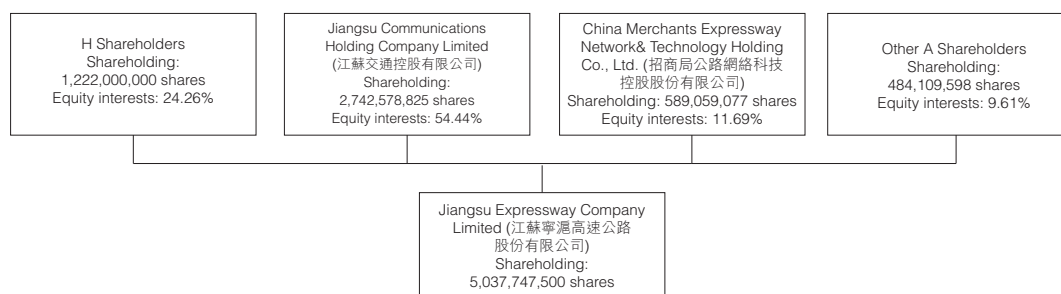
# CORPORATE GOVERNANCE

Reference is made to the Company's announcement on 28 April 2023. The Company's board of directors announced that in view of the expiration of the Required Provisions on 31 March 2023, the Company should formulate its Articles of Association referring to the Guidelines for the Articles of Association of Listed Companies (Revised in 2022) (China Securities Regulatory Commission Announcement [2022] No. 2). It is recommended to delete the provisions required by the Required Provisions in the Company's articles of association, and add relevant modifications to replace the provisions of the Chinese Company Law and the core shareholder protection level requirements of Appendix 3 of the Hong Kong Listing Rules at the relevant time, and submit the above proposal to the annual general meeting in 2022, the first A-share shareholders' meeting in 2023, and the first H-share shareholders' meeting in 2023 for consideration and approval. The proposed modifications were not approved by shareholders at the first H-share shareholders meeting in 2023.

## (II) Shareholders and Shareholder Rights

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

### 1. Main shareholders



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

### 2. Shareholder rights

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

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



## CORPORATE GOVERNANCE

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

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

(3) *Shareholders' right to questioning procedure*

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

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

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

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

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

### Overview of Shareholders' General Meetings

Session No. of meeting	Dates	Designated website for publishing resolutions	Date of disclosure and publishing of resolutions	Resolution
2022 Annual General Meeting, 2023 First A Shareholders' Meeting and 2023 First H Shareholders' Meeting	20 June 2023	www.sse.com.cn www.hkexnews.hk www.jssexpressway.com	21 June 2023	For details, please refer to the announcements of the Company on the website of the SSE 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.

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

Applicable  N/A

# CORPORATE GOVERNANCE

Explanation of the shareholders' general meetings

Applicable  N/A

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

## IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Applicable  N/A

Unit: share

Name	Position	Gender	Age	Date of commencement of appointment	Date of termination of appointment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares during the year	Reason(s) for change	Total remuneration before tax received from the Company during the Reporting Period (RMB0'000)	Whether the Company received any remuneration from related parties/ connected persons
Chen Yunjiang	Chairman, Executive Director	M	51	June 2022	June 2024	-	-	-	-	102.49	No
Wang Feng	General Manager, Executive Director	M	48	June 2022	June 2024	-	-	-	-	113.98	No
Yao Yongjia	Executive director, company secretary in Hong Kong	M	60	June 2017	June 2024	-	-	-	-	101.20	No
Xu Haibei	Non-executive Director	M	60	June 2023	June 2024	-	-	-	-	0	Yes
Wang Yingjian	Non-executive Director	M	54	June 2021	June 2024	-	-	-	-	0	Yes
Wu Xinhua	Non-executive Director	M	57	January 2016	June 2024	-	-	-	-	0	Yes
Ma Chung Lai, Lawrence	Non-executive Director	M	70	June 2015	June 2024	-	-	-	-	36.10	No
Lu Xiaoyan	Non-executive Director	F	47	June 2021	June 2024	-	-	-	-	0	Yes
Zhou Shudong	Independent non-executive Director	M	63	June 2018	June 2024	-	-	-	-	10.79	No
Liu Xiaoxing	Independent non-executive Director	M	54	January 2018	June 2024	-	-	-	-	10.79	No
Xu Guanghua	Independent non-executive Director	M	61	June 2021	June 2024	-	-	-	-	10.79	No
Yu Mingyuan	Independent non-executive Director	M	62	June 2021	June 2024	-	-	-	-	10.79	No
Ge Yang	Independent non-executive Director	M	62	June 2022	June 2024	-	-	-	-	10.79	No
Yang Shiwei	Chairman of the Supervisory Committee	M	47	June 2018	June 2024	-	-	-	-	0	Yes
Pan Ye	Supervisor	M	36	February 2016	June 2024	-	-	-	-	0	Yes
Lu Zhengfeng	Supervisor	M	51	May 2019	June 2024	-	-	-	-	75.93	No
Kong Yuanyi	Supervisor	F	48	July 2020	June 2024	-	-	-	-	68.24	No
Wan Live	Supervisor	M	53	December 2022	June 2024	-	-	-	-	0	Yes

## CORPORATE GOVERNANCE

Name	Position	Gender	Age	Date of commencement of appointment	Date of termination of appointment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares during the year	Reason(s) for change	Total remuneration before tax received from the Company during the Reporting Period (RMB' 000)	Whether the Company received any remuneration from related parties/ connected persons
Chen Jinjia	Secretary of the Board of Directors, Deputy General Manager, Person-in-charge of accounting affairs	F	48	May 2023	June 2024	-	-	-	-	35.75	No
Yan Yun	Deputy General Manager	F	50	April 2019	April 2025	-	-	-	-	89.58	No
Yang Densong	Deputy General Manager	M	52	March 2021	March 2024	-	-	-	-	87.14	No
Li Peidong	Assistant to the general manager	M	38	January 2022	January 2025	-	-	-	-	69.86	No
Chen Yanli	Non-executive Director (resigned)	M	61	June 2018	March 2023	-	-	-	-	0	Yes
Yao Yongjia	Deputy General Manager, Secretary of the Board of Directors (resigned)	M	60	June 2017	August 2023	-	-	-	-	0	No
Dai Qian	Financial Controller (resigned)	M	46	June 2020	June 2023	-	-	-	-	73.11	No
Total	/	/	/	/	/	-	-	-	-	907.33	/

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

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

## CORPORATE GOVERNANCE

Name	Brief biography
Director Chen Yunjiang	<p>Chen Yunjiang is the Party Secretary, Chairman, Executive Director, and Convener of the Strategy Committee. He was born in 1973, holds a master's degree, is a member of the Communist Party of China, and is a senior economist. Mr. Chen began his career at Nanjing Jinling Building Decoration Co., Ltd from August 1995 to March 1999. He worked at Jiangsu Aviation Industry Group Co., Ltd from March 1999 to November 2016, where he held various positions such as clerk, assistant manager, deputy minister, minister, assistant to the general manager, and deputy general manager. He joined Jiangsu Yunshan Clean Energy Investment Holdings Co., Ltd. in November 2016 and served as the general manager and chairman until October 2021. After that, he joined Jiangsu Yunshan Green Energy Investment Holding Company Limited and served as the chairman from October 2021 to November 2021. During this period, he also held the position of chairman of the Company and Executive Deputy Director of the Party Committee Organization Department and the Human Resources Department of Jiangsu Transportation Holding Co., Ltd. Since November 2021, he was appointed as the Director of the Party Committee Organization Department and the Human Resources Department of Jiangsu Transportation Holding Co., Ltd. With his extensive experience in enterprise management, Chen is a seasoned professional in his field.</p>
Wang Feng	<p>Wang Feng is the Deputy Secretary of the Party Committee, General Manager, and Executive Director, as well as a member of the Strategy Committee. He was born in 1976, holds a university degree and a master's degree, is a member of the Communist Party of China, and is a senior engineer at the level of researcher. Previously, Wang served as the Manager of the Engineering Department, Deputy General Manager, and Committee Member of the Party Committee of Jiangsu Yangtze River Bridge Co., Ltd. He was also the Deputy General Manager and Committee Member of the Party Committee of Jiangsu Yangtze River Expressway Management Co., Ltd., and the Deputy General Manager and Committee Member of the Party Committee of Jiangsu Expressway Company Limited. Mr. Wang has long been engaged in the management of roads and bridges, and has accumulated rich experience in expressway management.</p>
Yao Yongjia	<p>Yao Yongjia is an Executive Director, Company Secretary, and Member of the Strategy Committee. He was born in 1964, holds a master's degree, and has the senior engineer title. Mr. Yao has held several positions, including the head of the Jiangsu Transportation Planning and Design Institute, the head of the Jiangsu Expressway Construction Command Office, and the head of the Securities Department and Director of the Office of the Secretary to the Board of Directors of the Company. Throughout his career, Mr. Yao has been involved in project management, investment analysis, financing, and securities work, accumulating rich professional experience. Mr. Yao has been serving as an Executive Director of the Company since 22 June 2017.</p>
Xu Haibei	<p>Xu Haibei is a Non-executive director, member of the Nomination Committee and Remuneration and Appraisal Committee. He was born in 1964, holds a university degree, master's degree, and is a member of the Communist Party of China, senior economist and engineer. From January 2009 to June 2015, he served as a member of the Party Committee and Deputy General Manager of Jiangsu Fenguan Expressway Management Co., Ltd. From December 2010 to June 2015, he served as a member of the Party Committee and Deputy Director of Jiangsu Expressway Operation and Management Center. From June 2015 to March 2017, he worked at Jiangsu Ningjingyan Expressway Co., Ltd. as Party Committee Secretary and General Manager. From March 2017 to March 2018, he worked at Jiangsu Ningjingyan Expressway Co., Ltd. as Party Committee Secretary and Director Chief. From March 2018 to March 2022, he served as the director of the Operation Safety Department, Assistant to the General Manager, Safety Director, Director of the Operations Division, and Director of the Emergency Safety Department of Jiangsu Communications Holdings Co., Ltd. From March 2022 to the present, he has served as Assistant to General Manager, Safety Director, and Director of the Operation Department of Jiangsu Communications Holdings Co., Ltd. He serves as the Secretary of the Party Committee and Chairman of Jiangsu Expressway Network Operation Management Co., Ltd. He serves as the Director of Jiangsu Province Expressway Network Operation Management Center and president of Jiangsu Expressway Operation Management Research Institute. Mr. Xu has been engaged in business management for a long time and has extensive experience in business management.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Wang Yingjian	<p>Born in January 1970, Mr. Wang is a Non-executive Director and a member of the Strategy Committee. He is a postgraduate of Party School of C.P.C Jiangsu Committee and a senior engineer at the postgraduate level. Mr. Wang served as the director of the Technology Information Office of the Jiangsu Expressway Operation and Management Center, director of the Nanjing Management Office and secretary to the general Party branch of Jiangsu Nanjing-Huai'an Expressway, deputy director and a member of the Party committee of Jiangsu Expressway Operation and Management Center, general manager and deputy secretary to the Party committee of Jiangsu Sutong Bridge Company Limited (江蘇蘇通大橋有限責任公司), and director of the Information Center of Jiangsu Communications Holding Company Limited. He currently serves as the director of the Science and Technology Information Department and director of the Digital Economy Development Office of Jiangsu Communications Holding. Mr. Wang has long been engaged in transportation management work with extensive experience.</p>
Wu Xinhua	<p>Wu Xinhua is a Non-executive Director and member of the Nomination Committee. He was born in 1967 and graduated from Renmin University of China with a Bachelor's degree in National Economic Management. Previously, he worked as the manager of the securities department at Southern Glass Co., Ltd. In Shenzhen Shekou Industrial Zone of China Merchants Group, the general manager of Southern Management Headquarters of Shandong Securities Co., Ltd., the executive director of the investment banking department of China Merchants Securities Co., Ltd., and the secretary of the board of directors of China Merchants Expressway Technology Holdings Co., Ltd. Mr. Wu currently holds the position of Vice General Manager at China Merchants Expressway Network &amp; Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司). He also serves as the Vice Chairman of Shandong High-Speed Group Co., Ltd. (山東高速股份有限公司) and Sichuan Chengyu Expressway Co., Ltd. (四川成渝高速公路股份有限公司). Mr. Wu has been serving as a director of the Company since 2016.</p>
Li Xiaoyan	<p>Li Xiaoyan is a Non-executive Director and member of the Audit Committee and Remuneration and Appraisal Committee. She was born in 1977, holds a master's degree, and is a senior accountant, Chinese Certified Public Accountant (CPA), UK Royal Chartered Accountant (ACCA), Chartered Global Management Accountant (CGMA), and national high-end accounting talent. Previously, Ms. Li worked as a member of the Discipline Inspection Commission and the General Manager of the Finance Department of China COSCO Shipping Corporation Limited. Ms. Li currently serves as the Chief Financial Officer of China Merchants Expressway Network &amp; Technology Holdings Co., Ltd. She also holds a director position at Shenzhen Expressway Company Limited. Ms. Li has long been focusing on financial management of listed companies, and has accumulated rich experience in financial management, corporate management and investment and financing management.</p>
Ma Chung Lai, Lawrence	<p>Ma Chung Lai, Lawrence is a Non-executive Director and member of the Strategy Committee. He was born in 1954 and obtained a Bachelor's degree in biochemical engineering from the University of London. He also served as an independent director of Nanjing Panda Electronic Company Limited, a committee member and standing committee member of the Jiangsu Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a committee member, an executive member and standing committee member of All-China Federation of Industry &amp; Commerce (中華全國工商業聯合會), the standing committee chairman and honorary chairman of the Chinese General Chamber of Commerce (香港中華總商會), the chairman of Jiangsu Residents (HK) Association (江蘇旅港同鄉聯合會) and a director of China Overseas Friendship Association (中華海外聯誼會). Mr. Ma currently serves as the President of Jingyue International Co., Ltd. and Vice President of Yongxing Enterprise Company (永興企業公司) and Executive Committee Member of the 12th Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference. Mr. Ma has been serving as a director of the Company since 23 June 2015.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Zhou Shudong	<p>Zhou Shudong is an Independent non-executive Director, convener of the Nomination Committee, and member of the Audit Committee. He was born in March 1961 and holds a Ph.D. degree. Mr. Zhou is a professor, doctoral supervisor, and currently works in the Department of Economic Management at Nanjing Agricultural University (南京農業大學經濟管理學院經濟管理系). He is also the deputy director of the Agricultural Economic Research Institute at Nanjing Agricultural University (南京農業大學農業經濟研究所), director of the E-commerce Research Center at Nanjing Agricultural University (南京農業大學電子商務研究中心), a consulting expert for the United Nations Environment Programme (聯合國環境規劃署), and deputy director of the Jiangsu Internet Service Society (江蘇省互聯網服務學會) and vice president of the Jiangsu Statistics Society (江蘇省統計學會). Mr. Zhou has been granted special government subsidies from the State Council for his outstanding contributions. He has led or participated in 40 major research projects at the national, ministerial, and provincial levels, showcasing his expertise in multiple fields as a senior expert.</p>
Liu Xiaoxing	<p>Liu Xiaoxing is an Independent non-executive director, member of the Audit Committee, born in 1970, Changjiang Scholar Distinguished Professor, PhD in Management Science and Engineering (Financial Engineering), postdoctoral fellow in Finance at Fudan University. Currently, he is the director of the Finance Department of the School of Economics and Management of Southeast University, the chief professor of Southeast University, a member of the Department of Humanities and Social Sciences of Southeast University, a doctoral tutor in finance, a young and middle-aged academic leader of Jiangsu Province's "Blue Project", and a director of the China Finance Annual Conference, Vice president of the Jiangsu Provincial Capital Market Research Association, executive director of the Jiangsu Provincial Society of International Finance, and Jiangsu Provincial Science and Technology Entrepreneurship Mentor.</p>
Xu Guanghua	<p>Xu Guanghua is an Independent Non-executive Director, Chairman of the Audit Committee, and member of the Nomination Committee and the Remuneration and Appraisal Committee. He was born in 1963 and holds a Ph.D. in Management. Mr. Xu is currently the Discipline Leader, Professor, Ph.D. Supervisor, and Chairman of the Jiusan Society of the Accounting Department at Nanjing University of Science and Technology. He is also the President of the Senior Engineering Colleges Branch of Accounting Society of China, as well as the Vice Director of the Management Accounting Research Center of Jiangsu. Furthermore, he is a peer-review expert for the National Natural Science Foundation, the National Social Science Foundation, Fok Ying Tung Education Foundation, the China Postdoctoral Science Foundation, and the National MBA Case Library. Mr. Xu has long been engaged in teaching and scientific research in the fields of finance, accounting and strategic performance evaluation, and is the pioneer of the performance evaluation theory of corporate symbiosis strategy and the theory of symbiosis financial performance.</p>
Yu Mingyuan	<p>Yu Mingyuan is an Independent Non-executive Director member of the Strategy Committee born in 1962 an Independent Non-executive Director. He graduated from Tongji University majoring in transportation management. He served as the director and secondary researcher of the Research Center for Highway Transportation Development under Research Institute of the Ministry of Transport, and is an expert entitled to the special allowances from the State Council. Yu Mingyuan is a distinguished authority in transportation policy and strategic research, who has made noteworthy contributions to research on toll road policies and institutional innovation, road management system and investment, toll road operation and management, as well as relevant laws and regulations of road traffic. He has led more than 40 national and provincial research projects and has played a critical role in major transportation department projects, in addition to being involved in the formulation and revision of policies and regulations. Mr. Yu is acknowledged as an expert in the national scientific and technological progress award expert database, a high-level talent of the China Association for Science and Technology, an expert in the Ministry of Transport expert database, and a PPP expert in the database of the Ministry of Finance.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Ge Yang	<p>Ge Yang, born in 1962, is a distinguished professor and doctoral supervisor at the School of Economics, Nanjing University. He currently holds multiple positions including Independent Non-executive Director, convener of the Remuneration and Appraisal Committee, and member of the nomination committee. Mr. Ge's previous positions include serving as the deputy dean of the School of Economics, Nanjing University and currently serving as the executive editor of China Political Economy. In addition to his academic positions, Mr. Ge also serves as the vice president of the Chinese Capital Theory (《資本論》) Research Association, the Jiangsu Real Estate Economics Society, and the Jiangsu Quality Association. He is an independent director of Jiangsu Hengshun Vinegar Industry Co., Ltd. Mr. Ge's academic focus is on socialist economic theory, Chinese economic issues, and related areas. He has published over 20 academic works and more than 100 papers, winning numerous awards such as the National Press and Publication Administration's Chinese Excellent Book Award, first, second, and third prizes of Jiangsu Province's Philosophy and Social Science Research Outstanding Achievement Award, the Jiangsu Province Teaching Achievement Special Prize and First Prize, the National Teaching Achievement First and Second Prizes, and the Baosteel Excellent Teacher Award. He is also the chief expert of a national social science major project and has presided over or participated in over 20 national, key, and provincial-level social science projects.</p>
Supervisor Yang Shiwei	<p>Yang Shiwei, born in July 1976, is the current Chairman of the Supervisory Committee. He holds both a university degree and a master's degree, and is also recognized as a senior engineer. Between 1999 and 2017, Mr. Yang's career was based at the Lianyungang Transportation Bureau. During this period, he held several positions including Deputy Director of the Traffic Emergency Office, Director of the Comprehensive Planning Department, Director of the Administrative Services Department, Chief Engineer, and member of the Party Committee. In 2017, Mr. Yang joined the Jiangsu Port Group Co., Ltd. as the Deputy Minister of the Audit and Legal Affairs Department. The following year, he moved on to Jiangsu Communications Holding Co., Ltd. where he held various positions including Deputy Minister of Enterprise Management and Legal Affairs, Deputy Minister of Tendering and Procurement Management Department, Deputy Minister of Audit and Risk Control Department (in charge of work), Deputy Director of Audit Center (in charge of work), Minister of Audit and Risk Control Department, and Director of Audit Center, until 2021. He is currently serving as the director of the Enterprise Management and Legal Affairs Department of Jiangsu Communications Holding, director of the Office of the Board and director of the Examination and Approval Office. Mr. Yang has long been engaged in transportation management and has extensive experience in corporate management, internal audit and risk control.</p>
Pan Ye	<p>Born in 1988, Pan Ye holds a master's degree and works as a Supervisor. Prior to his current role, he served as a project manager in the Enterprise Management Department of China Merchants Huajian Highway Investment Co., Ltd. Presently, he is employed in the Capital Operation Department of China Merchants Expressway Network &amp; Technology Holdings Co., Ltd. In addition to his role in the Company, Pan Ye also serves as a Supervisor for Modern Investment Co., Ltd. and Heilongjiang Transportation Development Co., Ltd. Mr. Pan has been serving as a supervisor of the Company since 2016.</p>
Wan Liye	<p>Wan Liye, born in 1971, is a Supervisor and possesses a university degree and a senior accountant qualification. He commenced his career at the Planning and Finance Department of Jiangsu Jinghu Expressway Co., Ltd. in 2000 and progressed through various positions such as department head, assistant manager, and deputy manager (in charge of work) from 2005 to 2015. Between 2015 and 2019, Wan Liye served as the manager and deputy chief accountant of the Financial Audit Department of Jiangsu Ninghang Expressway Co., Ltd. He then moved on to serve as the Deputy Minister of the Audit and Risk Control Department and the Deputy Director of the Audit Center of Jiangsu Communications Holding Co., Ltd. from 2019 to 2020. Currently, Wan Liye holds the position of Deputy Minister of the Financial Management Department of Jiangsu Communications Holding Co., Ltd., which he has held since 2020. Mr. Wan is a seasoned professional with extensive expertise in traffic management and financial management, having worked in these fields for a significant period of time.</p>

## CORPORATE GOVERNANCE

Name	Brief biography
Lu Zhengfeng	Born in August 1973, Lu Zhengfeng is a senior engineer and supervisor who holds a graduate degree from Tongji University, as well as a Ph.D. Mr. Lu served as assistant to the manager, deputy manager and manager of the Investment Development Department and manager of each of the Operational Management Department and Information Department of the Company. He is currently the deputy chief economic manager and manager of the Investment Development Department of the Company. Having long been engaged in investment strategies and communications-related operation and management work, Mr. Lu has extensive experience in operation and management as well as investment strategies in the communications industry.
Kong Yuanyi	Kong Yuanyi, born in February 1976, is an economist and a national second-level enterprise human resources manager, serving as a supervisor. He possesses a graduate degree from Nanjing University, along with a master's degree. Ms. Kong has successively served as the head of the office, assistant to the director, the deputy director (in charge of work) of the Party and Mass Work Department of the Company. She is currently the director in of the Investigation Office of the Company.
Senior management Chen Jinjia	Deputy General Manager, Secretary of the Board of Directors, Person-in-charge of Accounting Affairs, Member of the Party Committee, born in 1975, holder of a Master's degree, Bachelor's degree, is a member of the Communist Party of China, Certified Asset Appraiser, International Certified Internal Controller of the International Internal Control Association. Ms. Chen previously served as the deputy manager (person in charge) of the Operations and Management Department of Jiangsu Railway Development Co., Ltd., the deputy manager of the Securities Department (in charge of the work), the manager of the Securities Department, the manager of the Board Secretary Office, and the manager of the Comprehensive Management Department of Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd., Deputy General Manager, Party Branch Member, and Labor Union Chairman. Ms. Chen has been engaged in business management for a long time and has rich experience in business management.
Yan Yun	Ms. Yan Yun, an economist, was born in 1974 and holds a postgraduate degree and a master's degree in economics. She currently serves as the Deputy General Manager and a member of the Party Committee. Ms. Yan served as the head of Tangshan Toll Station of Jiangsu Expressway Company Limited, office director and the assistant to the head of Ningzhen management office, and the deputy manager and manager of Operation and Development Company. Ms. Yan has been engaging in the field of management of expressway enterprises and she is well-experienced in corporate management.
Yang Dongsong	Mr. Yang Dongsong, a senior engineer in intelligent transportation engineering, was born in 1972 and holds a university degree and a master's degree in the same field. He currently serves as the Deputy General Manager and a member of the Party Committee. Mr. Yang served as the head and Party secretary of the Wuxi Management Office of Jiangsu Expressway Company Limited and the executive deputy director of the Operation Management Centre of Jiangsu Expressway Company Limited. Mr. Yang has been engaged in expressway management for a long time and has extensive experience in corporate management.
Li Peidong	Mr. Li Peidong, an economist and a member of the Communist Party of China, was born in 1986 and holds a postgraduate degree. He has extensive experience in expressway management and previously held various positions at Jiangsu Lianxu Expressway Co., Ltd. and Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd., including co-organizer and organizer of the human resources department, deputy director of the Pengcheng toll station, deputy director of the Xuzhou South toll station, deputy head of the human resources department, deputy manager, and manager of the human resources department. Currently, he is responsible for the Party Committee Organization Department (Human Resources Department) at Jiangsu Communications Holdings Co., Ltd. and serves as the Assistant General Manager at Jiangsu Expressway Company Limited. With a background in enterprise management and years of experience in the expressway industry, Li is well-equipped to take on his current roles.



## CORPORATE GOVERNANCE

Other situation description

Applicable       N/A

1. Throughout the Reporting Period, none of the Company's directors, supervisors, and members of the senior management (including their spouse or children and 30% controlled companies or trusts) held any shares or shares options of the Company or was granted restricted shares or debentures of the Company.
2. No related relationships exist between the directors and senior management of the Company, as defined in paragraph 12 of Appendix D2 of the Hong Kong Listing Rules.
3. Apart from the remuneration stated above, no additional payment was made to the directors or supervisors by the Company. During the Reporting Period, there was no arrangement under which a director waived or agreed to waive any remuneration. The remuneration of members of senior management included salaries, performance, bonus, and post-employment benefits and other benefits paid by the Company to them.
4. Other benefits offered to employees include housing provident funds, non-monetary benefits, social security coverage (i.e. medical insurance, work-related injury insurance, and maternity insurance) borne by the Company.
5. Post-employment benefits borne by the Company such as pensions and contributes to old-age insurance and unemployment insurance in accordance with social security regulations.
6. The Company has received annual confirmation of independence from each independent non-executive director. The Company considers that all independent non-executive directors meet the independence assessment guidelines set out in Rule 3.13 of the Listing Rules and treats them as independent persons.
7. Mr. Xu Haibei has obtained the legal advice specified in Rule 3.09D of the Hong Kong Listing Rules on 24 May 2023, and confirmed that he understands his responsibilities as a director of the listed issuer.

## CORPORATE GOVERNANCE

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

1. Details of service in shareholders' entities

Applicable  N/A

Name of employee	Name of shareholders' entities	Position held in shareholders' entity	Date of commencement of appointment	Date of termination of appointment
Chen Yunjiang	Jiangsu Communications Holding	Director of the CPC Organization Department (Human Resources Department)	November 2021	–
Xu Haibei	Jiangsu Communications Holding	Assistant to General Manager, Safety Director, Head of Operations Department	March 2022	–
Wang Yingjian	Jiangsu Communications Holding	Leader of the Department of Science, Technology and Information	November 2020	–
Wu Xinhua	China Merchants Expressway	Deputy General Manager	August 2016	–
Li Xiaoyan	China Merchants Expressway	Financial Director	April 2022	–
Yang Shiwei	Jiangsu Communications Holding	Director of Corporate Law Department	November 2021	–
Pan Ye	China Merchants Expressway	Senior Manager of Capital Operations Department	January 2020	–
Wan Liye	Jiangsu Communications Holding	Deputy Director of Financial Management Department	May 2020	–
Li Peidong	Jiangsu Communications Holding	Person in charge of the CPC Organization Department (Human Resources Department)	January 2022	–
Chen Yanli (resigned)	Jiangsu Communications Holding	Senior Specialist, Deputy Director of the Expert Committee on Party Building Projects, Full-time Director and Supervisor of Controlled (Invested) Enterprise	November 2021	March 2023



## CORPORATE GOVERNANCE

Name of employee	Name of shareholders' entities	Position held in shareholders' entity	Date of commencement of appointment	Date of termination of appointment
Description of employment status in shareholder units	Mr. Chen Yanli resigned from the position of Non-executive Director of the Company on 24 March 2023 as he has reached the statutory retirement age.			

### 2. Details of service in other entities

Applicable  N/A

Name of employee	Name of other entities	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Chen Yunjiang	Eastern Airports Group Co., Ltd.	Supervisor	July 2022	-
	Jiangsu Expressway Network Operation and Management Co., Ltd.	Director	May 2022	-
Wang Feng	Jiangsu Expressway International (Hong Kong) Company Limited	Director, director in special purpose vehicle	May 2022	-
	Jiangsu Sundian Road & Bridge Co., Ltd.	Director	July 2019	-
	Jiangsu Kuailu Motor Transport Co., Ltd.	Chairman of the Supervisory Committee	September 2020	-
	Jiangsu Expressway International (Hong Kong) Company Limited	Director	February 2022	-
	Jiangsu Longtan Bridge Co., Ltd.	Chairman, General Manager, Director	June 2022	-
	Jiangsu Wufengshan Toll Bridge Company Limited	Chairman, General Manager, Director	May 2022	-
	Jiangsu Suxichang South Expressway Co., Ltd.	Chairman, General Manager, Director	May 2022	-
Yao Yongjia	Zijin Trust Co., Ltd.	Director	March 2022	-
	Jiangsu Expressway International (Hong Kong) Company Limited	Director	January 2020	-
Xu Haibei	Jiangsu Modern Road and Bridge Co., Ltd.	Supervisor	August 2023	-
	Jiangsu Expressway Network Operation and Management Co., Ltd.	Chairman	March 2022	-
	Jiangsu Province Expressway Network Operation and Management Center	Director	March 2022	-
	Jiangsu Expressway Operation Management Research Institute	Dean	March 2022	-
Wang Yingjian	Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd.	Director	December 2019	-
	Jiangsu Ninghang Expressway Company Limited	Director	November 2023	-
	Jiangsu Expressway Network Operation Management Co., Ltd.	Supervisor	September 2021	-
Wu Xinhua	Jiangsu Communications Holding Digital Transportation Research Institute Co., Ltd.	Supervisor	December 2020	-
	Shandong Hi-speed Company Limited	Vice Chairman, Director	February 2023	-
Li Xiaoyan	Sichuan Expressway Company Limited	Vice Chairman, Director	November 2022	-
	Shenzhen Expressway Group Co., Ltd.	Director	January 2021	-
Ma Chung Lai, Lawrence	Guizhou Jinhua Highway Co., Ltd.	Director	January 2021	-
	Wing Hing Enterprise Company	Vice President	January 1986	-
Liu Xiaoxing	Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference (13th Session)	Standing Committee Member	January 2023	-
	Jiangsu Residents (HK) Association	Permanent Honorary President	2022	-
	Jingyue International Co., Ltd.	President	July 2023	-
	Focus Technology Co., Ltd.	Independent Director	March 2020	-
	Suzhou Kowloon Hospital Co., Ltd.	Director	June 2020	-
Liu Xiaoxing	Jiangsu Academy of Environmental Industry and Technology Corp.	Director	December 2019	-
	Mutual Benefits Asset Management Co., Ltd.	Independent Director	June 2020	-

# CORPORATE GOVERNANCE

Name of employee	Name of other entities	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Yu Mingyuan	Hubei Chutian Smart Communication Co., Ltd.	Independent Director	December 2022	-
Xu Guanghua	Guangdong Provincial Expressway Development Co., Ltd.	Independent Director	September 2022	-
	Nantong Haixing Electronics Co., Ltd.	Independent Director	June 2021	-
Ge Yang	Jiangsu Canopus Wisdom Medical Technology Co., Ltd.	Independent Director	September 2020	-
	Changzhou Qianhong Bio-pharma Co., Ltd.	Independent Director	January 2021	January 2024
Yang Shiwei	Jiangsu Hengshun Group Co., Ltd.	Independent Director	February 2022	-
	Jiangsu YS Capital Management Co., LTD.	Supervisor	October 2020	-
Pan Ye	Jiangsu Communications Holding Group Finance Co., Ltd.	Director	May 2022	-
	Jiangsu Chunlan Refrigerating Equipment Stock Co., Ltd.	Director	May 2022	-
	Xiandai Investment Co., Ltd.	Supervisor	September 2022	-
Wan Liye	Heilongjiang Transport Development Co., Ltd.	Supervisor	February 2023	-
	Jiangsu Communications Holding Group Finance Co., Ltd.	Chairman of the Supervisory Committee	July 2019	-
	Sunan Shuofang International Airport Co., Ltd.	Supervisor	May 2020	-
	Jiangsu Guangjing Xicheng Expressway Company Limited	Chairman of the Supervisory Committee	April 2022	-
	Jiangsu International Talents Advisory Services Co., Ltd.	Chairman of the Supervisory Committee	May 2020	-
	Jiangsu Yunshan Capital Management Co., LTD.	Director	June 2022	-
	Jiangsu Yangtze Bridge Co., Ltd.	Chairman of the Supervisory Committee	July 2023	-
	Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd.	Chairman of the Supervisory Committee	December 2019	-
Lu Zhengfeng	Jiangsu Communications Holding Commercial Factoring (Guangzhou) Co., Ltd.	Director	October 2023	-
	Jiangsu Ninghu Investment Development Co., Ltd.	Director	June 2021	-
Chen Jinjia	Nanjing Hanwei Property Development Company Limited	Supervisor	December 2021	-
	Jiangsu Wufengshan Toll Bridge Company Limited	Supervisor	February 2017	-
	Jiangsu Longtan Bridge Co., Ltd.	Chairman of the Supervisory Committee	June 2022	-
Yan Yun	Jiangsu Ninghu Investment Development Co., Ltd.	Chairman, Director	June 2023	-
	Jiangsu Energy Investment New City Photovoltaic Power Generation Co., Ltd.	Vice Chairman	July 2017	-
Yang Dongsong	Jiangsu Communications Holding Group Finance Co., Ltd.	Director	December 2023	-
	Jiangsu Yuexin Ninghu Gas Co., Ltd.	Director	September 2018	-
Dai Qian (resigned)	Jiangsu Wufengshan Toll Bridge Company Limited	Chairman of the Supervisory Committee	May 2022	-
	Jiangsu Yangtze Commerce and Energy Co., Ltd.	Chairman, Director	January 2021	-
	Jiangsu Yangtze Bridge Co., Ltd.	Supervisor	April 2020	-
	Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Supervisor	April 2022	-
	Jiangsu Suxichang South Expressway Co., Ltd.	Director	September 2018	-
	Jiangsu Sundian Road & Bridge Co., Ltd.	Director	December 2021	-
	Jiangsu Communications Holding Commercial Factoring (Guangzhou) Co., Ltd.	Chairman, Director	October 2023	-
	Bank of Jiangsu Co., Ltd.	Director	February 2023	August 2023
Explanation for service in other entities	Jiangsu Communications Holding Group Finance Co., Ltd.	Director	December 2020	-
	Jiangsu Ninghu Investment Development Co., Ltd.	Chairman of the Supervisory Committee	June 2021	October 2023
	Mr. Dai Qian resigned from the position of Financial Controller of the Company on 24 August 2023 due to change in job arrangements.			

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

Applicable  N/A

Decision-making procedures for the remuneration of directors, supervisors and senior management	The Remuneration and Appraisal Committee has prepared a remuneration scheme for non-executive directors and independent directors by setting benchmarks pursuant to the relevant rules of the domestic and overseas securities regulatory departments. Taking into account of the average remuneration levels in different markets and the actual circumstances of the Company, the committee proposed the remuneration scheme to the board of directors which was considered and approved at the shareholders' general meeting of the Company. The Company enters into agreements with directors who receive remuneration from the Company, under which remuneration is paid annually.
Whether a director is required to abstain during the Board of Directors' discussion of his/her remuneration	Yes
Details of the suggestions made by the Remuneration and Appraisal Committee or the special meeting in connection with independent directors for remuneration of directors, supervisors and senior management personnel	The Remuneration and Appraisal Committee believes that the remuneration paid by the Company to the directors, supervisors and senior management is fair and reasonable, and is in compliance with the Company's relevant remuneration policies and appraisal standards, and there has been no violation in the remuneration management and payment by the Company.
Basis for determination of remuneration of the directors, supervisors and senior management	One non-executive director and 5 independent directors engaged by the Company received directors' remuneration from the Company. The remuneration levels were set with reference to the average remuneration levels in Hong Kong and the Mainland.
Remuneration actually paid to the directors, supervisors and senior management	1. In 2023, remuneration paid to 1 non-executive director in Hong Kong amounted to RMB361,000 (before tax); in 2023, remuneration paid to each of 5 independent directors engaged in the PRC was RMB107,900 (before tax). 2. Four non-executive directors and 3 supervisors who were nominated by shareholders' entities received remuneration therefrom. The Company did not pay additional remuneration to such directors and supervisors. 3. Three executive directors and 2 staff representative supervisors taking up duties in the Company received management remuneration in line with their specific management positions. The Company did not pay additional remuneration to such directors and supervisors. 4. The senior management of the Company includes various deputy general managers, assistants to general manager and the financial controller. The senior management received management remuneration in line with their respective positions. The total amount of remuneration received consists of salary, performance-based bonus, as well as the Company's contribution to five social insurances (namely, pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) and housing fund and other benefits.
Total remuneration actually received by all directors, supervisors and members of senior management at the end of the Reporting Period	RMB9,073,300

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

Applicable  N/A

Name	Position held	Change	Reasons for changes
Chen Yanli	Director	Resignation	Retirement
Yao Yongjia	Secretary of the Board of Directors, Deputy General Manager	Resignation	Change in work arrangements
Dai Qian	Financial Controller	Resignation	Change in work arrangements
Xu Haibei	Director	Election	Election by the Board of Directors
Chen Jinjia	Secretary of the Board of Directors, Deputy General Manager, Person-in-charge of Accounting Affairs	Appointment	Appointment by the Board of Directors

## CORPORATE GOVERNANCE

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

Applicable  N/A

(VI) Others

Applicable  N/A

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

Session No. of meeting	Dates	Resolution
Fifteenth meeting of the tenth session	17 February 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 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.
Sixteenth meeting of the tenth session	24 March 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 March 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 March 2023.
Seventeenth meeting of the tenth session	28 April 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 April 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 April 2023.
Eighteenth meeting of the tenth session	26 May 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 May 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 May 2023.
Nineteenth meeting of the tenth session	20 June 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 21 June 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> .
Twentieth meeting of the tenth session	25 August 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 August 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 August 2023.
Twenty-first meeting of the tenth session	27 October 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.
Twenty-second meeting of the tenth session	17 November 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 November 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 November 2023.
Twenty-third meeting of the tenth session	26 December 2023	For details, please refer to the announcements of the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.

# CORPORATE GOVERNANCE

## VI. DIRECTORS' PERFORMANCE OF DUTIES

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

Director Name	Attendance at Board of Directors							Attendance at shareholders' general meetings
	Whether he/she is an independent director	Number of Board of Directors required to attend during the year	Number of attendance in person	Number of attendance by way of telecommunications	Number of attendance by proxy	Number of absence	Whether he/she fails to attend two consecutive Board meetings in person	Number of attendance at general meetings
Chen Yunjiang	No	9	8	1	0	0	No	1
Wang Feng	No	9	8	1	0	0	No	1
Yao Yongjia	No	9	8	1	0	0	No	1
Xu Haibei	No	5	5	0	0	0	No	0/(Note)
Wang Yingjian	No	9	8	1	0	0	No	1
Wu Xinhua	No	9	5	3	0	0	No	1
Ma Chung Lai, Lawrence	No	9	6	2	0	0	No	1
Li Xiaoyan	No	9	5	3	0	0	No	1
Zhou Shudong	Yes	9	8	1	0	0	No	1
Liu Xiaoxing	Yes	9	8	1	0	0	No	1
Xu Guanghua	Yes	9	8	1	0	0	No	1
Yu Mingyuan	Yes	9	7	2	0	0	No	1
Ge Yang	Yes	9	8	1	0	0	No	1
Chen Yanli	No	1	1	0	0	0	No	0/(Note)

*Note:* Director Mr. Chen Yanli resigned on 24 March 2023 and therefore did not attend the shareholders' meeting held on 20 June 2023. The Company held its 2022 Annual General Meeting of Shareholders on 20 June 2023, and Director Xu Haibei was elected at the General Meeting of Shareholders.

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

Applicable  N/A

Number of board of director meetings convened during the year	9
Of which: Number of face-to-face meetings	0
Number of meetings convened by way of telecommunication	1
Number of meetings convened by combination of face-to-face meetings and via telecommunication	8

## CORPORATE GOVERNANCE

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

Applicable  N/A

### (III) Others

Applicable  N/A

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

Applicable  N/A

### (I) Details of members of special committees under the Board of Directors

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

### (II) During the Reporting Period, the Audit Committee held 6 meetings

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

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

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

During the Reporting Period, the Audit Committee held a total of 6 meetings, including 4 periodic report meetings and 2 separate communication meetings with external audit institutions. It reviews the Company's periodic reports; reviews related party/connected transactions, supervises and evaluates the external audit work, selects external auditors; reviews the internal control system, supervises and guides internal audits, promotes internal and external audit findings and rectification; strengthens internal control supervision and evaluation; reviews and monitors the Company's financial reporting quality and procedures; and provides support for the Board of Directors' decision-making on the above matters, and puts forward important opinions and suggestions. Please refer to the table below for matters discussed at each separate meeting.



## CORPORATE GOVERNANCE

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

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

Name of director	Whether he/she is an independent non- executive director	Number of Audit Committee meetings required to attend during the Reporting Period	Number of attendance
Xu Guanghua	Yes	6	6
Zhou Shudong	Yes	6	6
Liu Xiaoxing	Yes	6	6
Li Xiaoyan	No	6	6

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
6 February 2023	the first meeting of the Audit Committee for 2023	1. Regarding the proposal of transferring the 100% equity interest in Ninghu Commercial Factoring (Guangzhou) Co., Ltd. held by the Company's wholly-owned subsidiary Jiangsu Ninghu Investment Development Co., Ltd. to Jiangsu Communications Holding Co., Ltd. and Jiangsu Yunshan Capital Management Co., Ltd. 2. Related transaction proposal regarding the investment in distributed photovoltaic power stations and site leasing by Jiangsu Communications Holding Clean Energy Jiangsu Co., Ltd., a wholly-owned subsidiary of the Company's wholly-owned subsidiary Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd.	1.The Committee reviewed and approved of the Proposal of Transferring the 100% Equity Interest in Factoring Company held by the Company's Wholly-Owned Subsidiary Jiangsu Ninghu Investment Company to Jiangsu Communications Holding and YS Capital. The consideration of this transaction is based on the asset appraisal results issued by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. The pricing is fair and reasonable, and no harm to the interests of the Company and other shareholders, especially small and medium-sized shareholders, has been found. This transaction will help the Company integrate its asset structure, improve the Company's operation and management efficiency, and is in the overall interests of the Company and all shareholders. It was agreed to submit this proposal to the Fifteenth Meeting of the Tenth Session of Board of Directors for approval. 2. The Committee reviewed and approved of Proposal on the Related Transaction Regarding the Investment in Distributed Photovoltaic Power Stations and Site Leasing by Jiangsu Communications Holding Clean Energy Company, a wholly-owned subsidiary of YS Energy Company, a wholly-owned subsidiary of the Company. The Committee agrees that Jiangsu Communications Holding Jiangsu Company shall invest in the construction of 1.06MW distributed photovoltaic power station project in Beijing-Shanghai Expressway Flooding Service Area and sign the Contract of Energy Management for Distributed Photovoltaic Power Station in Beijing-Shanghai Expressway Flooding Service Area with Jiangsu Jinghu Expressway Co., Ltd. The Contract shall last for 20 years. Jiangsu Communications Holding Clean Energy Company agrees to give priority to the supply of electricity generated from the PV power plant project to Jiangsu Jinghu Expressway Company during the operating period of the agreement and to provide a 15% discount on the simultaneous tariffs of the local grid in lieu of the payment of site rentals to Jiangsu Jinghu Expressway Company. It agreed to submit this proposal to the Fifteenth Meeting of the Tenth Session of the Board of Directors for approval.

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
23 March 2023	Second meeting of the Audit Committee in 2023	<p>1. The Company's financial statements and audit report for the year 2022; 2. The company's final accounts report for the year 2022; 3. The company's budget report for the year 2023; 4. A statement on the resolution to appoint the Company's financial reporting auditor and internal control auditor for the year 2023; 5. A statement on the resolution to appoint the internal control evaluation report and internal control audit report for the year 2022; 6. The audit committee report on the performance of its duties for the year 2022; 7. Explanation of the resolution to continue the financial business cooperation between the Company and Jiangsu Communications Holding Group Finance Co., Ltd.; 8. Report on the Company's internal audit work for the year 2022; 9. The company's internal audit work plan for the year 2023; 10. The company's risk assessment report for the year 2022; 11. Proposal explanation on daily related transactions.</p>	<p>1. Considered and approved the financial statements and audit report of the Company for 2022, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for consideration. 2. Considered and approved the final financial report of the Company for 2022, and approved the submission of the resolution to the Board of Directors for consideration. 3. Considered and approved the financial budget report of the Company for 2023, and approved the submission of the resolution to the Board of Directors for consideration. 4. Considered and approved the appointment of KPMG Huazhen LLP as the Company's auditors of the annual financial reporting and internal control for the year 2023 to audit the annual financial reporting and internal controls and to undertake the duties expected of an international auditor in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (Exchange Listing Rules); approved its annual remuneration of RMB3.46 million (including RMB2.5 million for the financial audit and RMB960,000 for the internal control audit), and approved the submission of the resolution to the Board of Directors for consideration. 5. The Self-evaluation Report on Internal Control of the Company for 2022 and the Internal Control Audit Report of the Company for 2022 reflected the current status of the Company's internal control system, the design and operation of the Company's internal control was sound and effective, and approved the submission of the resolution to the Board of Directors for consideration. 6. Considered and approved the report of audit committee on the performance of duties for 2022, and approved the submission of the report to the Board of Directors for consideration. 7. Considered and approved that the Company and the Group Finance Company shall enter into the Supplemental Agreement to the Financial Services Agreement, with the maximum daily deposit balance (including accrued interest) not exceeding RMB400 million and being less than 5% of the Company's audited operating revenue, total assets or market capitalization. The Supplemental Agreement shall be valid for one year, and upon expiry of the Agreement, the Company and the Group Finance Company shall still continue as per the terms and conditions as agreed in the original agreement, or re-enter into a supplemental agreement. The Committee agreed to submit the proposal to the Board for consideration. 8. Considered and approved of the Company's 2022 internal audit report, and agreed to submit this report to the Board of Directors for review. 9. Considered and approved of the Company's internal audit work plan for 2023, and agreed to submit this report to the Board of Directors for review. 10. Considered and approved the report on assessment of risk management of the Company for 2022, and approved the submission of the report to the Board of Directors for consideration. 11. Considered and approved the Resolution regarding Ordinary Related Party Transactions. The 22 ordinary related party transactions of the Company were approved, and such 22 transactions were carried out by the Company and its subsidiaries in the ordinary course of business, at fair and reasonable prices, with no adverse impact on the Company, without prejudice to the interests of the Company and its non-related shareholders, in particular the interests of the minority shareholders, and in the interests of the Company and its shareholders as a whole, and the submission of the resolution to the Board of Directors for consideration was approved.</p>

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
27 April 2023	The third meeting of the Audit Committee for 2023	1. The Company's first quarter report for 2023; 2. The proposal on the acquisition of 4% equity of Three Gorges New Energy Nantong Co., Ltd. by Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd., a wholly-owned subsidiary of the Company.	1. Considered and approved of the Company's financial statements and audit report for the first quarter of 2023. Considered that the audit report is comprehensive and true, and our externally disclosed audit report information is objective and true, and agree to submit this proposal to the Board of Directors for approval. 2. Considered and approved of the Proposal on the acquisition of 4% equity of three Gorges New Energy Nantong Co., Ltd. by Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd., a wholly-owned subsidiary of the Company. It was agreed that the Company's wholly-owned subsidiary YS Energy Company would acquire the 4% equity interest, which is a capital contribution of RMB73.6 million, of Three Gorges Nantong Company held by Jiangsu Dongdian New Energy Technology Engineering Co., Ltd., the original shareholder of Three Gorges Nantong, at a price of RMB0. Upon the completion of this equity transaction, YS Energy Company's shareholding ratio in Three Gorges Nantong Company shall increase from 20% to 24%, and the registered capital increased to RMB441.6 million. It was agreed to submit this proposal to the 17th meeting of the 10th session of the Board of Directors for approval.
24 August 2023	The fourth meeting of the Audit Committee for 2023	1. The Company's 2023 semi-annual report; 2. A proposal to issue a risk assessment report on the Company's deposit and loan financial business at Jiangsu Communications Holding Group Financial Company. 3. A proposal regarding the related transaction between the Company and its subsidiaries and Nanjing Micro Video Technology Company Limited 4. A proposal regarding the related transaction between the Company and China Merchants Chongqing Communications Research and Design Institute Co., Ltd. 5. A proposal regarding the related transaction between the Company and its subsidiaries and Jiangsu Communications Holding Digital Transportation Research Institute Co., Ltd. 6. A proposal regarding the related transactions between the Company and its subsidiaries and Ninghu Commercial Factoring (Guangzhou) Co., Ltd. 7. A proposal regarding the related transactions between the Company and its wholly-owned subsidiaries and Jiangsu Communications Holding Commercial Operations Management Co., Ltd. 8. A proposal regarding the related transaction between the Company and Jiangsu Cuiplingshan Hotel Management Co., Ltd.	1. Considered and approved the financial statements and audit report of the Company for the first quarter of 2023, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for consideration. 2. the Company sorted out the related transactions of deposit and loan financial business in Jiangsu Communications Holding Group Finance Co., Ltd., evaluated the Financial Company's operating qualifications, business and risk status, made necessary explanation for the Financial Company's funds arrangement during the reporting period, and issued a continuous risk assessment report. Considered that the risks of this related transaction are controllable and have not harmed the interests of the Company and other small and medium-sized shareholders. Agreed to submit this proposal to the Board of Directors for approval. 3. Considered and approved of the Proposal on the Signing of Related-Party Transactions between the Company and its subsidiaries and Micro Video Company. Agreed that Guangjing Xicheng Company, the Company's subsidiary, to enter into a related transaction agreement with Micro Video Company, in which Micro Video Company shall provide billing table preparation services to Guangjing Xicheng Company for the period from 1 September 2023 to 31 December 2023, with the agreement amount not exceeding RMB148,000. Agreed that the Company and its subsidiaries, Jiangsu Wufengshan Toll Bridge Company Limited, Jiangsu Zhendian Expressway Company Limited, Jiangsu Guangjing Xicheng Highway Company Limited, Jiangsu Changyi Expressway Co., Ltd., Jiangsu Yichang Highway Company Limited to enter into separate the apportionment agreements of Jiangsu Province Highway Toll Ticket Electronic Transformation Project with Micro Video Company, respectively, and the term of the agreement shall be from 1 October 2023 to 31 December 2023 and the agreement amount for the Company and the holding subsidiaries shall be listed below respectively, not exceeding RMB52,500 for the Company, RMB52,500 for Wufengshan Company, RMB52,500 for Zhendian Company, RMB44,000 for Guangjing Xicheng Company, RMB44,000 for Yichang Company and RMB44,000 for Changyi Company. Agreed to submit the proposal to the Twentieth Meeting of the Tenth Session Board of Directors for approval.

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
			<p>4. Considered and approved the Proposal on Related Transactions between the Company and China Merchants Communications Research and Design Institute Co., Ltd. Agreed that the Company and China Merchants Communications Research to enter into a related transaction agreement, and China Merchants Communications Research shall provide the Company with Highway E&amp;M Operations and Maintenance Manual Development Services. The agreement period shall be from 1 September 2023 to 30 June 2024, of which: from 1 September 2023 to 31 December 2023, the agreement amount shall not exceed RMB700,000. The agreement amount shall not exceed RMB175,000 from 1 January 2024 to 30 June 2024; and agreed to submit this proposal to the 20th meeting of the 10th session of Board of Directors for approval.</p> <p>5. Reviewed and approved of the Proposal on Related-party Transactions between the Company and Subsidiaries and Jiangsu Communications Holding Digital Transportation Research Institute Co., Ltd. Agreed that the Company and its subsidiaries Wufengshan Toll Bridge Company, Zhendao Company and Yichang Company to enter into related-party transaction agreements with the Digital Transportation Research Institute respectively, whereby the Digital Transportation Research Institute would provide network transformation services for the gas stations of the Company's service area. The term of the Agreement shall be from 1 October 2023 to 30 April 2024, and the cumulative amount of the agreement shall not exceed RMB181,500, of which: the cumulative amount of the Company shall not exceed RMB140,700 (not exceeding RMB81,500 from 1 October to 31 December 2023, and not exceeding RMB59,200 from 1 January to 30 April 2024); the cumulative amount of Wufengshan Toll Bridge Company shall not exceed RMB13,600 (from 1 January to 30 April 2024). The cumulative amount of Zhendao Company shall not exceed RMB13,600 (from 1 January to 30 April 2024). The cumulative amount of Yichang Company shall not exceed RMB13,600 (from 1 January to 30 April 2024). Approved that the Company shall enter into a related-party transaction agreement with the Digital Transportation Research Institute, whereby the Digital Transportation Research Institute shall provide the Company with video conference room network upgrade services. The term of the agreement is from 1 October 2023 to 30 April 2024, and the cumulative amount of the agreement shall not exceed RMB24,000, of which: the amount shall not exceed RMB17,600 from 1 October to 31 December 2023, and the amount shall not exceed RMB6,400 from 1 January to 30 April 2024. Agreed to submit this proposal to the 20th meeting of the 10th session of Board of Directors for approval.</p>

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Dates	Content of meetings	Important comments and suggestions	Other performance of duties
			<p>6. Considered and approved the Proposal on Related Party Transaction between the Company and its subsidiaries and Ninghu Commercial Factoring (Guangzhou) Co., Ltd. Agreed that the Company and its subsidiaries shall carry out factoring business with Factoring Company, which shall provide factoring services to the Company and its subsidiaries for a period commencing from 1 September 2023 to 30 April 2024, and the amount of factoring business shall not exceed RMB50 million, of which: the total amount of factoring business of the Company shall not exceed RMB21 million (not exceeding RMB7.5 million from 1 September to 31 December 2023 and RMB13.5 million from 1 January to 30 April 2024). The total amount of factoring business of Guangjing Xicheng Company shall not exceed RMB2 million (not exceeding RMB1 million from 1 September to 31 December 2023 and RMB1 million from 1 January to 30 April 2024). The total amount of factoring business of Jiangsu Longtan Bridge Co., Ltd. shall not exceed RMB3 million (not exceeding RMB1 million from 1 September to 31 December 2023, and not exceeding RMB2 million from 1 January to 30 April 2024). The total amount of factoring business of Zhendan Company does not exceed RMB2 million (not exceeding RMB1 million from 1 September to 31 December 2023 and not exceeding RMB1 million from 1 January to 30 April 2024). The total amount of factoring business of Wufengshan Toll Bridge Co., Ltd. does not exceed RMB2 million (not exceeding RMB1 million from 1 September to 31 December 2023 and not exceeding RMB1 million from 1 January to 30 April 2024). The total amount of factoring business of Jiangsu Ninghu Investment Development Co., Ltd. does not exceed RMB2 million (not exceeding RMB1 million from 1 September to 31 December 2023 and not exceeding RMB1 million from 1 January 1 to 30 April 2024). The total amount of factoring business of Jiangsu Yunshan Clean Energy Investment Holding Company does not exceed RMB8 million (not exceeding RMB3 million from 1 September to 31 December 2023 and not exceeding RMB5 million from 1 January 1 to 30 April 2024). The total amount of factoring business of Jiangsu Ninghu Property Company does not exceed RMB4 million (not exceeding RMB2 million from 1 September to 31 December 2023 and not exceeding RMB2 million from 1 January 1 to 30 April 2024). The total amount of factoring business of Nanjing Hanwei Real Estate Development Co., Ltd. does not exceed RMB5 million (not exceeding RMB2 million from 1 September to 31 December 2023 and not exceeding RMB3 million from 1 January to 30 April 2024). The total amount of factoring business of Jiangsu Yangtze River Expressway Management Co., Ltd. does not exceed RMB1 million (not exceeding RMB0.5 million from 1 September to 31 December 2023 and not exceeding RMB0.5 million from January to April 2024) and agreed to submit the proposal to the Twentieth meeting of the 10th session of the Board of Directors for approval.</p>

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
			<p>7. Considered and approved of the "Proposal on Related Transactions between the Company and its Wholly-Owned Subsidiary and Jiangsu Communications Holding Commercial Operations Management Co., Ltd." and agreed that the Company and its wholly-owned subsidiary Ninghu Properties and Jiangsu Communications Holding Commercial Transport to enter into a related transaction agreement. The Company and Ninghu Properties will purchase additional office supplies, office equipment and other materials from Jiangsu Communications Holding Commercial Transportation Company. The agreement period is from 1 September 2023 to 30 April 2024, and the cumulative transaction amount shall not exceed RMB5.68 million. Among them: the Company's material procurement transaction amount shall not exceed RMB5.08 million (from 1 September 2023 to 31 December 2023, shall not exceed RMB4.41 million, and from 1 January 2024 to 30 April 2024, it shall not exceed RMB670,000); the transaction amount of Ninghu Properties material procurement shall not exceed RMB600,000 (from 1 September 2023 to 31 December 2023, shall not exceed RMB500,000, and from 1 January 2024 to 30 April 2024, the transaction amount shall not exceed RMB100,000). Approved the Company and Jiangsu Communications Holding Commercial Transportation Company shall enter into a related-party transaction agreement, and Jiangsu Communications Holding Commercial Transportation Company will provide professional property management services such as security, cleaning, customer service, and chefs. The Company shall enter into a related-party transaction agreement with Jiangsu Communications Holding Commercial Transportation Company regarding this matter. The agreement period is from 1 September 2023 to 30 April 2024, and the transaction amount shall not exceed RMB7.13 million, of which: from 1 September 2023 to 31 December 2023, it shall not exceed RMB2.79 million, and from 1 January to 30 April 2024, the amount shall not exceed RMB4.34 million. Agreed that the Company will enter into a related-party transaction contract with Communications Holding Commercial Operation Company to lease part of the operating rights of Douzhuang Service Area on Ninghu Expressway to Communications Holding Commercial Operation Company for operation. The contract period is three years, and the related-party transaction amount shall not exceed RMB13 million per year, including: no more than RMB4.3 million from 1 September to 31 December 2023, no more than RMB13 million in 2024, no more than RMB13 million in 2025, and no more than RMB8.7 million from 1 January to 31 August 2026. The total amount for three years shall not exceed RMB39 million. We agreed to submit this proposal to the 20th meeting of the 10th session of Board of Directors for approval. 8. Considered and approved of the Proposal on Related Transactions between the Company and Jiangsu Cuiplingshan Hotel Management Co., Ltd. Agreed that the Company and Cuiplingshan Hotel would enter into a related transaction service agreement, and Cuiplingshan Hotel would provide conference services, education and training, etc. to the Company. The agreement period is from 1 September 2023 to 30 April 2024. The agreement amount shall not exceed RMB3.26 million, of which: from 1 September 2023 to 31 December 2023, it shall not exceed RMB2.48 million, and from 1 January 2024 to 30 April 2024, it shall not exceed RMB780,000. In addition, agreed to submit this proposal to the 20th meeting of the 10th session of the Board of Directors for approval. The above 3 to 8 related party transactions can bring into play the synergistic effect of related companies within the group and further save the management costs of the Company and its subsidiaries. The transactions follow the principles of objectivity, fairness and justness: the review and voting procedures for related party transactions comply with relevant laws and regulations and the provisions of the Articles of Association. Considered that there will be no harm to the interests of non-affiliated shareholders and the Company the income and profits of the Company and its subsidiaries are not dependent on such related transactions, nor does it affect the independence of the listed company, or have a negative impact on the Company.</p>

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Dates	Content of meetings	Important comments and suggestions	Other performance of duties
26 October 2023	The fifth meeting of the Audit Committee for 2023	The Company's report for the third quarter of 2023	Considered and approved the financial statements and audit report of the Company for the third quarter of 2023, and considered that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the Board of Directors for approval.
25 December 2023	The sixth meeting of the Audit Committee for 2023	<p>1. Proposal on the signing of an entrustment management agreement between the Company and its subsidiary Jiangsu Wufengshan Toll Bridge Co., Ltd. 2. Proposal on the signing of an entrusted operation and management agreement between the Company and Jiangsu Suxichang Southern Expressway Co., Ltd. 3. Proposal on the signing of a house leasing agreement between the Company and Jiangsu Railway Group Co., Ltd. 4. Proposal regarding ordinary related/continuing related transactions between the Company and its subsidiaries Jiangsu Zhendan Expressway Co., Ltd., Wufengshan Toll Bridge Company and Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd. regarding the cloud tolling procurement project. 5. Proposal regarding the ordinary related/continuing related transactions between the Company and its subsidiaries Zhendan Company, Wufengshan Toll Bridge Company and Nanjing Micro Video Technology Co., Ltd. regarding the cloud charging FFT2.0 cloud empowerment platform service project. 6. Proposal regarding the Company's proposal to adjust the house rental fee of Jiangsu Sundian Engineering Testing Co., Ltd. 7. Proposal daily regarding daily related/continuing related transactions between the Company and Jiangsu Expressway Information Engineering Co., Ltd. regarding the smart service area improvement project. 8. Proposal daily regarding the daily related/continuing related transactions between the Company and Jiangsu Communications Holding Commercial Operation Management Co., Ltd. in relation to the supply of goods to the supermarket in Maoshan Service Area.</p>	<p>1. Considered and approved the Proposal on Signing an Entrusted Management Agreement between the Company and its Subsidiary Wufengshan Toll Bridge Company. Agreed that the Company and Wufengshan Toll Bridge Company would enter into an entrusted operation and management agreement, and the Company would be entrusted to operate and manage the Wufengshan Toll Bridge project. The term of the agreement would be from 1 January 2024 to 30 April 2026, of which: from 1 January to 31 December 2024, the agreement amount shall not exceed RMB50 million, and from 1 January to 31 December 2025, the agreement amount shall not exceed RMB55 million. From 1 January to 30 April 2026, the agreement amount shall not exceed RMB20.17 million. Agreed to submit this proposal to the 23rd meeting of the 10th session of Board of Directors for consideration. 2. Considered and approved the Proposal on the Signing of a Commissioned Operation and Management Agreement between the Company and Suxichang Southern Expressway Company. Agreed that the Company and Suxichang Southern Expressway Company to enter into a commissioned management agreement, and the Company was entrusted with the operation and management of the Suxichang Southern Expressway project. The term of the agreement is from 1 January 2024 to 30 April 2026, of which: no more than RMB53 million from 1 January to 31 December 2024, no more than RMB58.3 million from 1 January to 31 December 2025, no more than RMB21.38 million from 1 January to 30 April 2026, and agreed to submit this proposal to the 23rd meeting of the 10th session Board of Directors meeting for approval. 3. Reviewed and approved of the Proposal on the Signing of a Leasing Agreement between the Company and Railway Group Company. The Company agreed to sign a leasing agreement with Railway Group Company. The lease period is from 1 January to 31 December 2024. The rent is RMB3.97364 million. Agreed to submit this proposal to the 23rd meeting of the 10th session Board of Directors for approval.</p>

# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
			<p>4. Considered and approved of the Proposal on Related Transactions between the Company and its Subsidiaries Zhendan Company, Wufengshan Toll Bridge Company and Tongxingbao Company on the Cloud Tolling Equipment Procurement Project. Agreed that the Company and its subsidiaries Zhendan Company and Wufengshan Toll Bridge Company shall purchase cloud tolling equipment from Tongxingbao Company and enter into agreements with Tongxingbao Company. The term of the agreement is from 1 January 2024 to 30 April 2025, and the Company's transaction amount shall not exceed RMB4.06 million, of which: from 1 January to 31 December 2024, not exceeding RMB3.04 million, and from 1 January to 30 April 2025, not exceeding RMB1.02 million. The transaction amount of Zhendan Company shall not exceed RMB110,000, of which: from 1 January to 31 December 2024, not exceeding RMB80,000, and from 1 January to 30 April 2025, not exceeding RMB30,000. The transaction amount of Wufengshan Toll Bridge Company shall not exceed RMB110,000, of which: from 1 January to 31 December 2024, not exceeding RMB80,000; from 1 January to 30 April 2025, not exceeding RMB30,000. Agreed to submit this proposal to the 23rd meeting of the 10th session of Board of Directors for approval.</p> <p>5. Considered and approved of the Proposal on Related Transactions between the Company and its Subsidiaries Zhendan Company, Wufengshan Toll Bridge Company and Micro Video Technology Company regarding the Cloud Tolling FFT2.0 Cloud Empowerment Platform Service Project. Agreed that the Company and its subsidiaries Zhendan Company and Wufengshan Toll Bridge Company to enter into separate agreements with Micro Video Company, whereby Micro Video Company will provide cloud-based paid FFT2.0 enabling platform services to the above-mentioned companies. The terms are from 1 January 2024 to 30 April 2025. The Company's transaction amount does not exceed RMB480,000, of which: from 1 January to 31 December 2024, not exceeding RMB355,000, and from 1 January to 30 April 2025, not exceeding RMB125,000. The transaction amount of Zhendan Company shall not exceed RMB24,000, of which: from 1 January to 31 December 2024, not exceeding RMB18,000, and from 1 January to 30 April 2025, not exceeding RMB6,000. The transaction amount of Wufengshan Toll Bridge Company shall not exceed RMB36,000, of which: from 1 January to 31 December 2024, not exceeding RMB27,000, and from 1 January to 30 April 2025, not exceeding RMB9,000. Agreed to submit this proposal to the 23rd meeting of the 10th session of the Board of Directors for consideration.</p> <p>6. Considered and approved of the Proposal on the Company's Reduction of Lease Fees for Sundian Testing Company. Agreed that the Company and Sundian Testing Company would enter into a supplementary property leasing agreement, and the power distribution room was constructed by Sundian Testing Company on the Company's behalf of the Company's property located at No. 2 Xianlin Avenue, Nanjing, which is leased by Sundian Testing Company. The cost of the construction on behalf of the Company was determined to be RMB1,283,800 by the budget and pre-bid audit, and the rent was adjusted to RMB1,690,000 per annum for the original lease period after negotiation between the two parties. Agreed to submit this proposal to the twenty-third meeting of the tenth session of the Board of Directors for approval.</p>



# CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
			<p>7. Considered and approved of the Proposal on Related Transactions between the Company and Jiangsu expressway information technology company on the Smart Service Area Improvement Project. Agreed that the Company would enter into an agreement with Information Company on the smart service area improvement project, and Information Company shall provide the Company with service area chokepoint upgrades, operational data uploads and passenger identification rental services. The agreement period is from 1 January 2024 to 31 December 2026, and the agreement amount shall not exceed RMB4.8 million of which: not exceeding RMB1.6 million from 1 January to 30 December 2024, not exceeding RMB1.6 million from 1 January to 30 December 2025, not exceeding RMB1.6 million from 1 January to 30 December 2026. Agreed to submit this proposal to the 23rd meeting of the 10th session of the Board of Directors for approval. 8. Considered and approved of the Proposal on the Company's Ordinary Related/ Continuing Connected Transactions with Communications Holding Commercial Operation Company regarding the Supermarket Supply Matters in Maoshan Service Area and agreed that the Company and Communications Holding Commercial Operation Company to enter into a contract, and the latter would supply products to supermarkets in the Maoshan service area of the Company. The contract period is from 1 January 2024 to 30 April 2025 of which: the amount of related-party transactions from 1 January to 31 December 2024 shall not exceed RMB5.33 million: the amount of related-party transactions from 1 January to 30 April 2025 shall not exceed RMB1.78 million. Agreed to submit this proposal to the 23rd meeting of the 10th session of the Board of Directors for approval.</p>



# CORPORATE GOVERNANCE

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

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

\* On 24 March 2023, Mr. Chen Yanli resigned from the position of member of the Nomination Committee. On 21 June 2023, Mr. Xu Haibei was elected as a non-executive director of the Company's 10th session of the Board of Directors at the 2022 Annual General Meeting of Shareholders and was appointed by the Company's Board of Directors as a member of the Nomination Committee.

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

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

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

## CORPORATE GOVERNANCE

Name of director	Whether he/she is an independent non-executive director	Number of Nomination Committee meeting required to attend during the Reporting Period	Number of attendance
Zhou Shudong	Yes	5	5
Xu Haibei (took office on 21 June 2023)	No	2	2
Wu Xinhua	No	5	5
Ge Yang	No	5	5
Xu Guanghua	Yes	5	5
Chen Yanli (retired)	No	1	1

Dates	Content of meetings	important comments and suggestions	Other performance of duties
23 March 2023	The first meeting of the Nomination Committee for 2023	1. Report on the performance of duties of the Nomination Committee in 2022. 2. Explanation of the proposal to nominate Mr. Xu Haibei as a director of the tenth session of the Board of Directors of the Company.	1. Agreed to the 2022 Performance Report of the Nomination Committee and submit this report to the Board of Directors for review. 2. Agreed to nominate Mr. Xu Haibei as a director of the tenth Board of Directors of the Company, and submit this proposal to the Board of Directors for review.
25 May 2023	The second meeting of the Nomination Committee for 2023	Explanation of the proposal on the appointment of the Company's Deputy General Manager.	Considered and proposed Ms. Chen Jinjia as a Deputy General Manager of the Company and submit the resolution to the Board of Directors for consideration
19 June 2023	The third meeting of the Nomination Committee for 2023	Proposal on the election of members of the special committee of the tenth session of the Board of Directors.	Reviewed and nominated director Mr. Xu Haibei to serve as a member of the Remuneration and Appraisal Committee and Nomination Committee of the 10th session of the Board of Directors of the Company, and submitted this proposal to the Board of Directors for review.
24 August 2023	The fourth meeting of the Nomination Committee for 2024	1. Proposal on designating senior managers to perform the duties of secretary to the Board of Directors. 2. Regarding the proposal to nominate Ms. Chen Jinjia as the person in charge of accounting affairs of the Company.	1. Agreed to nominate Ms. Chen Jinjia to act as secretary of the Board of Directors for a period of no more than 3 months, and submit the proposal to the Board of Directors for review. 2. We agree and nominate Ms. Chen Jinjia as the Company's person in charge of accounting affairs, and submit the proposal to the Board of Directors for review.
16 November 2023	The fifth meeting of the Nomination Committee for 2023	Regarding the proposal to nominate Ms. Chen Jinjia as Secretary of the Board to Directors of the Company.	Agreed to and nominate Ms. Chen Jinjia as the Company's secretary to the Board of Directors, and submit the proposal to the Board of Directors for review.

## CORPORATE GOVERNANCE

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

Established in 2001, the current committee consists of 6 directors, with Mr. Chen Yunjiang, Executive Director, as the convener, and Mr. Wang Yingjian, Mr. Wang Feng, Mr. Yao Yongjia, Mr. Ma Zhongli and Mr. Yu Mingyuan as members. Among them, there are 3 executive directors, 2 non-executive directors and 1 independent non-executive director.

The main responsibilities of the Strategy Committee are to review and examine the Company's strategic development direction, study and make recommendations on major capital operations, asset management projects and investment and financing plans, formulate the Company's strategic plan, monitor the implementation of the strategy, and improve investment decision-making procedures to strengthen decision-making scientifically, improve the efficiency and quality of major investment decisions, and conduct independent reviews of the quality and efficiency of risk management work.

During the reporting period, the Strategic Committee held 5 meetings to consider the annual risk management assessment report, transfer 100% equity interest in the Factoring Company, and provide comments or suggestions to the Company's investment in the construction of the Wuxi-Taicang Expressway Wuxi-Suzhou Section Project and other matters. The Company will continue to optimize its asset structure, improve asset returns and capital returns, strengthen its compliance awareness, enhance risk management and anti-fraud work, and improve its ability to serve the real economy.

Name of director	Whether he/she is an independent non-executive director	Number of Strategy Committee meetings required to attend during the Reporting Period	Number of attendance
Chen Yunjiang	No	5	5
Wang Yingjian	No	5	5
Wang Feng	No	5	5
Yao Yongjia	No	5	5
Ma Chung Lai, Lawrence	No	5	5
Yu Mingyuan	Yes	5	5

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
16 February 2023	The first meeting of the Strategy Committee for 2023	<p>1.Regarding the proposal of transferring the 100% equity interest of the Company's wholly-owned subsidiary Jiangsu Ninghu Investment Development Co., Ltd. in Ninghu Commercial Factoring (Guangzhou) Co., Ltd. to Jiangsu Communications Holding Co., Ltd. and Jiangsu Yunshan Capital Management Co., Ltd. 2. Related transaction proposal regarding the investment in distributed photovoltaic power stations and site leasing by Jiangsu Communications Holding Clean Energy Jiangsu Co., Ltd., a wholly-owned subsidiary of the Company's wholly-owned subsidiary Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd. 3. Proposal on YS Energy Company's proposal to increase capital and invest in distributed photovoltaic power stations in its subsidiary Liyang Youke Energy Co., Ltd.</p>	<p>1.Approved of the Proposal to Transfer the 100% Equity Interest of the Company's Wholly-Owned Subsidiary Jiangsu Ninghu Investment Company in Factoring Company to Jiangsu Communications Holding and YS Capital. Agreed that Ninghu Investment Company, a wholly-owned subsidiary of the Company, to transfer 100% of its equity interest in the Factoring Company to Jiangsu Communications Holding and YS Capital to help optimize the Company's business layout and improve sustainable development capabilities, which is in line with the national industry policies and the requirements of listed companies focusing on main business development. Agreed to submit this proposal to the Board of Directors for approval. 2. Approved of Related Transaction Proposal Regarding the Investment in Distributed Photovoltaic Power Stations by Jiangsu Communications Holding Clean Energy Jiangsu Company, a wholly-owned subsidiary of YS Energy Company, a wholly-owned subsidiary of the Company. Agreed with YS Energy Company's wholly-owned subsidiary Sujiaokong Jiangsu Company to invest in the construction of a 1.06MW distributed photovoltaic power station project in the Beijing-Shanghai Expressway Flooding Service Area. Relying on the existing resources along the expressway, to further promote the high-quality development of "transportation + photovoltaic" projects. Agreed to submit this proposal to the Board of Directors for approval. 3. Agreed with the Proposal on YS Energy Company to increase capital in its subsidiary Liyang Youke and invest in distributed photovoltaic power stations. Agreed that YS Energy Company will increase capital in its subsidiary Liyang Youke and invest in distributed photovoltaic power station projects to assist the development of the Company's new energy business. Agreed to submit this proposal to the Board of Directors for approval.</p>

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
23 March 2023	The second meeting of the Strategy Committee for 2023	1. The Strategy Committee's 2022 duty performance report; 2. The Company's 2022 social responsibility report; 3. Explanation of the Company's proposal to register and issue ultra-short-term notes; 4. The proposal regarding the Company's public issuance of corporate bonds; 5. Regarding proposal statement on the consolidated capital budget and financing plan for 2023; 6. Proposal statement on the Company's 2022 risk assessment report.	1. Agreed with the 2022 performance report of the Company's Strategy Committee and submitted this report to the Board of Directors for approval. 2. Agreed with "2022 Social Responsibility Report" and submitted this report to the Board of Directors for approval. 3. Agreed with the "Proposal on the Company's Registration and Issuance of Ultra-Short-term Notes". Agreed with the registration and issuance of ultra-short-term notes with a scale not exceeding RMB8 billion, and would submit this proposal to the Board of Directors for approval. 4. Agreed with the "Proposal on the Public Issuance of Corporate Bonds by the Company". The Company complies with the relevant policies on the public issuance of corporate bonds and the conditions and requirements stipulated by laws and regulations. It is qualified to publicly issue corporate bonds. The issuance of corporate bonds can further broaden financing channels, reduce financing costs and meet the needs of the Company's operations and business development. Agreed that the Company shall issue publicly corporate bonds with an issuance scale not exceeding RMB8 billion (including RMB8 billion), and this proposal will be submitted to the Board of Directors for approval. 5. Regarding the "Proposal on the Consolidated Capital Budget and Financing Plan for 2023", Agreed that the Company's executives will raise debt funds based on the Company's operating conditions in 2023, subject to the prerequisites of complying with the listing rules of the SSE and the Hong Kong Stock Exchange and keep the Company's total asset-liability ratio within 55%; and submit this proposal to the Board of Directors for approval. 6. Agreed with the Company's "2022 Risk Management Assessment Report" and submitted this report to the Board of Directors for approval.

## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
27 April 2023	The third meeting of the Strategy Committee for 2023	The proposal of YS Energy Company, a wholly-owned subsidiary of the Company, to acquire 4% equity of Three Gorges Nantong.	1. Approved of the "Proposal on the acquisition of 4% equity interest of Three Gorges New Energy Nantong Co., Ltd. by Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd., a wholly-owned subsidiary of the Company". The Company agreed that YS Energy Company, a wholly-owned subsidiary of the Company, will acquire 4% of the equity interest of Three Gorges Nantong held by Jiangsu Dongdian New Energy Technology Engineering Co., Ltd. to increase the investment scale and profitability of the new energy sector and strengthen the Company's new energy industry layout. Agreed to submit this proposal to the Board of Directors for approval.
16 November 2023	The fourth meeting of the Strategy Committee for 2023	Regarding the proposal of Jiangsu Yunshan Clean Energy Investment Holding Co., Ltd., a wholly-owned subsidiary of the Company, to acquire 40% equity interest of Three Gorges New Energy Taizhou Power Generation Co., Ltd. and invest in the Taizhou 60MW fishery and solar complementary photovoltaic power generation project.	Agreed with the "Proposal on the Company's wholly-owned subsidiary YS Energy Company to acquire 40% equity interest of Three Gorges Taizhou and invest in the Taizhou 60MW fishery and light complementary photovoltaic power generation project." Agreed that YS Energy Company, a wholly-owned subsidiary of the Company, will acquire 40% of the equity interest of Three Gorges Taizhou Company held by SPIENERGY INVESTMENTS PTE. LTD., the original shareholder of Three Gorges Taizhou Company, in order to increase the investment scale and profitability of the new energy sector and strengthen the Company's new energy industry layout. Agreed to submit this proposal to the Board of Directors for approval.
25 December 2023	The fifth meeting of the Strategy Committee for 2023	Proposal regarding the Company's investment in the construction of the Wuxi-Suzhou section of the Wuxi-Taicang Expressway.	Agreed to the "Proposal on the Company's Investment in the Construction of the Wuxi-Taicang Expressway Wuxi-Suzhou Section Project". Agreed that the Company would make a capital contribution of RMB3.25 billion to lead the establishment of a project company to invest in the construction of Xitai Expressway, accounting for 50% of the registered capital of the project company, in order to optimize the road network construction, eliminate the diversion effect of the Xitai project on the Wuxi-Suzhou section of the Shanghai-Nanjing Expressway after its completion, and continue to consolidate the Company's dominant position in the southern Jiangsu road network. Agreed to submit this proposal to the Board of Directors for approval.

### (V) During the reporting period, the Remuneration and Appraisal Committee held three meetings.

The Nomination, Remuneration and Appraisal Committee was established in 2001. In 2012, it was split into the Nomination Committee and the Remuneration and Appraisal Committee in accordance with the requirements of the Stock Exchange. The current members are composed of 5 directors. The convener is Mr. Ge Yang, an independent non-executive director and committee members include Mr. Xu Haibei,\* Ms. Li Xiaoyan, Mr. Yu Mingyuan and Mr. Xu Guanghua. Among them, there are 2 non-executive directors and 3 independent non-executive directors.

\* On 24 March 2023, Mr. Chen Yanli resigned as a member of the Remuneration and Appraisal Committee. On 21 June 2023, Mr. Xu Haibei was elected as a non-executive director of the 10th session of the Board of Directors of the Company at the 2022 Annual General Meeting and was appointed by the Board of Directors of the Company as a member of the Remuneration and Appraisal Committee.

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

## CORPORATE GOVERNANCE

During the Reporting Period, the Remuneration and Appraisal Committee held 3 meetings. The Remuneration and Appraisal Committee makes recommendations to the Board of Directors on the remuneration of the Company's directors, supervisors and senior management in 2023. The committee has assessed and evaluated the discharge of duties by each of the directors and the management of the Company in the year of 2023. The committee is of the view that all directors of the Company have faithfully fulfilled their obligations of integrity and diligence and have dutifully fulfilled and discharged their duties under their respective service contracts, and that they have devoted the necessary attention and adequate time to the Company's businesses and have brought their professional experience and expertise into full play, thus helping the board of directors to make decisions in a scientific and efficient manner and ensuring the realization of the Company's best interests. The management of the Company has discharged its duty professionally and conscientiously and has satisfactorily achieved the Company's various operation and management objectives for the year which had been set by the board of directors in early 2023. The committee has examined the remuneration information of the directors, supervisors and senior management disclosed by the Company in this annual report and is of the view that the data disclosed is true and accurate. Besides, none of the directors, supervisors or senior management of the Company held any shares, share options or being granted restricted shares of the Company, and currently, the Company has not adopted any share incentive schemes.

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

Name of director	Whether he/she is an independent non-executive director	Number of Nomination Committee meetings required to attend during the Reporting Period	Number of attendance
Ge Yang	Yes	3	3
Xu Haibei (appointed on 21 June 2023)	No	2	2
Li Xiaoyan	No	3	3
Yu Mingyuan	Yes	3	3
Xu Guanghua	Yes	3	3
Chen Yanli (retired)	No	1	1



## CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
23 March 2023	The first meeting of the Remuneration and Appraisal Committee for 2023	1.The Company's total Salary Package for 2023; 2. The Remuneration of the Company's Directors, Supervisors and Senior Management for 2023; 3. The Results of the Business Performance Appraisal for 2022 of the Members of the Management Team and the Chairmen of the Subsidiaries; 4. The Report on the Performance of the Remuneration and Appraisal Committee for 2022.	1.Approved the total remuneration of RMB675,683,200 of the Company for 2023 and submit the resolution to the Board of Directors for approval. 2. Approved the remuneration of directors, supervisors and senior management of the Company for 2023. 3. Approved the results of the 2022 annual business performance appraisal of the members of the management team and the chairmen of the subsidiaries, and submit the resolution to the Board of Directors for consideration. 4. To approve the Performance Report of the Remuneration and Appraisal Committee for 2022 and submit the report to the Board of Directors for approval.
24 August 2023	The second meeting of the Remuneration and Appraisal Committee for 2023	Proposal on the realization of performance-based remuneration for the main persons in charge of the Company's holding subsidiaries in 2022.	Agreed that the annual remuneration of the main persons in charge of the four subsidiaries of Jiangsu Ninghu Properties Co., Ltd., Jiangsu Yangtze Commercial Energy Co., Ltd., Jiangsu Ninghu Investment Development Co., Ltd., and Ninghu Commercial Factoring (Guangzhou) Co., Ltd. shall be the amount approved at the beginning of the year and submitted this report to the Board of Directors for approval.
25 December 2023	The third meeting of the Remuneration and Appraisal Committee for 2023	1.The proposal to determine the remuneration levels of the principal persons in charge of the subsidiaries in 2023; 2. The proposal to determine the total wages of the subsidiaries in 2023.	1.Agreed that the remuneration of the Company's principal persons in charge of subsidiaries for 2023 shall be calculated in accordance with the approved budget, and submitted this report to the Board of Directors for approval. 2. Agreed with the determination of the total wages of the Company's subsidiaries in 2023.

### (VI) Details of the dissenting matters

Applicable

N/A

# CORPORATE GOVERNANCE

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

Applicable       N/A

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

The Company's Board of Supervisors consists of 5 supervisors, 3 of whom are recommended by shareholder representatives and 2 are employee representatives of the Company. The number and composition of the supervisory board meet the requirements of laws and regulations. As at the date of this report, the supervisors of the Company are Yang Shiwei, Wan Liye, Pan Ye, Lu Zhengfeng and Kong Yuanyi.

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

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

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



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

Applicable  N/A

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

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

Applicable  N/A

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

### (I) Staff profile

Number of current staff in the parent company	3,685
Number of current staff in the major subsidiaries	1,069
Total number of current staff	4,754
Number of resigned and retired staff whose expenses shall be borne by the parent company and its major subsidiaries	33

Composition	
Category	Headcount (based on job nature)
Production staff	3,817
Sales staff	25
Technicians	97
Financial staff	94
Administrative staff	721
Total	4,754

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Education level	
Category of education level	Headcount (Persons)
University or above	1,702
Tertiary	1,584
Vocational or below	1,468
Total	4,754

Gender	
Male	2,835
Female	1,919
Total	4,754

Age	
30 or below	344
31–40	1,688
41–50	1,991
51 or above	731
Total	4,754

As of the end of the Reporting Period, male employees accounted for approximately 59.63% of all employees in the Company (including senior management), while female employees accounted for approximately 40.37%. The Company has always adhered to the concept of gender diversity in recruitment, employee training and other aspects, creating an open and inclusive corporate atmosphere. Based on corporate strategic decision-making, the Company offers growth channels such as training for all employees, in-house trainers, and temporary posts for training, actively providing all employees with sustainable development opportunities, sharing achievements of corporate development with all employees, and enabling employees to have a greater sense of belonging and happiness.

### (II) Remuneration policy

Applicable       N/A

During the Reporting Period, the Group continued to implement various efforts in the reform of state-owned enterprises and based on the characteristics of road-and-bridge enterprises, the Group determined the employees' salaries according to their specific positions and their performance. To meet the requirements of strategic objectives and work highlights of the year, the Group continued to innovate the cadre management mechanism to improve the performance appraisal system. During the Reporting Period, the Group revised Regulations for the Administration of Managers (管理人員管理辦法) and Detailed Rules for the Implementation of Managerial Performance Evaluation (管理人員考評工作實施細則) which provided a strong leverage for the management. Through various incentive measures such as salaries, appraisals and welfare, the Group is able to stimulate the working enthusiasm of our employees. The total gross salary of employees generated was approximately RMB882,728,000. At the same time, the Group encourages the multi-dimensional development of employees through a variety of methods to improve the overall business quality level. Through on-the-job training, job rotation exchanges, and recruitment for management personnel, we have trained and introduced a group of outstanding employees and strove to create a good atmosphere that supports the development of talents.

## (III) Training programs

Applicable  N/A

Staffs are the primary productive force of business development. By closely combining with the development goals, talent needs and the status of the staffs, and adhering to the principle of teaching according to needs and seeking effectiveness, the Group has made proposal of comprehensive quality and competency training for senior management, mid-levels and managers, newly-promoted management, and junior youth backbone employees featuring with multiple dimensions and levels, respectively: First, organize the management to participate in professional manager training, implement the new development concept, build a new development pattern, handle the relationship between reform, development and stability, work better as a main enterprise in the "5824" chain, and promote the high-quality development of state-owned enterprises; second, organize the Company's mid-level and backbone managers to participate in competency training in batches, learn the innovation and management concepts of benchmark companies; third, organize the business training for ability improvement of duty officers and toll collectors, team leader competency, junior managers, maintenance managers, etc., to comprehensively improve the business quality and professional ability of employees; fourth, organize training for safety management personnel and special operators with certificates to ensure a 100% certificate induction rate. Fifth, based on the national skilled talent development strategy, conduct full and comprehensive training for skilled staff, and promote skills upgrading and certificate-based duty assumption.

As of the end of the reporting period, a total of 312 people of the Company had passed the fifth-level appraisal of "rescue machinery operators", accounting for 86.91% of the total number of 359 people who should participate. A total of 1,851 people had passed the fifth-level appraisal of "highway toll collectors and monitors", accounting for 89.85% of the total number of 2,060 people who should participate. A total of 117 people had passed the fifth-level appraisal of "gas station workers", accounting for 48.35% of the total number of 242 people who were eligible to participate. A total of 32 people had passed the fifth-level appraisal of "maintenance workers", accounting for 44.44% of the total number of 72 people who were eligible to participate. Training funds used during the reporting period were approximately RMB15.6038 million, covering all levels from the frontline production level to senior managers. Systematic training enhanced employee awareness and improved employee capabilities, further improving the group's talent echelon empowerment construction and reserve the source of power, providing talent support for the group's sustainable and rapid development.

## (IV) Outsourcing of labour

Applicable  N/A

Total working hours of outsourced labour	1 year
Total remuneration paid to outsourced labour	RMB30.523 million

## (V) Others

Applicable  N/A

## 1. Contracts with directors and supervisors

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

*Note:* The contract period of Mr. Xu Haibei is from the date of his appointment (i.e., the date of the 2022 Annual Shareholders Meeting) to the date of the 2023 Annual General Meeting.

## CORPORATE GOVERNANCE

### 2. Interests of directors and supervisors in contracts

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

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

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

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

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

### 5. Model Code for Securities Transactions by directors

After the Company has made enquiries with all of the directors and supervisors, directors of the Company have complied with the provisions on securities transactions under the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Hong Kong Listing Rules during the Reporting Period. The Company has formulated the Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees to ensure the relevant personnel's compliance with this Code in carrying out securities transactions.

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

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



## CORPORATE GOVERNANCE

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

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

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

Name	Director's responsibilities/ environmental, Social and corporate governance (Hours)	Laws, regulations and listing rules (Hours)	The Group's Operations (Hours)	Total (Hours)
Executive directors				
Chen Yunjiang	6	5	4	15
Wang Feng	5	7	3	15
Yao Yongjia	7	6	4	17
Non-executive directors				
Xu Haibei	3	2	2	7
Wang Yingjian	5	5	3	13
Wu Xinhua	5	5	4	14
Li Xiaoyan	4	5	3	12
Ma Chung Lai, Lawrence	4	4	4	12
Independent non-executive directors				
Zhou Shudong	5	5	4	14
Liu Xiaoxing	5	4	4	13
Yu Mingyuan	4	6	3	13
Xu Guanghua	4	4	4	12
Ge Yang	5	4	4	13
Resigned director				
Chen Yanli	2	1	1	4

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

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

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

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

# CORPORATE GOVERNANCE

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

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

Applicable  N/A

During the Reporting Period, the Company strictly complied with the cash dividend distribution policy as stipulated in the Articles of Association, which fully protected the legitimate rights and interests of minority shareholders. Independent directors also expressed their independent opinions on the profit distribution plan. Upon approval at the Company's 2022 annual general meeting held on 20 June 2023, the Company's profit distribution plan for 2022 was as follows: based on the total share capital of 5,037,747,500 shares as at the end of 2022, a cash dividend of RMB0.46 (tax inclusive) per share would be distributed, totaling RMB2,317,363,850 (tax inclusive).

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

Applicable  N/A

Whether it complies with the provisions of the Articles of Association or requirements of resolutions in shareholders' general meetings

Yes  No

Whether the standards and ratio of dividends are clear and definite

Yes  No

Whether the relevant decision-making procedures and mechanisms are complete

Yes  No

Whether the independent directors have tried their best to perform their duties and duly fulfilled their roles

Yes  No

Whether the minority shareholders have sufficient opportunity to express their views and appeals; whether their legitimate rights and interests are fully protected

Yes  No





## CORPORATE GOVERNANCE

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

Applicable  Not applicable

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

Applicable  Not applicable

Unit: Yuan Currency: RMB

Number of bonus shares per share ( <i>shares</i> )	–
Dividend payout per share ( <i>yuan</i> ) ( <i>tax inclusive</i> )	0.47
Number of conversions per share ( <i>shares</i> )	–
Cash dividend amount ( <i>tax inclusive</i> )	2,367,741,325.00
Net profit attributable to ordinary shareholders of the Company in the consolidated report for the dividend year	4,413,271,587.29
As a percentage of net profit attributable to ordinary shareholders of the Company in the consolidated report (%)	53.65
Cash dividend amount accrued from share repurchase in cash	–
Total dividend amount ( <i>tax inclusive</i> )	2,367,741,325.00
Combined dividend amount as a percentage of net profit attributable to ordinary shareholders of the Company in the consolidated report (%)	53.65

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

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

Applicable  Not applicable

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

Information on share incentive

Applicable  N/A

Other explanations

Applicable  N/A

Information on employee stock ownership plan

Applicable  N/A

Other incentive measures

Applicable  N/A

## CORPORATE GOVERNANCE

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

Applicable  N/A

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

Applicable  N/A

The management of the Company, comprising 1 general manager, 3 deputy general managers (one of them is appointed as the person in charge of accounting affairs) and 1 assistant general manager, is in charge of the coordination and management of the business and operation of the Group, implementation of strategies formulated by the board of directors, and decision-making and control in respect of day-to-day business and operation management, financial management and human resources management.

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

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

Applicable  N/A

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

First, we continue to promote the implementation of the collaborative risk control system. The "Risk Control Guidelines for Collaborative Operation of Legal Affairs, Compliance, Internal Control, and Risk Management of Ninghu Company" were promulgated, and the pilot construction of collaborative operation was simultaneously advanced. Adhering to "integration of points and areas", the "Plan for the Implementation of Compliance Management of Ninghu Company (2023-2025)" was formulated. Special compliance construction in eight major areas has been fully completed, including production safety, tax management, data protection, ESG, human resources management, investment decision-making, tender and procurement and anti-corruption, to achieve leapfrog development in the compliance and corporate governance capabilities.

Second, we continuously improve the construction of the internal control system. Based on the scope of application, level of effectiveness, etc., we have constructed the hierarchical and classified compliance management system, with the "Risk Control Guidelines for Collaborative Operation of Legal Affairs, Compliance, Internal Control, and Risk Management" as the guideline, "Legal Affairs Management Detailed Rules", "Compliance Management Measures" and "Internal Control Management Detailed Rules (Trial)" The "Risk Management Detailed Rules (Trial)" as the focus, the rules and regulations of each business field as the basis, and the operation mechanism and operation guidelines as promotion, and special compliance guidelines for key areas as key. We have formulated 15 new systems, revised 22 systems, and abolished 4 systems throughout the year, covering legal review, human resources, operation management, tender and procurement, supplier management, production safety, and investment, providing the institutional basis and detailed management requirements for the development of various tasks, and empower a more complete, reasonable and efficient internal control system.

Third, we continue to strengthen the publicity and implementation of the system. We organized the annual legal compliance training in 2023, covering more than 100 people in charge of the Company's departments and offices, affiliated units, and staff and business backbones of legal affairs, compliance, procurement line, focusing on the implementation of the construction of a material risk control system, the construction of special compliance, the interpretation of the Civil Code contract codification, the implementation of the Company's system and other key aspects, to ensure the relevance and practicability of training, and to effectively enhance the Company's compliance management capabilities, and promote the spirit of the rule of law on compliance.

Explanation of significant internal control errors during the Reporting Period

Applicable  Not applicable

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

Applicable  N/A

In order to strengthen the management of subsidiaries, ensure that the subsidiary's business is in line with the Group's overall strategic development direction, effectively control the Group's operating risks and external investment risks, and improve investment quality and investment efficiency, during the reporting period, the Board of Directors considered and approved the revision of the second-tier system "Subsidiary Management Measures" and completed three quarterly post-investment management analysis reports.

## XV. INFORMATION ON THE INTERNAL CONTROL AUDIT REPORT

Applicable  N/A

KPMG Huazhen LLP issued an audit report on the Company's internal control for 2023 and opined that the Company maintained, in all material respects, effective internal control over financial reporting in accordance with the Basic Standard for Enterprise Internal Control and relevant requirements. The full text of the 2023 internal control audit report has been published on the websites of the SSE ([www.sse.com.cn](http://www.sse.com.cn)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jsexpressway.com](http://www.jsexpressway.com)).

Whether to disclose the internal control audit report: Yes

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

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

In response to the occasional issues that the Company's directors and supervisors were unable to attend the meeting in person during the 2021 self-examination of the special action on the governance of listed companies, the Company used remote video conferencing to actively solve related problems to ensure that directors and supervisors perform their duties and play their full role in corporate governance.

# CORPORATE GOVERNANCE

## XVII. OTHERS

Applicable  N/A

### (I) Corporate governance report

As at the date of this report, the board of directors has reviewed the day-to-day governance practices of the Company pursuant to Part II of the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules, and concluded that the Company fully adopted the provisions of Part II of the new Corporate Governance Code and strived to fulfill the recommended best practices. The Company has been in compliance with all the code provisions in Part II of the Corporate Governance Code other than the following code provisions B2.2, C1.6 and F2.2, and no material deviation or breach has been identified.

Code Provisions	Compliant or Not	Corporate Governance Procedures
B2.2 Each director (including those appointed for a specific term) shall be subject to retirement by rotation, at least once every three years	No	All directors are elected or replaced at shareholders' general meeting. The Company has introduced the cumulative voting system for the election of directors. According to the Company Law of the People's Republic of China and the Articles of Association, each session of the board of directors is for a term of three years, with each director appointed for a term of three years, and all directors should retire upon the expiry of the three-year term, instead of retirement by rotation. Any re-appointment is subject to re-election at a shareholders' general meeting.
C1.6 Independent non-executive directors and other non-executive directors should regularly attend the meetings of the Board of Directors and committees, and should attend shareholders' meetings to have a fair understanding of the opinions of the Company's shareholders.	No	Independent non-executive directors and other non-executive directors should regularly attend board meetings and committee meetings, contributing to company decision-making with their skills and expertise. This year, except for independent non-executive director Yu Mingyuan who was unable to attend the 2022 annual general meeting of shareholders due to other business engagement, all independent non-executive directors and other non-executive directors attended the Company's general meeting of shareholders.
F2.2 The Chairman of the Board should attend the Annual General Meeting	No	Chairman Chen Yunjiang did not attend the 2022 Annual General Meeting of Shareholders due to other business engagement. The meeting was chaired by Executive Director (General Manager) Mr. Wang Feng



## (II) Other matters

### 1. On management of inside information

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

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

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

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

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

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

## CORPORATE GOVERNANCE

### 3. On investor relations management and dividend policy

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

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

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

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

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

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

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## I. INFORMATION ON ENVIRONMENTAL PROTECTION

Whether to build the relevant mechanism for environmental protection	Yes
The environmental protection funds invested in the Reporting Period ( <i>Unit: Ten thousand Yuan</i> )	3,182.54

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

Applicable  N/A

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

Applicable  N/A

1. Administrative penalties resulting from environmental issues

Applicable  N/A

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

Applicable  N/A

(1) *Information on emission*

According to the List of Key Environmental Supervision Units in Jiangsu Province in 2023, the Group is not a key environmental supervision unit. During the reporting period, all units affiliated to the Group conscientiously implemented national and local environmental protection guidelines and policies during operations, and strictly abided by the Environmental Protection Law, The Air Pollution Prevention and Control Law, Water Pollution Prevention and Control Law, and Solid Waste Management Law, Law on the Prevention and Control of Environmental Pollution by Solid Waste and other relevant laws and regulations. We actively carried out prevention and control work in the aspects of waste gas emission reduction, sewage treatment, solid waste disposal and noise prevention and control, to strictly control pollution emissions, and ensure that emissions meet standards.

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

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

**In terms of exhaust emission reduction:** We have taken measures for existing motor vehicles in accordance with relevant national regulations to meet national exhaust emission standards. We have improved the accuracy and flexibility of debris removal and rescue, and reduced the increase in fuel consumption and exhaust emissions caused by the extended travel distance between points. We have strengthened the greening and daily maintenance management of the roadbed slopes and ditches of the proposed highway to alleviate the impact of vehicle exhaust emissions on the ambient air quality along the route; and ensured that the oil fume purification and emission facilities in the catering back yard in the service area are intact during operation, operate effectively as required to ensure that catering fumes meet standards after treatment.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

**In terms of sewage treatment:** it is required that if domestic sewage in units at all levels is not connected to the municipal pipe network, its treatment facilities must comply with national regulations and require regular maintenance and overhaul in strict accordance with regulations. The Company engaged professional units to conduct sewage discharge monitoring and ensure the effective operation of sewage treatment facilities. The Company focuses on strengthening the management and monitoring of production and domestic sewage to ensure that the treated sewage meets the discharge standards.

**In terms of noise reduction:** We carry out source noise reduction and adopt noise reduction measures such as laying low-noise roads to reduce the occurrence of noise from the source. We focus on process noise reduction, combine the actual engineering conditions and natural environment characteristics, adopt green belts and other measures, and reduce noise from the source. We reduce noise along the route; carry out sensitive target protection, and adopt sound barrier noise reduction measures in sensitive points that are close to the route, relatively densely distributed, and parallel to the route. When the quality of the outdoor acoustic environment still cannot meet the standard after active protection measures are taken, take passive protection measures such as soundproof windows. The length of the sound barrier built in 2023 is 0.58 kilometers.

**In terms of waste disposal:** We establish fixed storage areas and locations for various types of waste, implement graded and classified management, and clearly mark them. Priority is given to the reuse of resources for treatment and disposal, and non-recyclable waste and domestic garbage are transported together by the environmental sanitation department to garbage disposal sites for disposal. Recyclable general waste is sorted by personnel arranged by each unit and then resold to the material recycling department. We store hazardous solid waste in separate zones, set up liquid waste storage areas such as waste asphalt, coatings, and paints, and hazardous waste storage bins, and establish a daily supervision mechanism to ensure neat stacking. Other hazardous wastes are recycled and processed by professional institutions, and a "Disposal Records of Hazardous Solid Waste Treatment" is formed.

(3) *Emergency plan for environmental emergencies*

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

(4) *Environmental protection self-monitoring plan*

The Group continues to strengthen environmental management monitoring and implements a three-level environmental protection management system, including corporate levels, secondary units and frontline units. We conduct a comprehensive review of the Company's environmental protection system documents and pay close attention to the implementation of various environmental protection systems. We also strengthen environmental protection publicity education, provide relevant training to construction personnel, focus on checking the implementation of ecological environment protection measures, construction noise and dust pollution prevention and control measures, and formulate environmental monitoring plans. We conduct sewage discharge testing and noise complaint monitoring in sensitive areas from time to time, and ensure effective maintenance of the road drainage system and safeguard water source protection.

3. Reasons for non-disclosure of other environmental information

Applicable

N/A



# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

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

Applicable       Not applicable

During the reporting period, the Group resolutely implemented the environmental standards set by the state and local governments, focused on practicing green and low-carbon operations in daily operations, and implemented a number of measures such as green maintenance, soil remediation, and water ecological restoration to protect the environment and the interests of residents along the highway, improve the stability of the ecosystem from the perspective of protection and restoration. We strive to reduce the negative impact of the Company's operating activities on the environment, and achieve coordinated development of operations and environmental protection.

**Green maintenance.** We vigorously carry out green transportation construction, continue to enrich the connotation of green maintenance, continuously strengthen the requirements and intensity of green maintenance. We promote the green transformation of highway construction by actively promoting the use of renewable materials and widely applying energy-saving technologies such as simultaneous gravel sealing and in-situ thermal regeneration. In 2023, the recycling rate of waste materials such as waste asphalt residue was 100%, and the utilization rate of low-carbon maintenance materials such as joint tape and potting glue was 100%.

**We are committed to soil and water conservation.** A complete drainage system is set up along the entire road. An independent, complete and smooth road drainage system is formed by setting up roadbed ditches and drainage ditches, road shoulders and bridge and culvert structures. A bridge deck runoff collection system is built for roads involving sensitive water bodies. By laying PVC drainage pipes under the bridge, the runoff from the bridge deck will be directed to the treatment systems installed at both ends of the bridge for disposal. The daily maintenance of the road drainage system will be strengthened, and regular dredging will be carried out to ensure smooth drainage.

**Beautify the road environment.** In view of the site environment along the highway, toll stations and service areas, measures including lawn laying, landscape greening and replanting, drainage pipe cleaning and repair, and marking line repair are carried out to create the most beautiful road environment.

**Promote green office.** We advocate paperless office and put forward relevant regulations on the use of printers. We use double-sided printing or use unused waste paper to print on the reverse side to improve paper utilization. We use energy-saving LED lights and landscape-solar complementary garden lights to ensure energy saving and eco-friendly use in offices and operations.



## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

**Promote green travel.** We vigorously advocate the travel concept of “green, low-carbon, safe and civilized”, strictly enforce the official car dispatching system, and try to carpool when traveling. We organize and call on all frontline units to install charging piles in batches and provide low-carbon docking services. We issue and implement “135” low-carbon travel initiative, walking within 1 kilometer, cycling within 3 kilometers, taking public transportation within 5 kilometers, insisting on using healthy low-carbon green travel methods.

**Cultivate environmental awareness.** By organizing environmental protection knowledge training and carrying out low-carbon life promotion activities, etc., we improve employees’ awareness and understanding of low-carbon life, encourage employees to purchase green, eco-friendly, and recyclable products in daily consumption, reduce the use of disposable products, and guide employees to actively participate in low-carbon actions.

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

Whether to adopt carbon reduction measures	Yes
Reduction of carbon dioxide-equivalent ( <i>Unit: ton</i> )	597,253
Types of carbon reduction measures (for example, using clean energy to generate electricity, using carbon reduction technology in the production process, and developing and producing new products to assist carbon reduction.)	<ol style="list-style-type: none"> <li>1. We formulate the “Energy Resources Control and Management Rules”, incorporate energy consumption into assessment indicators, analyze the energy consumption of each unit on an annual basis, and urge each unit to reduce energy consumption;</li> <li>2. We independently developed 6 monitoring systems to comprehensively monitor and manage energy use, effectively reducing electricity consumption and equipment losses;</li> <li>3. We continuously transform and upgrade mechanical and electrical equipment;</li> <li>4. We develop clean energy and deepen the application of photovoltaic technology in highway scenarios;</li> <li>5. We actively promote the construction of “zero-carbon” service areas.</li> </ol>

Specific description

Applicable       N/A

During the Reporting Period, the Group strictly complied with laws and regulations such as the Energy Conservation Law of the People’s Republic of China and the Cleaner Production Promotion Law of the People’s Republic of China, and attached great importance to the management and utilization of energy resources. Through advanced energy monitoring systems and data analysis technologies, the Group conducted real-time monitoring and in-depth analysis of energy consumption to effectively improve energy efficiency and help build a resource-saving and eco-friendly society.

**Strengthen institutional controls.** We formulate the Energy Resources Control and Management Rules to include the energy consumption of each unit (including natural gas, liquefied petroleum gas, water, electricity, gasoline) into the assessment indicators, analyze the energy consumption of each unit on an annual basis, and effectively urge each unit to save electricity and reduce operating electricity costs.

**Optimize management system.** The Company has made breakthroughs in 8 key green and low-carbon core technologies in key areas, pushed forward the transformation of the electric power monitoring system, independently researched and developed 6 monitoring systems, and optimized the functions of “visualization and real-time monitoring, intelligent analysis and alarm, and full-life-cycle management of equipment”, so as to realize the comprehensive monitoring and management of energy use, and effectively reduce the consumption of electric power and the loss of equipment.

**Implement equipment upgrades.** We improve energy efficiency through continuous renovation and upgrading of lighting equipment in road sections and electromechanical equipment in service areas.

**Develop clean energy.** The Company has created a comprehensive transportation smart energy system and established distributed “light storage and charging” integrated power stations, to deepen the application of photovoltaic technology in highway scenarios, and accelerate the formation of a highway charging infrastructure network. In 2023, Jiangsu Expressway’s first integrated new energy charging and swapping station was installed in the Xianrenshan service area.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

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

Applicable  N/A

The Company simultaneously released the 2023 Environmental, Social and Governance (ESG) Report of Jiangsu Expressway Co., Ltd. in conjunction with the 2023 Annual Report, which provides a detailed introduction and explanation of the Company's environmental indicators, resource utilization, environmental protection measures and fulfillment of social responsibilities. For details, please see the relevant announcement published by the Company on the Shanghai Stock Exchange website [www.sse.com.cn](http://www.sse.com.cn) and the Hong Kong Stock Exchange website [www.hkex.com.hk](http://www.hkex.com.hk) on 29 March 2024. For details about the Company's social responsibility and ESG work in 2023, please refer to the "2023 Environmental, Social and Governance (ESG) Report of Jiangsu Expressway Co., Ltd."

### (II) Detailed performance of social responsibilities

Applicable  N/A

External Donations, Public Service Projects	Number/Content	Explanation
Total inputs (RMB'0,000)	9.00	
Specifically: Funds (RMB'0,000)	3.00	
Material conversion (RMB'0,000)	6.00	<ol style="list-style-type: none"> <li>1. We carried out charity activities such as student aid, Chongyang Festival welfare visits, charity blood donation, care for autistic children, and donation of used clothes;</li> <li>2. We introduced local community resources and carried out joint construction and mutual aid activities such as "Learning from Lei Feng to Offer Help to People in Need", which benefited more than 200 people;</li> <li>3. We organized an exhibition of the Company's bridge construction achievements, and organized summer camp visits and learning activities for local primary schools and newspaper reporter stations;</li> <li>4. We carried out the "Helping Little Migratory Birds" care activity and gave away "school-opening packages" and scholarships;</li> <li>5. Eight "Jasmine Stations" have been set up at toll stations and service areas along the entire expressway to provide passing drivers with diversified services such as food reheating, drinking water, and car repairs.</li> </ol>
Number of people benefited (person)	260	

Specific description

Applicable  N/A

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

**High-speed quality:** We continue to build a quality control system, improve maintenance management systems and mechanisms, continuously improve congestion relief and smooth flow plans and disposal work processes, to actively promote the construction of smart roads, bridges, and tunnels, and fully protect the safety of people's lives and the safe and smooth flow of highways.

**Customer service:** We upgrade the service quality of toll stations and service areas, vigorously carry out the creation of the "Suzhou Expressway Jasmine" brand, continue to enhance the public's experience of "fast travel" and "quality service" on the road, and fully serve the "convenient travel for the public".

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

**Win-win cooperation:** We established good partnerships and implemented responsible procurement activities. We participated in the formulation and improvement of industry standards, organized and hosted industry exchange activities and built industry exchange platforms to share our leading achievements with peers, and promote the sustainable development of the industry.

**Caring for employees:** We pay attention to the protection of the rights and interests of every employee, formulating the "Talent Array" action plan, establishing a "pyramid" talent echelon, formulating the "Ning's Gathering Wonders, Shanghai's Happiness" activity plan, and developing a rich and colorful culture activities, committed to achieving the same resonance between talent growth and company development.

**Contributing to the community:** We regularly carry out the "168 (All the Way Help)" volunteer service, carry out and encourage employees to join the "High-speed Mom" to care for left-behind children, care for the elderly living alone, donate used clothes and other public welfare activities, and carry out charity student aid activities for 18 consecutive years. We have carried out Chongyang Festival welfare visit activities for 15 consecutive years and carried out charity blood donation activities for six consecutive years to contribute to social harmony.

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

Applicable  N/A

Poverty Alleviation and Rural Revitalization Projects	Number/Content	Explanation
Total inputs (RMB'0,000)	132.00	<ol style="list-style-type: none"> <li>1. Providing financial support to the Jiangsu Tibet Aid Command;</li> <li>2. We provided assistance to Lhasa Transportation Industry Group Co., Ltd. for the Lhasa Transportation Industry Group to purchase safety facilities and equipment and carry out safety production education and training, etc.;</li> <li>3. We provided targeted assistance to Ganyu District, Lianyungang City for village construction projects;</li> <li>4. We carried out consumption assistance in Qinghai and purchased poverty alleviation products;</li> <li>5. We purchased "7100" Tibetan glacier water during the consumption aid campaign.</li> </ol>
Specifically: Funds (RMB'0,000)	132.00	
Material conversion (RMB'0,000)	-	
Number of people benefited (person)	5,660	
Forms of alleviation (such as poverty alleviation through industry, poverty alleviation through employment, poverty alleviation through education, etc.)	Poverty alleviation through industry	<ol style="list-style-type: none"> <li>1. In collaboration with local governments, road administration and traffic police, we have formulated a special service plan to help farmers transport fresh fruits quickly, to accelerate the transportation efficiency of "vegetable baskets" and "fruit plates" and to guarantee farmers' income.</li> <li>2. We help sell agricultural products through the "buy with support" approach.</li> </ol>

Specific description

Applicable  N/A

The Group actively deepened the action of "Ten thousand enterprises work together with ten thousand villages to jointly walk the road of revitalization", solidly promoted the key assistance of "rural revitalization", actively carried out various rural revitalization and agricultural assistance activities. It provided RMB400,000 targeted assistance and investment to Ganyu District, Lianyungang City, including the contribution of RMB200,000 to express condolences to Jiangsu Aid to Tibet Headquarters, and RMB200,000 to assist Lhasa Transportation Industry Group Co., Ltd. to purchase safety facilities and equipment and carry out safety production education and training, etc., to help the construction of a new socialist countryside. At the same time, we enriched "menu" of agricultural products to accelerate the efficiency of material transportation of "vegetable baskets" and "fruit plates", helped sell agricultural products through the "buy with support" approach, and implemented "financial assistance + cultural assistance" to promote rural construction with better living, industry conditions and a more beautiful village.

# SIGNIFICANT MATTERS

## I. PERFORMANCE OF UNDERTAKINGS

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

Applicable  N/A

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

Achieved  Not achieved  Not applicable

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

Applicable  N/A

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

Applicable  N/A

## III. NON-COMPLIANCE GUARANTEE

Applicable  N/A

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

Applicable  N/A

## SIGNIFICANT MATTERS

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

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

Applicable       N/A

##### 1. Changes in accounting policies

In 2023, the Group implemented the relevant regulations and guidelines on corporate accounting standards promulgated by the Ministry of Finance in recent years.

##### (a) Accounting Standard for Enterprises No. 25 - Insurance Contracts (Accounting [2020] No. 20) (the "New Insurance Contract Standard") and related implementation questions and answers

The new insurance contract standards replace the Accounting Standards for Business Enterprises No. 25 - Original Insurance Contracts and Accounting Standards for Business Enterprises No. 26 - Reinsurance Contracts issued in 2006, as well as the Provisions on Accounting Treatment Related to Insurance Contracts issued in 2009 (Financial Accounting [2009] No. 15).

The Group has no insurance-related transactions, and the adoption of the above regulations does not have a significant impact on the Group's financial position and operating results.

##### (b) The "Accounting for Deferred Taxes on Assets and Liabilities Arising from Individual Transactions Not Subject to the Initial Recognition Exemption" in Accounting Standards Interpretation No. 16 (ASBJ [2022] 31) ("ASBJ Interpretation No. 16").

In accordance with this provision, a single transaction, i.e., a lease transaction, which is not a business combination and does not affect either accounting profit or taxable income (or deductible losses) at the time of its occurrence, and in which the assets and liabilities initially recognized result in taxable temporary differences and deductible temporary differences of an equal amount, is exempted from the provisions of "Accounting Standard for Business Enterprises ("ASBE") No. 18. -Income Taxes", which exempts the initial recognition of deferred tax liabilities and deferred tax assets. For new taxable temporary differences arising from the initial recognition of the transaction, the Group recognized corresponding deferred income tax liabilities when the transaction occurs in accordance with relevant regulations such as "Accounting Standards for Business Enterprises No. 18 - Income Tax".

In addition, when the above-mentioned additional taxable temporary differences are reversed in future periods, the Group has sufficient deductible temporary differences for which deferred income assets have not yet been recognized, and therefore recognizes deferred income tax assets equal to the amount of deferred income tax liabilities. The newly recognized deferred income tax assets and deferred income tax liabilities meet the conditions for net balance sheet presentation, and the adoption of the above regulations after net presentation does not have a significant impact on the Group's financial position and operating results.

## SIGNIFICANT MATTERS

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

Applicable  N/A

(III) Communication with the previous accounting firm

Applicable  N/A

(IV) Approval procedures and other instructions

Applicable  N/A

### VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRM

Unit: Yuan Currency: RMB

Name of the domestic accounting firm	Current Engagement KPMG Huazhen LLP	
Remuneration for the domestic accounting firm	2,500,000.00	
Years of audit services of the domestic accounting firm	3	
Name(s) of the certified public account(s) from the domestic accounting firm	Zhou Xuchun, Cao Yang	
Consecutive years of audit services of the certified public account(s) from the domestic accounting firm	Zhou Xuchun (3 years), Caoyang (2 years)	
Name of the overseas accounting firm	-	
Remuneration for the overseas accounting firm	-	
Years of audit services of the overseas accounting firm	-	

	Name	Remuneration
Accounting firm for internal control audit	KPMG Huazhen LLP	960,000.00
Financial counselor	-	-
Sponsor	-	-

## SIGNIFICANT MATTERS

### Information on appointment and removal of accounting firm

Applicable  N/A

There was a change in auditors in March 2021, for details, see the Company's announcement dated 29 March 2021. KPMG Huazhen LLP was appointed as the Company's 2021 annual financial statement auditor and internal control auditor according to the resolution made during the shareholders' general meeting for the year 2020, and was reappointed as the Company's 2022 annual financial statement auditor and internal control auditor according to the resolution made during the shareholders' general meeting for the year 2021. At the 2022 Annual General Meeting, it was resolved to re-appoint KPMG Huazhen, Certified Public Accountants (Special General Partnership) as the Company's auditor of financial reporting and internal control auditor for the year 2023.

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

Applicable  N/A

### Explanation of audit fees falling by more than 20% (inclusive) compared with the previous year

Applicable  N/A

## VII. RISK OF DELISTING

### (I) Causes of delisting

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

## VIII. MATTERS RELATING TO INSOLVENCY OR RESTRUCTURING

Applicable  N/A

## IX. MATERIAL LITIGATION AND ARBITRATION

The company has major litigation and arbitration matters this year  The company has no major litigation or arbitration matters this year

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

Applicable  Not applicable

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

Applicable  N/A



## XII. MAJOR RELATED PARTY/CONNECTED TRANSACTIONS

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

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

Applicable  N/A

Summary of the Event	Document for Inspection
<p>On 28 August 2020, the Company and Yichang Company (a subsidiary of the Company's connected subsidiary) entered into the "Agreement on the Leasing and Operation of Yichang Company's Gas Station in Zhangzhu Service Area". Yichang Company leases its Zhangzhu gas station to the Company for operation and management, and the term of the operating lease is three years from the official business commencement date of the gas station in the Zhangzhu service area. The total leasing fee shall not exceed RMB5.32 million.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 August 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 August 2020.</p>
<p>On 30 October 2020, Yangtze River Management Company (a wholly-owned subsidiary of the Company) entered into the Management Entrustment Agreement with Xitai Company (an associate of the controlling shareholder of the Company). The management entrustment shall be valid for a term of 36 months in total commencing on 1 January 2021 and expiring on 31 December 2023; the cap for the administrative expenses of entrustment shall be RMB1.26 million (not exceeding RMB430,000 in 2023).</p>	<p>For details, please refer to the announcements of the resolutions of the Board published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 31 October 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 30 October 2020, respectively.</p>
<p>On 27 November 2020, the Company and Wufengshan Toll Bridge Company (a connected subsidiary of the Company) entered into the Agreement Regarding the Lease and Operation of the Gas Station in Wufengshan Toll Bridge Service Area, pursuant to which Wufengshan Toll Bridge Company shall lease its gas stations in the Wufengshan Toll Bridge Service Area to the Company for operation and management for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area. The total amount of the lease for 3 years shall be no more than RMB16 million (of which no more than RMB5.75 million in 2023 and no more than 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 (an associate of the Company's controlling shareholder) regarding the Company and its wholly-owned subsidiary on the SDWAN phase II service projects, ETC service fees and other matters. The agreement period starts from 1 April 2021 to 31 December 2023 and the agreement amount will not exceed RMB8.67 million. The amount in 2023 will not exceed RMB1.3 million. The Company's subsidiary Wufengshan Toll Bridge Company and Tongxingbao Company signed a framework agreement on cloud dispatch and SDWAN services, etc. The agreement period is from 1 April 2021 to 31 December 2023. The agreement amount will not exceed RMB9.8 million, and in 2023, it will not exceed RMB1.3 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company entered into the annual framework agreement with Cuipingshan Hotel (an associate of the controlling shareholder of the Company) with respect to the welfare procurement and other projects of the Company and its wholly-owned subsidiary for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not exceed in g RMB4.48 million (the amount in 2023 not exceeding RMB600,000); Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Cuipingshan Hotel with respect to the material procurement and other matters, respectively, for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not exceeding RMB4.70 million (the amount in 2023 not exceeding RMB1.6 million: no more than RMB1.10 million, RMB0.2 million and RMB0.3 million for Guangjing Xicheng Company, Changyi Company and Yichang Company respectively).</p>	<p>For details, please refer to the announcements on the ordinary related/ continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the framework agreement with Communications Holding Commercial Operation Company (an associate of the Company's controlling shareholder) regarding property services, leasing and management of the Company and its wholly-owned subsidiaries. The term of the agreement is from 1 April 2021 to 31 December 2023. The agreement amount shall not exceed RMB2,147,025.83, and the amount in 2023 shall not exceed RMB469,303.83.</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 and its non-wholly owned subsidiaries Changyi Company and Yichang Company entered into the relevant framework agreements with Information Company (an associate of the Company's controlling shareholder) regarding the supervision, maintenance of communication system and purchase of parts and components and other matters. The agreement period is from 1 January 2021 to 31 December 2023. The agreement amount shall not exceed RMB33 million, and the agreement amount in 2023 shall not exceed RMB12 million (The amount for Guangjing Xicheng Company shall not exceed RMB8 million, the amount for Changyi Company shall not exceed RMB2 million, and the amount for Yichang Company shall not exceed 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 (the Company's controlling shareholder) regarding the cloud platform technological service projects of the Company and its wholly-owned subsidiaries. The agreement period is from 1 January 2021 to 31 December 2023. The agreed amount will not exceed RMB4.93 million, and the amount in 2023 will not exceed RMB1.2 million.</p>	<p>For details, please refer to the announcements on the ordinary related/ continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company entered into entrustment management agreement with its non-wholly owned subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (being an associate of the controlling shareholder of the Company), respectively, in respect to the entrustment of their respective ordinary operation and management matters (excluding the service areas and petrol stations) to the Company, for a term commencing from 1 January 2021 to 31 December 2023. The total agreement amount shall not exceed RMB336 million. In particular, the amount of Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall not exceed 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>
<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. In 2023, the amount of Guangjing Xicheng Company did not exceed RMB1.2 million, and the amount of Changyi Company did not exceed RMB0.3 million and the amount of Yichang Company did not exceed RMB0.4 million. It is expected that from 1 January to 31 March 2024, the amount of Guangjing Xicheng Company will not exceed RMB0.2 million, and the amount of Changyi Company and Yichang Company will not exceed RMB0.1 million and RMB0.15 million, 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 RMB0.5 million. The term of agreements commences on 1 January 2021 and ending on 31 December 2023 with an agreement amount of not more than RMB78 million based on the estimated petroleum sales volume for 2021 to 2023 (not more than 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, subsidiaries of Guangjing Xicheng Company, holding subsidiary of the Company, signed framework agreements with Network Operation Company (an associate of the Company's controlling shareholder) respectively on expressway network management services. The term of the agreement starts from 1 January 2021 to 31 December 2023 and the agreement amount shall not exceed RMB9 million. Among them: the amount of Changyi Company in 2023 did not exceed RMB2 million, and the amount of Yichang Company did not exceed 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>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<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 of the information system development and maintenance projects of Cloud checkin, 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 amount shall not exceed RMB0.6 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 RMB810,000. In particular, it is estimated that (1) the lease fee payable by Yangtze River Management Company to Guangjing Xicheng Company shall not exceed RMB360,000 (not more than RMB120,000 in 2023); (2) the lease fee payable by Yangtze River Management Company to Yangtze Bridge Company shall not exceed RMB450,000 (not more than RMB150,000 in 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 entrusted operation management agreement with Yangtze Bridge Company (an associate of the controlling shareholder of the Company), Hutong Bridge Company (an associate of the controlling shareholder of the Company), Guangjing Xicheng Company (a connected subsidiary of the Company), Changyi Company (a connected subsidiary of the Company) and Yichang Company (a connected subsidiary of the Company), respectively, in respect to entrusted operation and management for a term commencing on 1 April 2021 and ending on 31 December 2023, with the entrusted management fee payable not exceeding RMB188.39 million. (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>

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Summary of the Event	Document for Inspection
<p>On 26 March 2021, Yangtze River Management Company entered into the agreement with Ninghang Cultural Tourism Company (an associate of the controlling shareholder of the Company) with respect to the employee development training for a term from 1 January 2021 to 31 December 2023, with the agreement amount not exceeding RMB750,000 (the amount in 2023 not exceeding RMB300,000); Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company, entered into the agreement with Ninghang Cultural Tourism Company with respect to the employee business skills training for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not exceeding RMB2.85 million (the amount in 2023 not exceeding RMB1.10 million: no more than RMB650,000, RMB200,000 and RMB250,000 for Guangjing Xicheng Company, Changyi Company and Yichang Company, respectively).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, the Company's wholly-owned subsidiary Yangtze Commerce and Energy Company signed with its holding subsidiaries Wufengshan Toll Bridge Company (an associated subsidiary of the Company) and Suxichang Expressway Company (an associate of the Company's controlling shareholder) regarding the entrusted management of the service area. The operating lease term shall be three years from the date when the Wufengshan Toll Bridge Service Area and Xueyan Service Area are officially opened for external operation. The agreement amount shall not exceed RMB46.8 million. The amount with Wufengshan Toll Bridge Company shall not exceed RMB28.8 million (not exceeding RMB8.5 million in the first year from the date of opening, not exceeding RMB9.8 million in the second year, and not exceeding RMB10.5 million in the third year), and the amount with Suxichang Expressway Company shall not exceed RMB18 million (not exceeding RMB5.5 million in the first year, RMB6 million in the second year, and RMB6.5 million in the third year from the date of opening). On 24 March 2023, the Company terminated the service area entrustment management agreement signed between the wholly-owned subsidiary Yangtze Commerce and Energy Company and Wufengshan Toll Bridge Company (a related subsidiary of the Company), which was reviewed and approved by the 28th meeting of the ninth session of Board of Directors meeting of the Company. Besides, the Company and Wufengshan Toll Bridge Company have re-entered into an annual framework agreement for the entrusted management of the Yangzhou Guangling Service Area. The validity period of the service area entrusted management agreement is from 1 May 2023 to 30 April 2024. And the agreement amount of Wufengshan Toll Bridge Company is RMB13.6 million (not to exceed RMB9.8 million in 2023 and not to exceed RMB3.8 million in 2024).</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021. For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the Stock Exchange website <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 to the petrol stations leasing, pursuant to which, Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall lease the petrol stations in service areas to Yangtze Commerce and Energy Company for operation for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area and Xueyan Service Area, with the agreement amount of not more than RMB20 million. In particular, the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB16 million (not more than RMB6.50 million in 2023); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB4 million (not more than 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>

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Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company entered into the property leasing agreement with Railway Group Company (an associate of the controlling shareholder of the Company) with an annual rent of RMB3,973,640, for a term from 1 January 2021 to 31 December 2023, the total rent is approximately RMB11,920,920.</p>	<p>For details, please refer to the announcements on the ordinary related/ continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company entered into relevant agreement with Media Company (an associate of the controlling shareholder of the Company), respectively, in respect to the lease of advertising media for a term from 1 January 2021 to 31 December 2023 with the estimated total rental for three years payable by Media Company shall not exceed RMB20.40 million. In particular, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB17 million (estimated to be not more than RMB9 million in 2023), the agreement amount payable by Changyi Company shall not exceed RMB1.50 million (not more than RMB700,000 in 2023), and the agreement amount payable by Yichang Company shall not exceed RMB1.90 million (not more than RMB800,000 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 is estimated not to exceed RMB11 million, will not exceed RMB3.7 million in 2023 and RMB3.6 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>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and its subsidiaries Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries Changyi Company and Yichang Company signed an annual framework agreement with Micro Video Company (an associate of the Company's controlling shareholder) on digital transformation cloud services. The agreement period is from 1 May 2022 to 30 April 2023, and the agreement amount shall not exceed RMB4.2339 million. The agreement amount between the Company and Micro Video Company is not more than RMB3.1 million (not more than RMB1.1 million in 2023). The agreement amount between Wufengshan Toll Bridge Company and Micro Video Company is not more than RMB650,000 (not more than RMB180,000 in 2023). The amount agreed between Guangjing Xicheng Company and Micro Video Company is not to exceed RMB311,200 (not to exceed RMB101,200 in 2023). The amount agreed between Changyi Company and Micro Video Company is not to exceed RMB26,000 (not to exceed RMB9,000 in 2023). The amount agreed between Yichang Company and Micro Video Company is not to exceed RMB146,700 (not to exceed RMB49,000 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 28 March 2022.</p>
<p>On 25 March 2022, the Company and its subsidiary Wufengshan Toll Bridge Company signed an annual framework agreement with Jiangsu Expressway Information Company (an associate of the Company's controlling shareholder) for electromechanical system construction and maintenance services, spare parts entrusted management services, and smart service area development and application management services. The mechanical and electrical system construction and maintenance period between the Company and Jiangsu Expressway Information Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB33 million (estimated to be no more than RMB11 million in 2023). The entrusted management service period of spare parts between the Company and Jiangsu Expressway Information Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB7 million (estimated to be no more than RMB2 million in 2023). The smart service area development and application management service period between the Company and Jiangsu Expressway Information Company is from 1 May 2022 to 30 April 2023, and the amount shall not exceed RMB3 million (estimated to be no more than RMB1 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 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and its subsidiaries Zhendan Company, Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries Yichang Company and Changyi Company signed an annual framework agreement with Tongxingbao Company (an associate of the Company's controlling shareholder) on network system services such as cloud dispatching technology services and SD-WAN services, road network technology services, ETC contactless payment system services and ETC customer service outlet rental. The term of road network technical services between the Company and Tongxingbao Company is from 1 January to 30 April 2023, with an amount not exceeding RMB9.0 million. The term of road network technical services between Guangjing Xicheng Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB6.7 million (expected to be no more than RMB2.2 million in 2023). The term of road network technical services between Changyi Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB850,000 (expected to be no more than RMB350,000 in 2023). The term of road network technical services between Yichang Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB900,000 (expected to be not exceeding RMB400,000 in 2023). The term of road network technical services between Zhendan Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB250,000. The term of road network technical services between Wufengshan Toll Bridge Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB1,300,000. And the term of cloud scheduling technical service is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB2,000,000 (expected to be no more than RMB670,000 in 2023). The term of the cloud scheduling technical service between Zhendan Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB60,000 (expected to be no more than RMB20,000 in 2023). The term of cloud scheduling technical services between Guangjing Xicheng Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB200,000. The term of cloud scheduling technical services between Changyi Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB10,000. The term of cloud scheduling technical services between Yichang Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB100,000. The term of SD-WAN service between the Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB1,200,000. The term of SD-WAN service between Guangjing Xicheng Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB400,000. Changyi Company and Tongxingbao SD-WAN service period from 1 January to 30 April 2023, in an amount not exceeding RMB60,000. The term of SD-WAN service between Yichang Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB30,000. The term of SD-WAN service between Zhendan Company and Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB100,000. The lease term of the Company's ETC customer service outlets with Tongxingbao Company is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB800,000 (expected to be no more than RMB270,000 in 2023). The lease term of the ETC customer service outlets of Guangjing Xicheng Company with Tongxingbao Company is from 1 January to 30 April 2023, in an amount not exceeding RMB30,000. And the term of service for the ETC contactless payment system between the Company and Tongxingbao Company is from 1 May 2022 to 30 April 2023, in an amount not exceeding RMB2.1 million (expected to be no more than RMB0.7 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 28 March 2022.</p>



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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and its subsidiaries Zhendan Company, Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries Changyi Company and Yichang Company signed an annual framework agreement with Xiandai R&amp;B Company (an associate of the Company's controlling shareholder) on highway maintenance and construction services, bridge expansion joint replacement services, greening and environmental improvement project services, and traffic safety facilities improvement project services. The period of the highway maintenance construction service agreement between the Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount is not more than RMB171.87 million (expected to not exceed RMB39.62 million in 2023). The period of the highway maintenance construction service agreement between Guangjing Xicheng Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount will not exceed RMB149.83 million (not exceeding RMB8.2 million in 2023). The period of the highway maintenance construction service agreement between Changyi Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount will not exceed RMB1.4 million (expected to not exceed RMB600,000 in 2023). The period of the highway maintenance construction service agreement between Yichang Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount will not exceed RMB2.3 million (expected to not exceed RMB800,000 in 2023). The period of the highway maintenance construction service agreement between Zhendan Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount will not exceed RMB4.36 million (not to exceed RMB1.45 million in 2023). The period of the highway maintenance construction service agreement between Wufengshan Toll Bridge Company and Xiandai R&amp;B Company is from 1 May 2022 to 30 April 2023, and the amount is not to exceed RMB4.17 million (not to exceed RMB1.39 million in 2023). The term of replacement service agreement for expansion joint is from 1 May 2022 to 30 April 2023, and the amount is not to exceed RMB12.81 million (expected to not exceed RMB2.81 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 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and its subsidiaries Zhendan Company, Wufengshan Toll Bridge Company, Guangjing Xicheng Company and its subsidiaries Changyi Company and Yichang Company signed an annual framework agreement with the Maintenance Technology Company (an associate of the Company's controlling shareholder) on comprehensive maintenance technology services, basic membership fees of the Board of Directors, and bridge navigation safety risk investigation and comprehensive assessment consulting services. The comprehensive maintenance technology service period between the Company and the maintenance technology company was from 1 May 2022 to 30 April 2023, and the amount did not exceed RMB15.26 million (not to exceed RMB1 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 28 March 2022.</p>
<p>On 25 March 2022, the Company signed an annual framework agreement with Huatong Engineering Co., Ltd. (an associate of the Company's controlling shareholder) on the dynamic weighing system operation and maintenance services and bridge maintenance and reinforcement projects. The bridge maintenance and reinforcement service period between the Company and Huatong Engineering Company is from 1 May 2022 to 30 April 2023, and the amount will not exceed RMB19.5 million (expected to not exceed RMB1.5 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 28 March 2022.</p>
<p>On 25 March 2022, the Company and its wholly-owned subsidiary Ninghu Investment Company and its wholly-owned subsidiaries Factoring Company, Yangtze River Management Company and its subsidiary Guangjing Xicheng Company signed an annual framework agreement with Communications Holding Commercial Operation Company (an associate of the Company's controlling shareholder) on office space leasing and material procurement. The office space lease period between Ninghu Investment Company and Communications Holding Commercial Operation Company is from 1 January to 30 April 2023, and the amount is not more than RMB850,000. The office space lease period between the Factoring Company and Communications Holding Commercial Operation Company is from 1 January to 30 April 2023, and the amount is not more than RMB450,000. The material procurement service period between Yangtze River Management Company and Communications Holding Commercial Operation Company is from 1 May 2022 to 30 April 2023, and the amount is not more than RMB120,000 (estimated to be no more than RMB40,000 in 2023). The material procurement service period between Guangjing Xicheng Company and Communications Holding Commercial Operation Company is from 1 May 2022 to 30 April 2023, and the amount is not more than RMB450,000 (estimated to be no more than RMB50,000 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 28 March 2022.</p>
<p>On 25 March 2022, the Company and its wholly-owned subsidiaries Yangtze River Management Company, Ninghu Investment Company and its wholly-owned subsidiaries Factoring Company, Ninghu Properties Company and its subsidiary Guangjing Xicheng Company and its holding subsidiaries Changyi Company, Yichang Company and Jiangsu Communications Holding Human Resources Company (an associate of the Company's controlling shareholder) signed an annual framework agreement on human resources services. The agreement period is from 1 January 2022 to 30 April 2023, and the agreement amount is no more than RMB20 million. The agreement amount of the Company is not more than RMB15.70 million (estimated to be no more than RMB6.28 million in 2023), the agreement amount of Yangtze River Management Company is not more than RMB900,000 (estimated to be no more than RMB360,000 in 2023), the agreement amount of Guangjing Xicheng Company is not more than RMB2 million (estimated to be no more than RMB800,000 in 2023), the agreement amount of Changyi Company is not more than RMB500,000 (estimated to be no more than RMB200,000 in 2023), the agreement amount of Yichang Company is not more than RMB600,000 (estimated to be no more than RMB240,000 in 2023), the agreement amount of Ninghu Investment Company is not more than RMB100,000 (estimated to be no more than RMB40,000 in 2023), the agreement amount of Factoring Company is not more than RMB100,000 (estimated to be no more than RMB40,000 in 2023), and the agreement amount of Ninghu Properties Company is not more than RMB100,000 (estimated to be no more than RMB40,000 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 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company signed an annual framework agreement with Expressway Petroleum Company (an associate of the Company's controlling shareholder) for the leasing of 7 gas stations in 4 service areas in the Ningchangzhenli section. The agreement period is from 1 January 2022 to 30 April 2023, and the agreement amount is not more than RMB25.6 million (estimated to be no more than RMB6.6 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 28 March 2022.</p>
<p>On 25 March 2022, the Company signed an annual framework with Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the Company's controlling shareholder) on the leasing of gas stations in Yangzhou Guangling and Wujin Taihu Bay service areas protocol. Among them, the rental period of the gas station in the service area of Wufengshan Toll Bridge Company is from 1 May 2022 to 30 April 2023, and the amount will not exceed RMB3.1 million (it is expected to not exceed RMB700,000 in 2023). The rental period of the gas station in the Suxichang South Expressway Company's service area is from the date of opening to 30 April 2023, and the amount will not exceed RMB950,000 (it is expected to not exceed RMB350,000 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 28 March 2022.</p>
<p>On 25 March 2022, the Company and its wholly-owned subsidiary Ninghu Investment Company signed an annual framework agreement with Media Company (an associate of the Company's controlling shareholder) on cooperation in publicity commissioned production services and advertising operation and release. Among them, the Company's publicity and production service entrustment period with Transportation Media Company is from 1 May 2022 to 30 April 2023, and the amount is not more than RMB5.0623 million (expected to not exceed RMB200,000 in 2023). The advertising operation and publishing cooperation period between Ninghu Investment Company and Media Company is from 1 May 2022 to 30 April 2025, and the amount will not exceed RMB121 million (it is expected that it will not exceed RMB40 million in 2023, will not exceed RMB40 million in 2024, and shall not exceed RMB14 million in 2025). The entrusted management fee period of Ninghu Investment Company and Media Company is from 1 May 2022 to 30 April 2025, and the amount shall not exceed RMB17.50 million (expected not exceeding RMB5.8 million in 2023, not to exceed RMB5.8 million in 2024, and not to exceed RMB2 million in 2025).</p>	<p>For details, please refer to the announcements on the ordinary related/ continuing connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022.</p>

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Summary of the Event	Document for Inspection
<p>On 25 March 2022, the Company and its wholly-owned subsidiary Ninghu Investment Company and its wholly-owned subsidiary Factoring Company signed an annual framework agreement with Cuiplingshan Hotel (an associate of the Company's controlling shareholder) on the purchase of goods and services. The term is from 1 May 2022 to 30 April 2023, and the agreement amount will not exceed RMB3,003,900 (expected to be not exceeding RMB770,000 in 2023). Among them, the amount of the Company does not exceed RMB2.9239 million (expected to not exceed RMB740,000 in 2023), the amount of Ninghu Investment Company does not exceed RMB30,000 (expected to be not exceeding RMB10,000 in 2023), and the amount of the Factoring Company does be not exceeding RMB50,000 (expected not to exceed RMB20,000 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 28 March 2022.</p>
<p>On 25 March 2022, the Company and its wholly-owned subsidiary Factoring Company and its subsidiaries Guangjing Xicheng Company, Zhendan Company, Wufengshan Toll Bridge Company and Kuailu Company (an associate of the Company's controlling shareholder) signed an annual framework agreement of car rental business. The agreement period is from 1 May 2022 to 30 April 2023, and the agreement amount is not to exceed RMB27.2912 million (expected to be not exceeding RMB8.8251 million in 2023). Among them, the Company's amount does not exceed RMB19.5312 million (expected not to exceed RMB6.2551 million in 2023), the Factoring Company's amount does be not exceeding RMB40,000 (expected to not exceed RMB20,000 in 2023), the amount of Guangjing Xicheng Company does not exceed RMB1.45 million (expected to be not exceeding RMB450,000 in 2023), the amount of Wufengshan Toll Bridge Company does not exceed RMB4.66 million (expected to be not exceeding RMB1.56 million in 2023), and the amount of Zhendan Company does not exceed RMB1.61 million (expected to be not exceeding RMB540,000 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 28 March 2022.</p>
<p>On 25 March 2022, the Company entered into an annual framework agreement for accepting the entrustment of operation and management of the northern section of Changyi Phase I Project with Changyi Company (the connected subsidiary of the Company). The term of the agreement commenced from 1 May 2022 to 30 April 2023, with an amount not exceeding RMB9.52 million (not more than RMB3.22 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 28 March 2022.</p>
<p>On 16 December 2021, YS Energy Company and Jiangsu Communications Holding Commercial Transportation Company (an associate of the Company's controlling shareholder) signed a lease agreement. Communications Holding Commercial Operation Company will lease the 18th and 20th floors of Building A2 of Zijin Financial Center, totaling 2,304.66 square meters of office space, 24 parking spaces on the negative 5th floor, and (2) 1 parking space on the negative 3rd floor to YS Energy Company from 1 January 2022 to 30 September 2025. The transaction volume in 2023 shall not exceed RMB4.0117 million and RMB9,900. The transaction volume in 2024 shall not exceed RMB4.1285 million and RMB10,200; the transaction volume from January 1 to September 30, 2025 shall not exceed RMB2.1227 million and RMB5,300.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April, 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April, 2022.</p>

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Summary of the Event	Document for Inspection
<p>Certain associates of Jiangsu Communications Holding have agreed to lease certain land and roofs to YS Energy Company (as lessee) to build and operate photovoltaic power generation business. According to industry practice, the term of agreements signed by YS Energy Company exceeds 3 years, usually 20 years from the effective date (the maximum period allowed by Chinese law). In some agreements, YS Energy Company may choose to renew for 5 years, to cover the 25-year design operation period of the entire photovoltaic power generation business.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>On 17 June 2022, the Company and its wholly-owned subsidiary Ninghu Investment Company and its wholly-owned subsidiaries Factoring Company, Ninghu Properties Company, Hanwei Company and Communications Holding Commercial Operation Company (an associate of the Company's controlling shareholder) signed an agreement on material procurement matters. The term of the agreement is from 1 July 2022 to 30 April 2023, and the agreement amount is not more than RMB23.096 million (estimated to be no more than RMB8.68 million in 2023).</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 June 2022 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 June 2022.</p>
<p>On 26 October 2022, the Company signed a vocational skill level certification simulation system development project contract with Micro Video Company (an associate of the Company's controlling shareholder). The contract period is from 26 December 2022 to 25 July 2023. The contract amount shall not exceed RMB1.8988 million (expected to not exceed 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 signed a vehicle ETC toll collection agreement with Kuailu Company (an associate of the Company's controlling shareholder). The agreement period is from 1 January 2022 to 31 December 2024, and the agreement amount does not exceed RMB3.3 million (it is expected to not exceed RMB1.1 million in 2023 and not to exceed RMB1.2 million in 2024), and the settlement fee will be based on the actual toll. The settlement fee from January to June 2023 was RMB18,400.</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 15 December 2022, the Company and its subsidiaries Guangjing Xicheng Company, Zhendan Company, and Wufengshan Toll Bridge Company respectively signed road network management service agreements with the Network Operation Company (an associate of the Company's controlling shareholder). The terms of the agreements are from 1 January to 30 April 2023, the total amount of the agreement shall not exceed RMB17.95 million. Among them, the agreement amount between the Company and the Network Operation Company is no more than RMB13 million, the agreement amount between Guangjing Xicheng Company and the Network Operation Company is no more than RMB2.7 million, the agreement amount between Zhendan Company and the Network Operation Company is no more than RMB400,000, and the agreement amount between Wufengshan Toll Bridge Company and the Network Operation Company is no more than 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>

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Summary of the Event	Document for Inspection
<p>On 15 December 2022, the Company signed a supplementary house leasing agreement with Kuailu Company (an associate of the Company's controlling shareholder) to extend the lease period until March 31, 2023, with 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 the Company's controlling shareholder) signed a lease agreement for the Maqun Engineering Management Center. The signing period is from January 1, 2023 to April 30, 2025, and the annual rent is RMB2.1834 million, and the total rent is approximately RMB5.0946 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's wholly-owned subsidiary Jiangsu Communications Holding Renewable Energy Jiangsu Company and Jiangsu Eastern Expressway Management Co., Ltd. (an associate of the Company's controlling shareholder) signed the "Jiangsu Eastern Expressway Interchange Distribution Photovoltaic Power Generation Project Land Use Rights Lease Contract" regarding the lease of land in the expressway interchange area. The contract period is from 1 January 2023 to 31 December 2042, and the contract amount is RMB1.62 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's wholly-owned subsidiary, Jiangsu Communications Holding Renewable Energy Jiangsu Company, and Jiangsu Ningjingyan Expressway Co., Ltd. (an associate of the Company's controlling shareholder) signed the "Land Use Rights Lease Contract for the Interchange Distributed Photovoltaic Power Generation Project of Jiangsu Ningjingyan Expressway" for the lease of land in the highway interchange area. The contract period is from 1 January 2023 to 31 December 2042, and the contract amount is RMB9.423 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 and its subsidiaries Zhendan Company, Guangjing Xicheng Company, Changyi Company, and Yichang Company respectively signed the "Jiangsu Communications Holding Cloud" and Cloud resource technology service project agreement with the Digital Transportation Research Institute (an associate of the Company's controlling shareholder). The agreement period is from 1 January to 30 April 2023, and the agreement amount shall not exceed RMB5.06 million. Among them, the agreement amount between Ninghu Company and the Digital Transportation Research Institute shall not exceed RMB4.11 million, the agreement amount between Zhendan Company and the Digital Transportation Research Institute shall not exceed RMB110,000, and the agreement amount between Guangjing Xicheng Company and the Digital Transportation Research Institute shall not exceed RMB720,000, the agreement amount between Changyi Company and the Digital Transportation Research Institute shall not exceed RMB40,000, and the agreement amount between Yichang Company and the Digital Transportation Research Institute shall not exceed RMB80,000.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 16 December 2022 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 15 December 2022.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 15 December 2022, the Company's wholly-owned subsidiary, Hanwei Company, signed a property management agreement with Communications Holding Commercial Operation Company (an associate of the Company's controlling shareholder). The agreement period is from 1 January 2023 to 30 April 2024, and the agreement amount is no more than RMB7.87 million (estimated to be no more than RMB5.90 million in 2023 and no more than RMB1.97 million from 1 January 2024 to 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 signed a power purchase and sale agreement with Nantong Tiandian Xinxing Energy Co., Ltd. (an associate of the Company's controlling shareholder). The agreement period is from 1 January 2023 to 31 December 2025, with annual transactions amount not exceeding RMB38.5 million. And the total agreement amount shall not exceed RMB115.5 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, the Company's wholly-owned subsidiary YS Energy Company's wholly-owned subsidiary Jiangsu Communications Holding Renewable Energy Jiangsu Company reported to Jinghu Company (the associate of the Company's controlling shareholder) regarding the 1.06MW distributed photovoltaic power station project rent site on Fanshui service area and signs the "Beijing-Shanghai Expressway Fanshui Service Area Distributed Photovoltaic Power Station Energy Management Agreement" with it for a period of 20 years. Jiangsu Communications Holding Renewable Energy Jiangsu Company will give priority to supply the power generated by the photovoltaic power station project to Jinghu Company during the agreed operation period, and provide a 15% discount on the electricity price of the local power grid during the same period, in lieu of paying site rent to Jinghu Company. It is expected that the annual electricity consumption in the service area from 2023 to 2025 will not exceed 800,000 kWh per year, the agreed annual electricity price will not exceed RMB476,000, and the annual electricity fee reduction is expected to not exceed 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>

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Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company entered into an annual framework agreement with Micro Video Company (the Company's controlling shareholder associate) regarding cloud check-in service, expressway management and monitoring system cloud services, obstacle clearance and rescue fee payment services, status list service (for vehicles in arrears of tolls, toll evasion, etc., the list will be issued nationwide to prohibit them from driving into the highway for the purpose of recovering the payment), retail management system upgrade services, and archival system construction of the Company and its controlling subsidiaries, of which the term of the agreement for cloud check-in services is from 1 May 2023 to 30 April 2024, and the amount of the agreement for the Company is not more than RMB2.7 million (expected to be no more than RMB1.72 million in 2023 and not more than RMB0.98 million in 2024), and the amount of the agreement for the Wufengshan Toll Bridge Company is not more than RMB0.3 million (expected to be no more than RMB200,000 in 2023 and no more than RMB100,000 in 2024); the term of the agreement for expressway management and monitoring system cloud services is from 1 May 2023 to 30 April 2024, the amount of the agreement for the Company is no more than RMB500,000 (expected to be no more than RMB300,000 in 2023 and no more than RMB200,000 in 2024), the amount of the agreement for Wufengshan Toll Bridge Company is no more than RMB150,000 (expected to be no more than RMB100,000 in 2023 and no more than RMB50,000 in 2024), the amount of the agreement for Guangjing Xicheng Company is no more than RMB330,000 (expected to be no more than RMB220,000 in 2023 and no more than RMB110,000 in 2024), and Yichang Company in an amount not exceeding RMB150,000 (expected to be no more than RMB100,000 in 2023 and no more than RMB50,000 in 2024), and the agreement amount of Changyi is no more than RMB60,000 (expected to be no more than RMB40,000 in 2023 and no more than RMB20,000 in 2024); the term of the obstacle clearance and rescue fee payment services is from 1 May 2023 to 30 April 2024, and the Company's agreement amount is not more than RMB455,000 (expected to be no more than RMB300,000 in 2023 and no more than RMB155,000 in 2024), the agreement amount of Wufengshan Toll Bridge Company is not more than RMB25,000 (expected to be no more than RMB15,000 in 2023 and no more than RMB10,000 in 2024), the agreement amount of Zhendan Company is not more than RMB20,000 (expected to be no more than RMB15,000 in 2023 and no more than RMB5,000 in 2024), Guangjing Xicheng's agreement amount is no more than RMB60,000 (expected to be no more than RMB30,000 in 2023 and no more than RMB30,000 in 2024), and Yichang's agreement amount is no more than RMB60,000 (expected to be no more than RMB30,000 in 2023 and no more than RMB30,000 in 2024); the term of the status list service agreement is from 1 May 2023 to 30 April 2024, with the agreement amount of Guangjing Xicheng not exceeding RMB105,000 (expected to be no more than RMB70,000 in 2023 and no more than RMB35,000 in 2024) and the agreement amount of Yichang Company not exceeding RMB15,000 (expected to be no more than RMB10,000 in 2023 and no more than RMB5,000 in 2024). And the agreement amount of Changyi not exceeding RMB15,000 (expected not to exceed RMB10,000 in 2023 and RMB5,000 in 2024); the term of the agreement for the retail management system upgrade services is from 1 May to 31 December 2023, and the amount of the agreement of the Company is not exceeding RMB2.5 million. The term of the agreement for the archival system construction is from 1 May to 31 December 2023, and the amount of the agreement for the Company will not exceed RMB140,000, and the amount of the agreement for the Yangtze River Management Company will not exceed RMB140,000.</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>



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Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company signed an annual framework agreement with Expressway Information Company (an associate of the Company's controlling shareholder) in relation to the monitoring and communication system maintenance services, electromechanical system construction and maintenance services, and service area intelligent management platform maintenance project in service area of the Company and its controlled subsidiaries, of which the monitoring and communication system maintenance service agreement has a term from 1 July 2023 to 30 April 2024, with the agreement amount of the Company not exceeding RMB1,294,400 (estimated to be no more than RMB1,094,400 in 2023 and no more than RMB200,000 in 2024); the electromechanical system construction and maintenance service agreement has a term from 1 January 2024 to 30 April 2024, with the agreement amount of Guangjing Xicheng Company not exceeding RMB400,000, the agreement amount of Changyi Company not exceeding RMB50,000 and the agreement amount of Yichang Company not exceeding RMB60,000. The service area intelligent management platform maintenance project agreement has a term from 1 May 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/ 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 signed an annual framework agreement with Jiangsu Communications Holding (the Company's controlling shareholder) for the Company's fire rescue station construction services. The term of the fire rescue station pilot construction service agreement is from 1 May to 31 December 2023, and the Company's agreement amount does not exceed RMB12.1478 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 27 March 2023.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company entered into an annual framework agreement with Tongxingbao Company (an associate of the controlling shareholder of the Company) in respect of network system services such as cloud dispatch technology services and SD-WAN technical services for the Company and its controlling subsidiaries, road network technical services, ETC customer service outlets leasing, and ETC refueling and payment integrated technology services, of which the term of the agreement for road network technical services is from 1 May 2023 to 30 April 2024, the agreement amount of the Company does not exceed RMB30 million (expected to be no more than RMB20 million in 2023 and no more than RMB10 million in 2024), the agreement amount of Wufengshan Toll Bridge Company does not exceed RMB4.3 million (expected to be no more than RMB2.85 million in 2023 and no more than RMB1.45 million in 2024), Zhendan Company for an amount not exceeding RMB1.3 million (expected to be no more than RMB850,000 in 2023 and no more than RMB450,000 in 2024), Guangjing Xicheng Company for an amount not exceeding RMB10.1 million (expected to be no more than RMB6.6 million in 2023 and no more than RMB3.5 million in 2024), and Yichang Company for an amount not exceeding RMB1.15 million (expected to be no more than RMB0.75 million in 2023 and no more than RMB0.4 million in 2024), the agreement amount of Changyi Company is no more than RMB0.85 million (expected to be no more than RMB0.55 million in 2023 and no more than RMB0.3 million in 2024). The term of the agreement on cloud dispatch technology services is from 1 May 2023 to 30 April 2024 and the amount of the Company is no more than RMB2 million (expected to be no more than RMB1.34 million in 2023 and no more than RMB0.66 million in 2024). The agreement amount of Wufengshan Toll Bridge Company does not exceed RMB282,000 (expected to be no more than RMB188,000 in 2023 and no more than RMB94,000 in 2024), the agreement amount of Zhendan Company does not exceed RMB57,000 (expected to be no more than RMB38,000 in 2023 and no more than RMB19,000 in 2024), the agreement amount of Guangjing Xicheng Company does not exceed RMB600,000 (expected to be no more than RMB400,000 in 2023 and no more than RMB200,000 in 2024), the agreement amount for Yichang Company is no more than RMB300,000 (expected to be no more than RMB200,000 in 2023 and no more than RMB100,000 in 2024), the agreement amount for Changyi Company is no more than RMB60,000 (expected to be no more than RMB40,000 in 2023 and no more than RMB20,000 in 2024); the term of the SD-WAN technical service agreement is from 1 May 2023 to 30 April 2024, and the amount of the agreement for the Company is no more than RMB5.75 million (expected to be no more than RMB4.55 million in 2023 and no more than RMB1.2 million in 2024), and the amount of the agreement for Wufengshan Toll Bridge Company is no more than RMB410,000 (expected to be no more than RMB270,000 in 2023 and no more than RMB140,000 in 2024), Zhendan Company for an amount not exceeding RMB300,000 (expected to be no more than RMB200,000 in 2023 and no more than RMB100,000 in 2024), Guangjing Xicheng Company for an amount not exceeding RMB1,570,000 (expected to be no more than RMB1.05 million in 2023 and RMB520,000 in 2024), the agreement amount of Yichang Company does not exceed RMB180,000 (expected to be no more than RMB120,000 in 2023 and RMB60,000 in 2024), and the agreement amount of Changyi Company does not exceed RMB180,000 (expected to be no more than RMB120,000 in 2023 and no more than RMB60,000 in 2024). The term of the ETC customer service outlets leading agreement is from 1 May 2023 to 30 April 2024, and the amount of the agreement for the Company is not more than RMB800,000 (expected to be no more than RMB600,000 in 2023 and no more than RMB200,000 in 2024), and the amount of the agreement for Guangjing Xicheng Company is not more than RMB63,000 (expected to be no more than RMB47,000 in 2023 and not exceeding RMB16,000 in 2024); and the amount of the agreement for ETC refueling and payment integrated technology services is not more than RMB3 million (expected to be no more than RMB2 million in 2023 and not more than RMB1 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>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company signed an annual framework agreement with Xiandai R&amp;B Company (the associate of the Company's controlling shareholder) for the Company's sound barrier addition works, sewage pipe renovation and maintenance, service area fire pipe maintenance, Intelligent maintenance area construction, maintenance and discharge publicity classroom construction work, severe weather de-icing and snow removal project services of the Company and maintenance engineering design projects of its holding subsidiaries. The term of the sound barrier installation project agreement is from 1 May to 31 December 2023, and the Company's agreement amount is not more than RMB7.45 million. The term of the sewage pipe renovation and maintenance agreement is from 1 May 2023 to 30 April 2024, and the Company's agreement amount is not more than RMB9 million (estimated to be no more than RMB6 million in 2023 and no more than RMB3 million in 2024). The term of the service area fire pipe maintenance agreement is from 1 May to 31 December 2023 and the agreement amount of the Company shall not exceed RMB3.6 million. The agreement period for the construction of the smart maintenance area is from 1 May to 31 December 2023, and the agreement amount of the Company shall not exceed RMB1.32 million. The agreement period for the construction of the drainage business publicity and education room is from 1 May to 31 December 2023, and the agreement amount of the Company shall not exceed RMB1.25 million. The agreement period for the severe weather de-icing and snow clearing project is from 1 May to 31 December 2023, and the agreement amount of the Company shall not exceed RMB18.75 million. The agreement period for the maintenance engineering design project is from 1 May to 31 December 2023, and the agreement amount of Guangjing Xicheng Company shall not exceed RMB2.45 million, and the agreement amount of Yichang Company shall not exceed RMB200,000.</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 24 March 2023, the Company signed an annual framework agreement with Xiandai R&amp;B Company (an associate of the Company's controlling shareholder) for the road and bridge inspection and testing services of the Company and its holding subsidiaries. The term of the road and bridge inspection and testing service agreement is from 1 May to 31 December 2023, and the Company's agreement amount will not exceed RMB4.85 million. Guangjing Xicheng Company's agreement amount will not exceed RMB150,000. Changyi Company's agreement amount will not exceed RMB1.09 million. Yichang Company's agreement amount will not exceed RMB480,000.</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>

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Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company entered into an annual framework agreement with Maintenance Technology Corporation (the associate for the Company's controlling shareholders) for the Company's and its controlled subsidiaries' comprehensive maintenance technology services, zero-carbon retrofit services for service areas, general bridge inspection data matching services, research services on the mechanical behavior of existing asphalt pavements, and the basic contribution to the Council (the associate for the Company's controlling shareholders), in which the maintenance technology comprehensive service project agreement period is from 1 May to 31 December 2023, and the Company's agreement amount does not exceed RMB17.1 million. The agreement amount of Guangjing Xicheng Company shall not exceed RMB2.67 million, the agreement amount of Changyi Company shall not exceed RMB370,000, the agreement amount of Yichang Company shall not exceed RMB430,000, the agreement amount of Zhendan Company shall not exceed RMB350,000, and the agreement amount of Wufengshan Toll Bridge Company shall not exceed RMB710,000. The agreement period for the basic contribution to the Council is from 1 May to 31 December 2023. The agreement amount of the Company shall not exceed RMB3.92 million, the agreement amount of Guangjing Xicheng Company shall not exceed RMB1 million, that of Changyi Company shall not exceed RMB100,000, that of Yichang Company shall not exceed RMB150,000, that of Zhendan Company shall not exceed RMB120,000, and that of Wufengshan Toll Bridge Company shall not exceed RMB200,000. The service area zero-carbon transformation service project agreement period is from 1 May to 30 September 2023, and the Company's agreement amount shall not exceed RMB300,000. The agreement period for the general bridge inspection data docking service project is from 1 May to 31 December 2023, and the Company's agreement amount shall not exceed RMB500,000. The agreement period for the existing asphalt pavement mechanical behavior and performance attenuation law research service project is from 1 May 2023 to 31 December 2025. The Company's agreement amount will not exceed RMB2.7 million (it is expected to not exceed RMB810,000 in 2023, no more than RMB810,000 in 2024, and no more than 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>
<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>

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Summary of the Event	Document for Inspection
<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>

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Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company entered into an annual framework agreement with Communications Holding 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/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 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>

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Summary of the Event	Document for Inspection
<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>
<p>On 24 March 2023, the Company entered into an annual framework agreement with 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>

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Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company entered into an annual framework agreement with Cuiplingshan 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>
<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>



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Summary of the Event	Document for Inspection
<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>
<p>On 24 March 2023, the Company entered into an annual framework agreement with Network Operation 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>
<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>

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Summary of the Event	Document for Inspection
<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>
<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>
<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 RMB11,636,000 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>

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Summary of the Event	Document for Inspection
<p>On 20 June 2023, the Company's wholly-owned subsidiary YS Clean Energy Company's subsidiary Rudong Company signed the second supplementary agreement to the "Guarantee Charge Agreement on Guarantee Contracts" with Jiangsu Communications Holding (the Company's controlling shareholder). It is agreed that the guarantee fee agreement will be terminated as of the effective date of the signing of the guarantee contract between the Company and the lender. Rudong Company will pay a guarantee fee of RMB3,588,017.97 to Jiangsu Communications Holding for the joint liability guarantee it has provided 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 21 June 2023.</p>
<p>On 25 August 2023, the Company signed an annual framework agreement with Micro Video Company (an associate of the Company's controlling shareholder) on the highway toll bill electronic transformation project and billing meter preparation services of the Company and its holding subsidiaries. The agreement period for the highway toll bill electronic transformation project is from 1 October to 31 December 2023, and the total agreement amount shall not exceed RMB289,500. Among them, the agreement amount of our company is RMB52,500, the agreement amount of Wufengshan Toll Bridge Company is RMB52,500, the agreement amount of Zhendan Company is RMB52,500, the agreement amount of Guangjing Xicheng Company is RMB44,000, and the agreement amount of Yichang Company is RMB44,000. And the agreement amount of Changyi Company is RMB44,000. The company's controlled subsidiary Guangjing Xicheng Company and Micro Video Company signed a daily related/related transaction agreement, and Micro Video Company will provide billing meter preparation services to Guangjing Xicheng Company. The agreement period is from 1 September to 31 December 2023, and the agreement amount did not exceed RMB148,000.</p>	<p>For details, please refer to the Company's board resolution announcement published on the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 August 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 August 2023.</p>
<p>On 25 August 2023, the Company signed a daily related/continuing connected transaction agreement with China Merchants Chongqing Transportation Research and Design Institute Co., Ltd. (the Company's second largest shareholder, a wholly-owned subsidiary of China Merchants Expressway), under which China Merchants Chongqing Transportation Research Design Institute Co., Ltd. provides the Company with expressway electromechanical operation and maintenance manual compilation services. The agreement period is from 1 September 2023 to 30 June 2024, and the total agreement amount does not exceed RMB875,000, of which: The agreement amount from 1 September to 31 December 2023 shall not exceed RMB700,000, and from 1 January to 30 June 2024, the agreement amount shall not exceed RMB175,000.</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 28 August 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 August 2023.</p>

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Summary of the Event	Document for Inspection
<p>On 25 August 2023, the Company and its holding subsidiaries Wufengshan Toll Bridge Company, Zhendan Company, and Yichang Company respectively signed daily related/continuing connected transaction agreements with the Digital Research Institute (the associate of the Company's controlling shareholder), and the Digital Research Institute The institute provides network modification services for gas stations in the service areas of the Company and its holding subsidiaries. The agreement period is from 1 October 2023 to 30 April 2024. The cumulative amount of the agreement does not exceed RMB181,500, of which: the cumulative amount of the Company No more than RMB140,700 (no more than RMB81,500 in 2023, no more than RMB59,200 in 2024); the cumulative amount of Wufengshan Toll Bridge Company does not exceed RMB13,600 (from 1 January to 30 April 2024 ); the cumulative amount of Zhendan Company does not exceed RMB13,600 (from 1 January to 30 April 2024); the cumulative amount of Yichang Company does not exceed RMB13,600 (from 1 January to 30 April 2024) ). The Company has signed a routine related/continuing related transaction agreement with the Digital Research Institute, whereby the Digital Research Institute will provide the Company with video conference room network upgrade services. The term of the agreement is from 1 October 2023 to 30 April 2024, and the cumulative amount of the agreement shall not exceed RMB24,000, of which: no more than RMB17,600 in 2023 and no more than RMB6,400 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 28 August 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 August 2023.</p>
<p>On 25 August 2023, the Company and its controlling subsidiaries entered into a factoring agreement with a Factoring Company (which is a associate of the controlling shareholder of the Company) for the provision of factoring services to the Company and its controlling subsidiaries for a term commencing from 1 September 2023 to 30 April 2024, with the amount of the factoring business not exceeding RMB50.0 million. Among it, the term of the agreement for the Company is 1 September 2023 to 30 April 2024, with the amount not exceeding RMB21 million (of which not exceeding RMB7.5 million in 2023 and RMB13.5 million in 2024); the term of the agreement of Guangjing Xicheng Company is from 1 September 2023 to 30 April 2024, with the amount not exceeding RMB2 million (of which not exceeding RMB1 million in 2023 and RMB1 million in 2024); the term of the agreement of Longtan Bridge Company is from 1 September 2023 to 30 April 2024, with the amount not exceeding RMB3 million (of which not exceeding RMB1 million in 2023 and RMB2 million in 2024). The term of the agreement of Zhendan Company is from 1 September 2023 to 30 April 2024, with an amount not exceeding RMB2 million (of which not exceeding RMB1 million in 2023 and RMB1 million in 2024). The term of the agreement for Wufengshan Toll Bridge Company is from 1 September 2023 to 30 April 2024, with an amount not exceeding RMB2 million (of which not exceeding RMB1 million in 2023 and RMB1 million in 2024). The term of the agreement for Ninghu Investment Company is from 1 September 2023 to 30 April 2024, with the amount not exceeding RMB2 million (of which not exceeding RMB1 million in 2023 and not exceeding RMB1 million in 2024). The term of the agreement for Yunshan Clear Energy Company is from 1 September 2023 to 30 April 2024, with the amount not exceeding RMB8 million (of which not exceeding RMB3 million in 2023 and not exceeding RMB5 million in 2024). The term of the agreement for Ninghu Properties Company is from 1 September 2023 to 30 April 2024, with an amount not exceeding RMB4 million (of which not exceeding RMB2 million in 2023 and RMB2 million not exceeding in 2024). The term of the agreement for Hanwei Company is from 1 September 2023 to 30 April 2024 in an amount not exceeding RMB5 million (of which not exceeding RMB2 million in 2023 and not exceeding RMB3 million in 2024). The term of the agreement Jiangsu Yangtze River Expressway Corridor Management company is RMB1 million (of which not exceeding RMB500,000 in 2023 and RMB500,000 in 2024).</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 August 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 August 2023.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 August 2023, the Company signed a related-party transaction agreement with Communications Holding Commercial Operation Company (the associate person of the Company's controlling shareholder) regarding the material procurement transactions and property services of the Company and its controlled subsidiaries. The Company and Ninghu Properties will purchase additional office supplies, office equipment and other materials from Communications Holding Commercial Operation Company. The agreement period is from 1 September 2023 to 30 April 2024, and the cumulative transaction amount shall not exceed RMB5.68 million. Among them: the transaction amount of material procurement of the Company shall not exceed RMB5.08 million (not exceeding RMB4.41 million from 1 September to 31 December 2023, and not exceeding RMB670,000 from 1 January 2024 to 30 April 2024); the transaction amount of material procurement of Ninghu Properties Company shall not exceed RMB600,000 (not exceeding RMB500,000 in 2023 and not exceeding RMB100,000 in 2024).</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 August 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 August 2023.</p>
<p>On 25 August 2023, the Company signed an agreement with Communications Holding Commercial Operation Company (the associate of the Company's controlling shareholder) for the provision of professional property management services such as security, cleaning, customer service, and chefs. The agreement period is from 1 September 2023 to 30 April 2024, and the transaction amount shall not exceed RMB7.13 million, of which: from 1 September to 31 December 2023, it shall not exceed RMB2.79 million, and from 1 January 2024 to 30 April 2024, the amount shall not exceed RMB4.34 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 28 August 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 August 2023.</p>
<p>On 25 August 2023, the Company signed a contract with Communications Holding Commercial Operation Company to lease part of the operating rights of the Douzhuang Service Area of Nanjing-Shanghai Expressway to Jiangsu Communications Holding Commercial Transportation Company (associate of the Company's controlling shareholder) for a three-year contract period (1 September 2023 to 31 August 2026). The transaction amount does not exceed RMB13 million per year, of which: from September to December 2023, it does not exceed RMB4.3 million, and in both 2024 and 2025 it does not exceed RMB13 million. From January 2026 to August 2026, it does not exceed RMB8.7 million. And no more than RMB39 million in total in the three years.</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 August 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 August 2023.</p>



# SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 25 August 2023, the Company signed an annual framework agreement with Cuiplingshan Hotel (the associate of the Company's controlling shareholder) for services such as committee affairs, welfare payment, education on the history of revolution for party members, and employee education and training. The term of the agreement is from 1 September 2023 to 30 April 2024, and the agreement amount shall not exceed RMB3.26 million, of which the amount in 2023 shall not exceed RMB2.48 million and the amount in 2024 shall not exceed RMB780,000.</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 28 August 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 25 August 2023.</p>
<p>On 27 October 2023, the Company signed an agreement with Media Company (the associate of the Company's controlling shareholder) for the sale of 17 advertising pillars to it. The term of the agreement is from 27 October to 31 December 2023, and the agreement amount shall not exceed RMB790,000.</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 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>
<p>On 27 October 2023, the Company and Expressway Energy Company (the associate of the Company's controlling shareholder) added an amount of RMB8 million to the original agreement period (1 May 2023 to 30 April 2024) regarding the leasing and operation of the Company's gas stations in Maoshan, Changdanghu, Gehu and Rongbing service areas by Expressway Energy Company. The amount shall not exceed RMB3.6 million from 1 May to 31 December 2023 and RMB4.4 million from 1 January 2024 to 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 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>
<p>On 27 October 2023, the Company and its holding subsidiary Wufengshan Toll Bridge Company (a connected subsidiary of the Company) added an amount of RMB10.5 million to the original agreement period (1 May 2023 to 30 April 2024) regarding the Company's operation and lease of Wufengshan Toll Bridge Company's gas station in Guangling Service Area. The amount shall not exceed RMB6.4 million from 1 May to 31 December 2023, and RMB4.1 million from 1 January 2024 to 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 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>
<p>On 27 October 2023, the Company and its controlling subsidiary, Yichang Company (the Company's connected subsidiary), made an additional related transaction amount of RMB1.18 million for the original agreement period (from 20 January 2021 to 19 January 2024) in relation to the Company's lease for the operation of gas stations in Zhangzhu service area belonging to Yichang Expressway. After the additional adjustments, the agreement amount will not exceed RMB6.5 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 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>
<p>On 27 October 2023, the Company entered into a lease renewal agreement with Yichang Company, a controlling subsidiary of the Company and a connected subsidiary of the Company, whereby Yichang Company leased the gas station in Zhangzhu service area owned by Yichang Company to the Company for operation and management, for a term commencing from 20 January 2024 to 30 April 2025, with an amount of the agreement not exceeding RMB6.5 million (of which the agreement amount for the term commencing from 20 January to 31 December 2024 not exceeding RMB4.5 million and not exceeding RMB2.0 million from 1 January to 30 April 2025).</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 27 October 2023, the Company signed a related transaction agreement with Micro Video Company (an associate of the Company's controlling shareholder) regarding the Shanghai-Nanjing East Section Smart Expressway Construction Project (Digital Integrated Operation Management Platform) and the Digital Ninghu Consulting Service Project, among which the agreement period for the Shanghai-Nanjing Eastern Section Smart Expressway Construction Project is from 1 November to 31 December 2023, and the agreement amount shall not exceed RMB7.72 million. The agreement period for the Digital Ninghu Consulting Service Project is from 1 November to 31 December 2023 and the agreement amount will not exceed RMB240,000.</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 October 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>
<p>On 27 October 2023, the Company made an additional agreement amount of RMB1,000,000 for the original agreement period (from 1 May 2023 to 30 April 2024) with Tongxingbao Company (the associate person of the controlling shareholder of the Company) in relation to the provision of ETC refueling and integrated payment technology services by Tongxingbao Company (the associate of the controlling shareholder of the Company) to the Company, of which the amount was not to exceed RMB500,000 for the year 2023, and not to exceed RMB500,000 for the year 2024. After the additional adjustment, the amount of the connected transaction in respect of the provision of ETC refueling and integrated payment technology services by Tongxingbao Company to the Company shall not exceed RMB4 million, of which no more than RMB2.5 million shall be provided in 2023 and no more than RMB1.5 million shall be provided 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 30 October 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 October 2023.</p>
<p>On 17 November 2023, the Company's subsidiary Guangjing Xicheng Company signed an ordinary related/continuing connected transaction agreement with Xiandai R&amp;B Company (the associate of the Company's controlling shareholder) on the traffic safety facility system upgrade project. The agreement period is from 16 November to 31 December 2023. The agreement amount shall not exceed RMB40 million.</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 18 November 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 17 November 2023.</p>
<p>On 26 December 2023, the Company signed an entrusted operation and management agreement with Wufengshan Toll Bridge Company (a connected subsidiary of the Company) for the entrustment of its ordinary operation and management matters. The agreement period is from 1 January 2024 to 30 April 2026. The agreement amount shall not exceed RMB125.17 million, of which it shall not exceed RMB50 million in 2024, RMB55 million in 2025 and RMB20.17 million in 2026.</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 December 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>
<p>On 26 December 2023, the Company signed an entrusted operation and management agreement with Suxichang South Expressway Company (the associate of the Company's controlling shareholder) (Note) for the entrustment of its ordinary operation and management matters. The term of the agreement is from 1 January 2024 to 30 April 2026. The agreement amount shall not exceed RMB132.68 million, of which it shall not exceed RMB53 million in 2024, RMB58.3 million in 2025 and RMB21.38 million in 2026.</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 December 2023 and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 December 2023, the Company signed a related/continuing connected transaction agreement with Tongxingbao Company (the associate of the Company's controlling shareholder) regarding the cloud charging robot services of the Company and its subsidiaries. The term of the Company's agreement is from 1 January 2024 to 30 April 2025 and the agreement amount shall not exceed RMB4.06 million (of which the amount shall not exceed RMB3.04 million in 2024 and the amount shall not exceed RMB1.02 million in 2025). The agreement amount of Zhendan Company shall not exceed RMB110,000 (including no more than RMB80,000 in 2024 and no more than RMB30,000 in 2025). The agreement amount of Wufengshan Toll Bridge Company shall not exceed RMB110,000 (of which no more than RMB80,000 in 2024 and no more than RMB30,000 in 2025).</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 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>
<p>On 26 December 2023, the Company signed a transaction agreement with Micro Video Company (the associate of the Company's controlling shareholder) regarding the cloud charging FFT2.0 empowerment platform services of the Company and its subsidiaries. The term of the agreement is from 1 January 2024 to 30 April 2025. The agreement amount does not exceed RMB540,000. The Company's agreement amount does not exceed RMB480,000 (of which it does not exceed RMB355,000 in 2024 and RMB125,000 in 2025). The agreement amount of Zhendan Company does not exceed RMB24,000 (no more than RMB18,000 in 2024 and no more than RMB6,000 in 2025). The agreement amount of Wufengshan Toll Bridge Company shall not exceed RMB36,000 (of which no more than RMB27,000 in 2024 and no more than RMB9,000 in 2025).</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 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>
<p>On 26 December 2023, the Company signed a property lease agreement with Railway Group Company (the associate of the Company's controlling shareholder). The lease period is from 1 January to 31 December 2024, and the rent is RMB3.97364 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 27 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>
<p>On 26 December 2023, the Company signed an agreement with Expressway Information Company (associate of the Company's controlling shareholder) regarding the smart service area improvement project. Expressway Information Company will provide the Company with the update and transformation of the service area bayonet, operation data upload and passenger flow identifying leasing services. The agreement period is from 1 January 2024 to 31 December 2026, and the agreement amount does not exceed RMB4.8 million. Among them: no more than RMB1.6 million in 2024, no more than RMB1.6 million in 2025, and no more than RMB1.6 million in 2026.</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 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>



## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 December 2023, the Company signed a contract with Communications Holding Commercial Operation Company (an associate person of the Company's controlling shareholder), which will serve as a supplier to supply supermarkets in the Company's Maoshan service area. The contract period is from 1 January 2024 to 30 April 2025, and the contract amount shall not exceed RMB7.11 million. Among them: no more than RMB5.33 million in 2024; no more than RMB1.78 million in 2025.</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 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>
<p>On 26 December 2023, the Company signed a supplementary property lease agreement with Sundian Testing Company (an associate of the Company's controlling shareholder). Sundian Testing Company will construct on behalf of the Company the power distribution room project of the Company's house located at No. 2 Xianlin Avenue, Nanjing, which is leased by it. The cost of the construction on behalf of the Company was determined to be RMB1,283,800 by the budget and pre-bid audit, and the rent was adjusted to RMB1,690,000 per annum for the original lease period after consultation between the two parties and the Company's executive director was authorized to handle follow-up matters.</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 December 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 December 2023.</p>

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

### (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 Event	Document for Inspection
<p>On 17 February 2023, with the approval of the 15th meeting of the 10th board of directors of the Company, the Company's wholly-owned subsidiary Jiangsu Ninghu Investment Company transferred 100% of the equity in the Factoring Company it held to Jiangsu Communications Holding and YS Capital. On 27 February 2023, the Company's wholly-owned subsidiaries Jiangsu Ninghu Investment Company, Factoring Company, Jiangsu Communications Holding and YS Capital signed the "Equity Transfer Agreement". According to the evaluation results after filing with the state-owned assets management department, the transaction price is RMB346 million, of which: the consideration for the transfer of 80% of the underlying equity of Jiangsu Communications Holdings was RMB276.8 million; the consideration for the transfer of 20% of the underlying equity of YS Capital was RMB69.2 million. In July 2023, the Guangzhou Local Financial Supervision and Administration Bureau approved the change of shareholders of the Factoring Company. During the reporting period, Jiangsu Ninghu Investment Company received the entire equity transfer payment of RMB346 million from the Factoring Company and completed the change registration.</p>	<p>For details, please refer to the Company's board resolution announcement published on the website of the Shanghai Stock Exchange 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, and the Company's announcement on the sale of assets to related parties published on the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 28 February 2023 and Announcement on the progress of related transactions on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 February 2023.</p>

## SIGNIFICANT MATTERS

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation  
 Applicable       N/A
3. Events not disclosed in temporary announcements  
 Applicable       N/A
4. If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed  
 Applicable       N/A

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

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation  
 Applicable       N/A
2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation  
 Applicable       N/A
3. Events not disclosed in temporary announcements  
 Applicable       N/A

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

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

Applicable  N/A

Summary of the Event	Document for Inspection
<p>On 26 February 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (being a connected subsidiary of the Company). The amount of loan that the Company provided to Wufengshan Toll Bridge Company (a direct subsidiary of the Company) was no more than RMB1.5 billion. The loans shall be valid for three years from the date of the approval at the general meeting, and the loans shall be applied towards road &amp; bridge projects and shall be drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest was calculated on the basis of the prevailing interest rates of the corporate bonds to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 6 March 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 5 March 2020.</p>
<p>On 26 February 2020, the Company entered into loan agreements with Changyi Company and Yichang Company (both of which are subsidiaries of the Company's connected subsidiaries), respectively, to provide Changyi Company and Yichang Company, the Company's indirect subsidiaries, with a loan of up to RMB300 million and RMB700 million, respectively, which are valid for three years from the date of the shareholders' general meeting approval and are used for the construction of the road and bridge projects and are drawn down according to the progress of the project. The loan has a term of three years from the date of drawdown. Interest is calculated based on the current interest rate of corporate bonds issued by the Company, and related expenses such as principal and interest repayment are paid by Changyi Company and Yichang Company respectively.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 6 March 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 5 March 2020.</p>
<p>On 31 March 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (an associate of the controlling shareholder of the Company). The Company proposed to use proceeds raised from the issued medium-term notes to provide Wufengshan Toll Bridge Company, a subsidiary of the Company, with loans of no more than RMB1.8 billion, which shall be applied towards road &amp; bridge projects construction or the replacement of the late stage project loans. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes to be issued of the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 7 May 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 6 May 2020.</p>
<p>On 31 March 2020, the Company signed a loan agreement with Yichang Company (a subsidiary of the Company's connected subsidiary) to provide a loan of no more than RMB1 billion to Yichang Company, an indirect subsidiary of the Company, for project construction of roads and bridges. The above loan will be valid within two years from the date of approval by the shareholders' meeting, and the loan term will be three years. Interest is calculated based on the current interest rate of the medium-term notes issued by the Company, and related expenses such as principal and interest repayment are paid by Yichang Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 7 May 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 6 May 2020.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 24 June 2020, the Company signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (the controlling shareholder of the Company). Jiangsu Communications Holding shall provide the proceeds it applied from the local government raised through a special bond, with a funding balance of no more than RMB500 million. The funding cost shall be calculated based on the amount, interest rate, term of the bond and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be paid by the Company. No pledge or guarantee is required to be provided by the Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The expenses in relation to the repayment of the principal and interest shall be paid by the Company. Wufengshan Toll Bridge Company, Changyi Company, Yichang Company, all being subsidiaries of the Company, signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (a controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of short-term notes, ultra- short-term notes, medium-term notes, enterprise bonds and insurance funds and other types of direct financing instrument for the aforesaid subsidiaries of the Company. The funds shall be used for the construction of Wufengshan Toll Bridge Project, Changyi and Yichang Expressway Projects, complementing current funds capital and repaying interest-bearing debts. Each of the funding balance shall not exceed RMB1 billion. The funding cost shall be calculated based on the amount, interest rate, term of the financing product and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be borne and paid by each of the subsidiaries. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The repayment of the principal and related interest and expenses shall be borne and paid by Wufengshan Toll Bridge Company, Changyi Company and Yichang Company.</p>	<p>For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 June 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 24 June 2020.</p>
<p>On 30 October 2020, the Company entered into a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company shall use proceeds raised from the issuance of ultra-short- term notes to provide a loan to Guangjing Xicheng Company, a direct subsidiary of the Company, with an amount of not more than RMB500 million. The loan shall be used by Guangjing Xicheng Company to repay the bank loans due. The term of the loan is three years. The interest of the loan is calculated on the basis of the prevailing interest rates of the ultra-short-term notes to be issued. The expenses in relation to the Company's issuance of ultra-short-term notes and the repayment of the principal and interest shall be borne and paid by Guangjing Xicheng Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 31 October 2020 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 1 November 2020.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company and Longtan Bridge Company, Guangjing Xicheng Company (both 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 (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.</p>	<p>For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2021.</p>
<p>On 26 March 2021, the Company signed a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Guangjing Xicheng Company, with an amount of not more than RMB800 million and, with a term of three years. Interest of loans is calculated at the prevailing interest rate of the financing products to issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Guangjing Xicheng Company. Such loans shall be valid for a term of two years with effect from the date of approval at the general meeting.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021 as well as the relevant circular published on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2021.</p>



## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 26 March 2021, the Company signed a loan agreement with Wufengshan Toll Bridge Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Wufengshan Toll Bridge Company, with an amount of not more than RMB1 billion and, with a term of three years. The interest of the loans is calculated at the prevailing interest rate of the financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Wufengshan Toll Bridge Company. Such borrowing shall be valid for a term of two years with effect from the date of approval at the general meeting.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> 29 March 2021 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 March 2021 as well as the relevant circular published on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2021.</p>
<p>On 25 March 2022, the Company entered into the Financial Services Agreement with Finance Company (being an associate of the controlling shareholder of the Company) for a term of three years commencing on 1 April 2022. The maximum daily deposit balance (including interest accrued) should not exceed RMB600 million and should be lower than 5% of the audited operating revenue, total assets or market value of the Company; meanwhile, Finance Company should grant the Company a comprehensive credit facility of no less than RMB5 billion, and guarantee that the loan interest rate granted to the Company should not be higher than the benchmark lending rates set by the People's Bank of China for the same period, and no higher than the interest rates granted to the Company by large state-owned commercial banks and national joint-stock commercial banks under the same conditions, and no collateral or guarantee should be provided by the Company. On 24 March 2023, the Company entered into the Supplemental Agreement to the Financial Services Agreement (the <b>"Supplemental Agreement"</b>) with the Group Finance Company, pursuant to which the Company agreed to adjust the maximum daily deposit balance (including interest) of the Company with the Group Finance Company not exceeding RMB600 million and not less than 5% of the Company's audited operating revenue, total assets or market value to a maximum daily deposit balance (including interest) not exceeding RMB400 million and not less than 5% of the Company's audited operating revenue, total assets or market value. It was agreed that the maximum daily deposit balance (including interest) of the Company with the Group Finance Company shall not exceed RMB600 million and shall be less than 5% of the Company's audited operating revenue, total assets or market value, and other terms shall remain unchanged. The Supplemental Agreement shall be valid from 1 April 2023 to 31 March 2024. After the supplementary agreement expires, the Company will choose to implement the terms of the original agreement or sign a new supplementary agreement with the group finance company depending on the use of funds.</p>	<p>For details, please refer to the Company's daily connected/continuing connected transaction announcements published on the SSE website <a href="http://www.sse.com.cn">www.sse.com.cn</a> and on the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 28 March 2022. For details, please refer to the Company's Announcement on reducing the deposit balance limit for financial services related transactions with Jiangsu Communications Holding Group Finance Co., Ltd. on the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 March 2023 and the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 March 2023.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 17 January 2020, Jiangsu Communications Holding (the controlling shareholder of the Company) entered into a loan agreement with Rudong Company, a 72%-owned subsidiary of YS Energy Company, to provide a loan of RMB300 million to Rudong Company and a guarantee agreement dated 19 March 2020 to guarantee the loan of Rudong Company in the Jiangsu Branch of China Development Bank (total credit limit of RMB4 billion). The maturity date of the RMB300 million loan is 20 January 2025, and Rudong Company is responsible for the payment of interest and repayment of principal in accordance with the terms of the 3.74% per annum green bonds issued by Jiangsu Communications Holding for the purpose of providing the loan. The interest rate shall not be higher than the quoted market interest rate of the loan. The annual guarantee fee was determined according to the shareholding ratio of state-owned assets. Since the relevant project company was 72% owned by YS Energy Company, the annual guarantee fee for 72% of the total guarantee amount was 0.1%, and the annual guarantee fee for the remaining portion of the total guarantee amount was 1%. The transfer of equity interest in YS Energy Company has been completed and the business change was registered in July 2022, therefore the above transactions constitute continuing connected transactions of the Company.</p>	<p>For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 30 April 2022 and the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 29 April 2022.</p>
<p>On 24 March 2023, the Company and its holding subsidiaries Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Changyi Company, and Yichang Company signed direct financing, unified borrowing and repayment fund use agreements with Jiangsu Communications Holding respectively. The agreement period is three years from the date of signing the agreement. With Jiangsu Communications Holding as the main body, funds are raised through the issuance of direct financing products such as ultra-short-term notes, medium-term notes, enterprise bonds, corporate bonds, and insurance debt plans. Funds are used for equity investment, project construction, repayment of interest-bearing debt, replenishment of working capital and other related purposes permitted by laws and regulations. The Company's financing balance shall not exceed RMB1.5 billion, and the financing balance of Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Changyi Company, and Yichang Company shall not exceed RMB1 billion. The cost of using the funds is based on the actual amount, interest rate, term and handling fees of the financing product, and the interest rate is not higher than the People's Bank of China's lending rate for the same period of time, and the costs related to the repayment of the principal and interest are to be paid by the relevant borrowers. No pledge or guarantee is required to be provided by the Company and its subsidiaries Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Changyi Company and Yichang Company.</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 March 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 26 March 2023.</p>

## SIGNIFICANT MATTERS

Summary of the Event	Document for Inspection
<p>On 24 March 2023, the Company signed specific conditional loan agreements with Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company. The Company uses direct financing funds to provide loans of no more than RMB1.8 billion to Wufengshan Toll Bridge Company for the construction of the Wufengshan Project, replacement of project loans, supplement of working capital, return of matured loans and other purposes permitted by laws and regulations. The loan term is three years from 15 December 2023. The borrowing interest is calculated based on the current interest rate of the direct financing products issued by the Company. The relevant expenses related to the issuance of the Company's financing products and repayment of principal and interest shall be borne and paid by Wufengshan Toll Bridge Company itself.</p> <p>The Company uses direct financing funds to provide Guangjing Xicheng Company with a loan of no more than RMB1.5 billion, which will be used by Guangjing Xicheng Company to supplement working capital, return matured loans and for other purposes permitted by laws and regulations. The loan term is three years from 1 July 2023. The borrowing interest is calculated based on the current interest rate of the direct financing products issued by the Company. Related expenses such as the issuance of the Company's financing products and repayment of principal and interest shall be borne and paid by Guangjing Xicheng Company itself.</p> <p>The Company uses direct financing funds to provide Yichang Company with a loan of no more than RMB500 million, which is used by Yichang Company to replace project loans, supplement working capital, return matured loans and other purposes permitted by laws and regulations. The loan term is three years from 1 October 2023. The borrowing interest is calculated based on the current interest rate of the direct financing products issued by the Company. The relevant expenses related to the issuance of the Company's financing products and repayment of principal and interest shall be borne and paid by Yichang Company itself.</p> <p>The Company uses direct financing funds to provide Changyi Company with a loan of no more than RMB700 million, which is used by Changyi Company to replace project loans, supplement working capital, return matured loans and other purposes permitted by laws and regulations. The loan term is three years from 1 October 2023. The borrowing interest is calculated based on the current interest rate of the direct financing products issued by the Company. Related expenses such as the issuance of the Company's financing products and repayment of principal and interest shall be borne and paid by Changyi Company itself.</p>	<p>For details, please see the Company's Announcement on Related/Continuing Connected Transactions and Discloseable Transaction on the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 27 March 2023 and the Stock Exchange website <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 24 March 2023, and the Circulars for the 2022 Annual General Meeting, the 2023 First A Shareholders Class Meeting and the 2023 First H Shareholders Class Meeting published on the website of the Shanghai Stock Exchange at <a href="http://www.sse.com.cn">www.sse.com.cn</a> on 20 May 2023 and on the website of the Stock Exchange at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> on 19 May 2023.</p>



## SIGNIFICANT MATTERS

2. Matters that have been disclosed in temporary announcements but have subsequent progress or changes in implementation  
 Applicable  N/A
3. Events not disclosed in temporary announcements  
 Applicable  N/A

Unit: Yuan Currency: RMB

Related/connected parties	Connected relationship	Funding provided to related/connected parties			Funding provided by related/connected parties to the listed company		
		Opening balance	Amount Incurred	Closing balance	Opening balance	Amount Incurred	Closing balance
Finance Company	Associate				1,428,282,416.11	-635,759,911.72	792,522,504.39
Jiangsu Communications Holding	Parent company				3,287,709,999.15	-65,868,232.02	3,221,841,767.13
Total					4,715,992,415.26	-701,628,143.74	4,014,364,271.52
Reasons for related/connected creditor's rights and debts		The related/connected creditor's rights and debts were formed due to the borrowing and lending of funds among the related/ connected parties. The above funds shall be provided at a rate not exceeding the prevailing bank loan interest rate in the corresponding period. The Company and its subsidiaries were not required to provide any guarantee and pledge.					
Effects of related/connected creditor's rights and debts on the Company		The related/connected creditor's rights and debts did not have a material impact on the Company's operation result and financial condition.					

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

- Applicable  N/A

1. Deposit  
 Applicable  N/A

Unit: Yuan Currency: RMB

Related/connected parties	Related/connected relationship	Daily maximum deposit limit	Deposit interest rate range	Amount incurred in the period			
				Opening balance	Total deposits for the period	Total amount withdrawn for the period	Closing balance
Finance Company	Associate and the same ultimate shareholder	The maximum daily deposit balance (including interest accrued) should not exceed RMB400 million and should be lower than 5% of the audited operating revenue, total assets or market value of the Company. (The original maximum daily deposit balance was RMB600 million, which was adjusted to RMB400 million in the supplementary agreement signed on 24 March 2023)	The deposit interest rate is calculated at 0.385% up to RMB100,000 and 1.265% over RMB1 00,000; 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	9,338,127,130.98	9,637,368,288.18	297,803,298.83
Total	/	/	/	597,044,456.03	9,338,127,130.98	9,637,368,288.18	297,803,298.83

## SIGNIFICANT MATTERS

2. Loan business

Applicable  N/A

Unit: Yuan Currency: RMB

Related/ connected parties	Related/connected relationship	Loan limit	Loan interest rate range	Amount incurred in the period			Closing balance
				Opening balance	Total loans for the period	Total repayment amount for the period	
Finance Company	Associate and the same ultimate shareholder	Comprehensive unsecured credit line in this Reporting Period: A comprehensive unsecured credit facility of no less than RMB5 billion	2.3%-3.4%	1,427,000,000.00	657,845,000.00	1,293,000,000.00	791,845,000.00
Total	/	/	/	1,427,000,000.00	657,845,000.00	1,293,000,000.00	791,845,000.00

3. Credit extension or other financial business

Applicable  N/A

Unit: Yuan Currency: RMB

Related/ connected parties	Related/connected relationship	Business type	Total	
			Total	Total Amount incurred
Finance Company	Associate and the same ultimate shareholder	Electronic commercial bill acceptance	144,800,000.00	-1,200,000.00

4. Other explanations

Applicable  N/A

## SIGNIFICANT MATTERS

### (VI) Others

Applicable       N/A

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

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

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

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

The Company has notified the Auditors of the information relating to the continuing connected transactions to be disclosed in the 2023 annual report of the Company. The Auditors has reviewed the information relating to such continuing connected transactions and has issued a letter to the Board of Directors to confirm that such continuing connected transactions:

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

## SIGNIFICANT MATTERS

3. The related party/connected transactions set out in the Notes to the Financial Report of the Company for 2023

The related party/connected transactions set out in Note XI to the Financial Statements of the Company for 2023 are in compliance with the disclosure requirements of the connected transactions under Chapter 14A of the Hong Kong Listing Rules:

1) Note XI:

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

Purchase of goods, receipt of services and interest expense of loans

Unit: Yuan Currency: RMB

Related/ connected parties	Type of related party transactions	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Xiandai R&B Company*	Highway maintenance and construction services	50,934,578.01	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Sewage pipe renovation and maintenance, service area fire services pipe maintenance, intelligent maintenance area construction, and maintenance and discharge publicity classroom construction work	10,195,134.01	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Xiandai R&B Company*	Guangjing Xicheng Expressway guardrail quality upgrading project	38,010,173.13	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 17 November 2023 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Maintenance engineering design project, bridge expansion joint replacement project, sound barrier special construction project and traffic safety facilities improvement project	44,967,382.85	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Greening improvement and environmental improvement services	2,985,422.87	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Xiandai R&B Company	Deicing and snow removal project under severe weather	12,909,893.45	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 27 March 2023 on the Stock Exchange in accordance with the Listing Rules)
Network Operation Company*	Maintenance and operating administration fees for toll collection system	33,675,307.64	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023 and 15 December 2022 on the Stock Exchange in accordance with the Listing Rules)
Network Operation Company	Communication system maintenance fee	2,007,229.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

## SIGNIFICANT MATTERS

Related/ connected parties	Type of related party transactions	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	31,990,858.83	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Cloud dispatch technology services, SD-WAN services, ETC contactless payment system services, ETC refueling and payment integrated technology services and ETC customer service outlets leasing	15,023,259.43	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Maintenance Technology Company*	Road maintenance fee	21,452,665.60	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Maintenance Technology Company	Asphalt pavement mechanical behavior and performance attenuation law research project, Xianrenshan (仙人山) zero carbon service area renovation project and council basic membership fee item	4,555,715.12	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Information Company*	System maintenance fee	3,092,782.06	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023, 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company*	Spare parts commission management fee	248,744.37	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company*	Mechanical and electrical system construction and maintenance services	4,527,817.68	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company*	Renovation project	10,111,450.62	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023, 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Micro Video Company*	Intelligent expressway construction services and digital Ninghu consulting services	2,174,590.10	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 27 October 2023 on the Stock Exchange in accordance with the Listing Rules)

## SIGNIFICANT MATTERS

Related/ connected parties	Type of related party transactions	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Micro Video Company	Three major systems construction and maintenance fee (including the electronization transformation project for toll bills of expressways and billing table preparation services, the software systems services and insurance claim collection services on clearance and rescue fee payment system, the development project of the simulation system for vocational skill level identification, and the cloud services for digital transformation)	4,477,210.63	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Engineering Maintenance Company	Regular bridge inspection fee	2,396,609.63	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Testing Company	Road and bridge inspection services, steel structure shed inspection and maintenance design project, 3D radar inspection project	8,276,199.97	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Media Company	Entrusted management fee	8,832,626.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023, 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Media Company	Advertising and promotion fee	8,644,570.78	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Cuijingshan Hotel	Procurement of goods and services, provision of conference services, education and training	1,361,622.10	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Communications Holding Commercial Operation Company*	Procurement and service fee	5,976,904.12	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 17 June 2022 and 27 August 2023 on the Stock Exchange in accordance with the Listing Rules)
Communications Holding Commercial Operation Company	Property services, leasing and management, procurement of materials	9,652,084.53	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Jiangsu Communications Holding	Fire rescue station pilot construction services	12,147,800.00	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Communications Holding Human Resources Company*	Training Fee	16,310,761.75	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 22 December 2021, 28 March 2022 and 27 March 2023 on the Stock Exchange in accordance with the Listing Rules)

## SIGNIFICANT MATTERS

Related/ connected parties	Type of related party transactions	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Communications Holding Human Resources Company	Labor outsourcing services	241,393.96	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Digital Transportation Research Institute	Cloud resource technology services	9,028,149.70	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Jiangsu Communication Holding Asset Management Co., Ltd. (江蘇 交控資產管理有 限公司)	Entrusted management fee	224,929.06	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Expressway Energy Company	Gasoline fee	832,973.30	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Jiangsu Communications Holding	Interest expenses of loans	87,217,004.41	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Bank of Jiangsu (Note 1)	Underwriting fee	17,435.62	No (investee company of the Company)	Not applicable
Bank of Nanjing (Note 2)	Underwriting fee	31,186.56	No (investee company of the Company's substantial shareholder)	Not applicable
Bank of Jiangsu	Handling fee	1,479.75	No (investee company of the Company)	Not applicable
Bank of Nanjing	Handling fee	710.00	No (investee company of the Company's substantial shareholder)	Not applicable
Bank of Nanjing	Investment income of wealth management products	12,025,993.18	No (investee company of the Company)	Not applicable
Finance Company	Interest expenses of loans	17,985,087.97	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 March 2019 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)

**Note 1:** For the Company's shareholding in Bank of Jiangsu, please refer to the section headed "Section III Report of the Board – (V) Analysis of investment – 3. Financial assets measured at fair value". The Company's substantial shareholder (i.e. Jiangsu Communication Holding), directly or indirectly held less than 30% of shareholding in Bank of Jiangsu.

**Note 2:** During the Reporting Period, the Company does not have any shareholding in Bank of Nanjing. The Company's substantial shareholder (i.e. Jiangsu Communication Holding), directly or indirectly held less than 30% of shareholding in Bank of Nanjing.

## SIGNIFICANT MATTERS

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

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

Unit: Yuan Currency: RMB

Related/connected parties	Type of related party transactions	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	Interest income from deposits	3,709,299.46	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 March 2019, 28 March 2022 and 26 March 2023 on the Stock Exchange in accordance with the Listing Rules)
Bank of Jiangsu	Interest income from deposits	15,386.95	No (investee company of the Company)	Not applicable
Bank of Nanjing	Interest income from deposits	281,377.40	No (investee company of the Company's substantial shareholder)	Not applicable
Kuailu Company	Income from sales of petroleum products	1,000,747.88	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Suxichang South Expressway Company	Income from sales of petroleum products	411,371.59	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Xiandai R&B Company	Income from sales of petroleum products	2,064,805.28	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Luode Fund Company	Income from sales of petroleum products	6,290.59	No (an associate of the Company)	Not applicable
Suxichang South Expressway Company	Entrusted management income	48,145,710.43	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Yangtze Bridge Company	Entrusted management income	15,483,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)



## SIGNIFICANT MATTERS

Related/connected parties	Type of related party transactions	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Hutong Bridge Company	Entrusted management income	9,266,900.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Xitai Company	Entrusted management income	430,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Lianwu Expressway Company	Income from electricity sales	1,543,179.95	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Eastern Expressway Company	Income from electricity sales	881,778.63	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Suhuiyan Expressway Company	Income from electricity sales	1,148,213.56	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Ningsuxu Expressway Company	Income from electricity sales	1,421,269.73	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Yanjiang Company	Income from electricity sales	174,421.31	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Runyang Bridge Company	Income from electricity sales	294,776.17	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Hetai Expressway Company	Income from electricity sales	611,452.28	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sutong Bridge Company	Technical service income	9,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

## SIGNIFICANT MATTERS

(2) Leases with related parties

The Group as the lessor:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in 2023	Whether or not constituting a connected transaction/ continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
The Company	Expressway Energy Company	Fixed assets	18,143,331.51	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 October 2023, 27 March 2023 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Expressway Energy Company	Fixed assets	9,023,061.55	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023, 28 March 2022 and 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Taixing Oil Products Company*	Fixed assets	3,963,986.91	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Railway Group Company	Fixed assets	3,973,640.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
The Company	Sundian Testing Company	Fixed assets	1,690,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
The Company	Kuailu Company	Fixed assets	1,183,275.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Guangjing Xicheng Company	Media Company	Fixed assets	6,385,243.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Ninghu Investment Company	Media Company	Fixed assets	32,146,672.55	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 15 December 2022, 28 March 2022 and 22 December 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Tongxingbao Company	Fixed assets	567,798.44	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

# SIGNIFICANT MATTERS

The Group as lessee:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Expenses relating to short-term lease and leases of low – value assets applied the practical expedient in 2023	Rental paid in 2023	Interest expense of lease liabilities in 2023	Addition of right-to-use assets in 2023	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Suxichang South Expressway Company	The Company	Plant & buildings	1,825,858.34	1,825,858.34	-	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcement was published on 27 March 2023 on the Stock Exchange in accordance with the Listing Rules)
Communications Holding Commercial Operation Company	Ninghu Investment Company and YS Energy Company	Plant & buildings	2,634,775.26	4,138,777.81	399,305.80	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Jinghu Company	YS Energy Company	Rights to use parking spaces	-	35,779.82	18,489.21	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Lianxu Expressway Company	YS Energy Company	Plant & buildings	10,285.71	-	-	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Lianxu Expressway Company	YS Energy Company	Rights to use roofs	-	36,823.60	19,636.48	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Ningsuxu Expressway Company	YS Energy Company	Rights to use roofs	-	88,314.29	45,636.37	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Suhuaiyan Expressway Company	YS Energy Company	Rights to use roofs	-	97,862.86	25,285.29	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Yanjiang Company	YS Energy Company	Rights to use roofs	-	16,200.00	4,185.67	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Yangtze Bridge Company	Yangtze River Management Company	Plant & buildings	-	952,380.95	43,495.28	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Eastern Expressway Company	Jiangsu Communications Holding Renewable Energy Jiangsu Company	Plant & buildings	-	-	-	738,420.48	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Ningjingyan Expressway Company	Jiangsu Communications Holding Renewable Energy Jiangsu Company	Plant & buildings	-	-	-	3,723,814.04	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Kuailu Company*	The Company, YS Energy Company, Wufengshan Toll Bridge Company, Zhendan Company and Guangjing Xicheng Company	Transportation vehicles	23,580,168.80	-	-	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 27 March 2023 and 28 March 2022 on the Stock Exchange in accordance with the Listing Rules)

## SIGNIFICANT MATTERS

### (3) Guarantees with related parties

The Group as the guaranteed party:

Unit: Yuan Currency: RMB

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether performance of Guarantee has been completed	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Jiangsu Communications Holding	USD1,238,805.10	20 January 1999	10 July 2028	No	Yes, connected transaction (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

### (4) Borrowings/loans from related parties

Unit: Yuan Currency: RMB

Related parties	Amount of funding (Note 1)	Inception date	Maturity date	Note	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Group Finance Company	(100,000,000.00)	26 August 2022	21 August 2023	Related party loans at 2.60% per annum	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 March 2022 and 26 March 2023 on the Stock Exchange in accordance with the Listing Rules)
Group Finance Company	(120,000,000.00)	19 July 2022	30 May 2023	Related party loans at 2.65% per annum		
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	(10,000,000.00)	11 August 2022	10 August 2023	Related party loans at 2.65% per annum		
Group Finance Company	100,000,000.00	29 March 2023	28 March 2024	Related party loans at 2.40% per annum		
Group Finance Company	200,000,000.00	10 August 2023	9 August 2024	Related party loans at 2.40% per annum		
Group Finance Company	100,000,000.00	17 August 2023	16 August 2024	Related party loans at 2.40% per annum		
Group Finance Company	(100,000,000.00)	16 March 2022	16 March 2023	Related party loans at 2.95% per annum		

## SIGNIFICANT MATTERS

Related parties	Amount of funding (Note 1)	Inception date	Maturity date	Note	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
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	150,000,000.00	12 May 2023	11 May 2024	Related party loans at 2.90% per annum		
Group Finance Company	100,000,000.00	15 May 2023	14 May 2024	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	(70,000,000.00)	1 December 2022	28 July 2023	Related party loans at 2.90% per annum		
Group Finance Company	(30,000,000.00)	1 December 2022	24 August 2023	Related party loans at 2.90% per annum		
Group Finance Company	(150,000,000.00)	12 May 2023	24 August 2023	Related party loans at 2.90% per annum		
Group Finance Company	(20,000,000.00)	12 May 2023	28 August 2023	Related party loans at 2.90% per annum		
Group Finance Company	(3,000,000.00)	24 August 2022	26 June 2023	Related party loans at 3.40% per annum		
Group Finance Company	(3,000,000.00)	24 August 2022	20 December 2023	Related party loans at 3.40% per annum		
Group Finance Company	(5,500,000.00)	23 August 2022	26 June 2023	Related party loans at 3.50% per annum		
Group Finance Company	(5,500,000.00)	23 August 2022	20 December 2023	Related party loans at 3.50% per annum		
Group Finance Company	(1,000,000.00)	23 August 2022	26 June 2023	Related party loans at 3.50% per annum		
Group Finance Company	(1,000,000.00)	23 August 2022	20 December 2023	Related party loans at 3.50% per annum		
Group Finance Company	(2,000,000.00)	24 August 2022	20 May 2023	Related party loans at 3.50% per annum		

## SIGNIFICANT MATTERS

Related parties	Amount of funding (Note 1)	Inception date	Maturity date	Note	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Group Finance Company	(2,000,000.00)	24 August 2022	20 November 2023	Related party loans at 3.50% per annum		
Group Finance Company	1,660,000.00	23 October 2023	18 October 2032	Related party loans at 3.00% per annum	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Group Finance Company	2,225,000.00	6 November 2023	18 October 2032	Related party loans at 3.00% per annum		
Group Finance Company	2,265,000.00	29 November 2023	18 October 2032	Related party loans at 3.00% per annum		
Group Finance Company	1,695,000.00	21 December 2023	18 October 2032	Related party loans at 3.00% per annum		
Jiangsu Communications Holding	500,000,000.00	11 August 2023	27 June 2038	Related party loans at 2.89% per annum	Yes, connected transaction (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Jiangsu Communications Holding	(250,000,000.00)	17 May 2013	15 May 2023	Related party loans at 5.30% per annum		
Jiangsu Communications Holding	500,000,000.00	27 June 2023	26 June 2038	Related party loans at 2.89% per annum		
Jiangsu Communications Holding	(500,000,000.00)	20 November 2018	19 October 2023	Related party loans at 4.43% per annum		
Jiangsu Communications Holding	(300,000,000.00)	20 November 2018	20 October 2023	Related party loans at 4.43% per annum		

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

(5) Remuneration of key management personnel

Unit: Yuan Currency: RMB

Item	Amount recognized in the current year	Whether or not constituting a connected transaction/continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Remuneration of key management personnel	7,482,684.24	Yes, continuing connected transactions (the Company's Director)	Yes (exempt from the announcement requirement according to Rule 14A.95)

## SIGNIFICANT MATTERS

### XIII. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF

#### (I) Trusteeship, contracting and leasing matters

1. Information on trusteeship  
 Applicable                       N/A
2. Information on contracting  
 Applicable                       N/A
3. Information on leasing  
 Applicable                       N/A

Unit: Yuan    Currency: RMB

Name of lessor	Name of lessee	Status of leased assets	Amount of lease of asset	Date of commencement of lease	Date of expiry of lease	Lease income	Basis of determination of lease income	Effect of lease income on the Company	Related-party/ Connected Transaction or Not	Connected relationship
Company	Jiaxing Kaitong Investment Co., Ltd.	Meicun Service Area	12,955,904	2017/1/10	2021/12/31	0	The income is determined based on contractual agreements and accounting standards.	None	No	Others
Company	Jiaxing Tonghui Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	2022/1/1	2023/3/22	3,900,666.74	The income is determined based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB3,900,000 year on year.	No	Others
Company	Jiaxing Litan Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	2022/11/15	2025/11/14	7,365,968	The income is determined based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB6,996,000 year on year.	No	Others
Company	Jiangsu Hetangyuese Trading Co., Ltd.	Xianrenshan Service Area	17,805,392	2023/3/23	2026/3/22	1,507,879	The income is determined based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB1,508,000 year on year.	No	Others
Company	Tongxiang Yintong Expressway Service Zone Operation and Management Co., Ltd.	Huanglishu Service Area	47,256,513	2022/1/1	The entry date of the new lessee	9,877,671	The income is determined based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB9,878,000 year on year.	No	Others
Company	Tongxiang Yintong Expressway Service Zone Operation and Management Co., Ltd.	Huanglishu Service Area	47,256,513	2023/12/20	2026/12/19	0	The income is determined based on contractual agreements and accounting standards.	None	No	Others
Company	Jiaxing Kaitong Investment Co., Ltd.	Yangchenghu Service Area	60,930,582	2018/5/15	2027/5/14	13,715,237	The income is determined 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	16,058,297	The income is determined 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	2023/12/31	9,666,667	The income is determined based on contractual agreements and accounting standards.	During the Reporting Period, the profit derived from the service area increased by RMB4,833,000 year on year.	No	Others

## SIGNIFICANT MATTERS

### *Explanation of leasing*

Huanglishu, Xianrenshan and Meicun Service Area of Shanghai-Nanjing Expressway terminated the original lease contract, and the two parties signed the termination agreement, clarifying that the lease termination date for the above service areas is December 31, 2021. The period between January 1, 2022 and the entry date of the new lessee is a transitional period, during which the operation of those service areas would continue to be maintained by the original lessee.

The “big platform” model was adopted for the new round of investment attraction in Xianrenshan Service Area. The lessee of the catering project has entered the site on November 15, 2022. The lessee of the retail project has entered the site on March 23, 2023. The Company collects the transitional rent from the original lessees based on the new round of tender price.

The “big platform” model was adopted for the new round of investment attraction in Huanglishu Service Area. The lessee of the catering project has entered the site on December 20, 2023. The Company collects the transitional rent from the original lessees based on the new round of tender price. As of the end of the Reporting Period, Huanglishu Service Area has not completed the investment attraction for catering projects and collected no transitional rent.

As of the end of the Reporting Period, Meicun Service Area has not completed the investment attraction for catering projects and collected no transitional rent.

### (II) Guarantees

Applicable  N/A

Unit: Yuan Currency: RMB

External guarantees of the Company (excluding guarantees to subsidiaries)	
Total amount of the guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)	–
Total balance of the guarantees at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)	–
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during of the Reporting Period	2,497,000,000.00
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period (B)	2,437,000,000.00
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee (A+B)	2,437,000,000.00
Total guarantee as a percentage of the Company’s net assets (%) including:	7.17
The amount of guarantees offered to the shareholders, de facto controller and related/connected parties (C)	0
The amount of debt guarantees directly or indirectly offered to the guaranteed with a gearing ratio of over 70% (D)	0
The amount of guarantees in excess of 50% of net assets (E)	0
The sum of the three items above (C+D+E)	0
Explanations on the joint settlement responsibilities in relation to premature guarantees	None
Explanations of guarantee	In accordance with the Related Party Transaction Announcement Regarding the Company’s Acquisition of 100% Equity Interest of Jiangsu Yunshan Green Energy Investment Holding Company Limited, (which was considered and approved at the 9th meeting of the 10th session of the Board of Directors of the Company and the General Meeting of Shareholders for 2021), the Company promises to make the best commercial effort to serve as the guarantor of Rudong Company, a subsidiary of YS Energy Company with 72% shareholding, for its loan from Jiangsu Branch of China Development Bank in place of Jiangsu Communications Holding within one year from the delivery date. The guarantee agreement was signed on May 29, 2023, with a guarantee amount of RMB2.663 billion and a loan term of 20 years (from March 19, 2020 to March 18, 2040).



# SIGNIFICANT MATTERS

## (III) Entrusted others to manage cash assets

### 1. Conditions of entrusted wealth management

#### (1) General conditions of entrusted wealth management

Applicable  N/A

Unit: Yuan Currency: RMB

Type	Sources of Funds	Amount Incurred	Unexpired Balance	Overdue Outstanding Amount
Bank wealth management product	Self-owned funds	193,000,000	3,637,000,000	0

#### Others

Applicable  N/A

#### (2) Breakdown of individual entrusted wealth management

Applicable  N/A

Unit: Yuan Currency: RMB

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (if Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether followed the Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (if Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Industrial & Commercial Bank	Bank wealth management products	200,000,000.00	2023.2.23	2023.6.2	Self-owned funds	Interest rates of JPY/USD	No	Capital preservation	3.04%	-	1,582,465.75	-	-	Yes	Yes	0
Industrial & Commercial Bank	Bank wealth management products	50,000,000.00	2023.3.28	2023.7.3	Self-owned funds	Interest rates of JPY/USD	No	Capital preservation	2.90%	-	377,397.26	-	-	Yes	Yes	0
China Everbright Bank	Bank wealth management products	600,000,000.00	2023.3.28	2023.6.2	Self-owned funds	Pegged to the exchange rate of EUR, USD, etc.	No	Capital preservation	3.45%	-	3,683,333.33	-	-	Yes	Yes	0
China Everbright Bank	Bank wealth management products	500,000,000.00	2023.6.26	2023.7.18	Self-owned funds	Pegged to the exchange rate of EUR, USD, etc.	No	Capital preservation	2.66%	-	809,722.22	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	250,000,000.00	2023.2.22	2023.6.2	Self-owned funds	EUR/USD exchange rate	No	Capital preservation	1.64%	-	1,100,821.92	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	400,000,000.00	2023.3.29	2023.7.3	Self-owned funds	EUR/USD exchange rate	No	Capital preservation	1.64%	-	1,689,424.66	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	400,000,000.00	2023.6.28	2023.7.20	Self-owned funds	EUR/USD exchange rate	No	Capital preservation	1.43%	-	312,504.11	-	-	Yes	Yes	0
Bank of China	Bank wealth management products	100,000,000.00	2023.1.30	2023.5.5	Self-owned funds	Deposits	No	Capital preservation	3.52%	-	906,520.55	-	-	Yes	Yes	0
Bank of China	Bank wealth management products	100,000,000.00	2023.3.28	2023.7.3	Self-owned funds	Deposits of China	No	Capital preservation	3.52%	-	916,164.38	-	-	Yes	Yes	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Bank of China	Bank wealth management products	30,000,000.00	2023.11.28		Self-owned funds	Deposits	No	Non-capital preservation	2.47%	-	-	30,000,000.00	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	235,000,000.00	2023.4.26	2023.8.2	Self-owned funds	Interest rates of USDUFY	No	Capital preservation	0.30%	-	168,000.00	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	150,000,000.00	2023.6.27	2023.7.19	Self-owned funds	The exchange rate of the EUR to the USD	No	Capital preservation	3.10%	-	242,054.79	-	-	Yes	Yes	0
Hua Xia Bank Co., Ltd.	Bank wealth management products	230,000,000.00	2023.10.30	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.62%	-	-	230,000,000.00	-	Yes	Yes	0
Hua Xia Bank Co., Ltd.	Bank wealth management products	300,000,000.00	2023.11.23	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.57%	-	-	300,000,000.00	-	Yes	Yes	0
Hua Xia Bank Co., Ltd.	Bank wealth management products	1,000,000,000.00	2023.11.27	-	Self-owned funds	Fixed income financial instruments in domestic market	No	Non-capital preservation	2.40%	-	-	1,000,000,000.00	-	Yes	Yes	0
Hua Xia Bank Co., Ltd.	Bank wealth management products	100,000,000.00	2023.11.28	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.55%	-	-	100,000,000.00	-	Yes	Yes	0
China Guangfa Bank	Bank wealth management products	200,000,000.00	2023.1.29	2023.4.26	Self-owned funds	Spot gold	No	Capital preservation	3.10%	-	1,460,821.92	-	-	-	-	0
China Guangfa Bank	Bank wealth management products	200,000,000.00	2023.4.25	2023.8.1	Self-owned funds	Semiconductor ETF	No	Capital preservation	3.20%	-	1,700,821.92	-	-	-	-	0
China Guangfa Bank	Bank wealth management products	200,000,000.00	2023.6.28	2023.7.21	Self-owned funds	Spot gold	No	Capital preservation	2.60%	-	313,424.66	-	-	-	-	0
China Guangfa Bank	Bank wealth management products	100,000,000.00	2023.8.30	2023.11.1	Self-owned funds	CSI 500	No	Capital preservation	1.00%	-	169,863.01	-	-	-	-	0
China Guangfa Bank	Bank wealth management products	200,000,000.00	2023.9.26	2023.12.4	Self-owned funds	CSI 500	No	Capital preservation	2.66%	-	976,547.95	-	-	-	-	0
China Guangfa Bank	Bank wealth management products	50,000,000.00	2023.12.28	-	Self-owned funds	Bank deposits, bond repurchase, Central Bank bills, negotiable certificates of deposits, bonds, asset-backed securities issued in the interbank market and stock exchange market, and other assets.	No	Non-capital preservation	2.43%	-	-	50,000,000.00	-	Yes	Yes	0
China CITIC Bank	Bank wealth management products	550,000,000.00	2023.6.26	2023.7.21	Self-owned funds	Cash and deposits	No	Capital preservation	2.40%	-	867,945.21	-	-	-	-	0
China CITIC Bank	Bank wealth management products	500,000,000.00	2023.7.26	2023.8.20	Self-owned funds	Cash and deposits	No	Capital preservation	2.35%	-	772,602.74	-	-	-	-	0
China CITIC Bank	Bank wealth management products	350,000,000.00	2023.7.26	2023.11.3	Self-owned funds	Cash and deposits	No	Capital preservation	2.65%	-	2,515,684.93	-	-	-	-	0
Ping An Bank	Bank wealth management products	100,000,000.00	2023.2.24	2023.6.1	Self-owned funds	Pegged to gold	No	Capital preservation	3.07%	-	815,863.01	-	-	-	-	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Ping An Bank	Bank wealth management products	800,000,000.00	2023.8.28	2023.11.20	Self-owned funds	Pegged to gold	No	Capital preservation	2.72%	-	5,666,684.93	-	-	-	-	0
Ping An Bank	Bank wealth management products	500,000,000.00	2023.9.26	2023.12.5	Self-owned funds	Pegged to gold	No	Capital preservation	2.50%	-	2,363,013.70	-	-	-	-	0
Ping An Bank	Bank wealth management products	100,000,000.00	2023.11.28	-	Self-owned funds	Pegged to gold	No	Non-capital preservation	2.35%	-	-	100,000,000.00	-	Yes	Yes	0
Bank of Jangsu	Bank wealth management products	100,000,000.00	2023.2.27	2023.5.28	Self-owned funds	Interbank or exchange-traded fixed income instruments, money market instruments, and deposits above the investment grade	No	Capital preservation	3.35%	-	825,000.00	-	-	Yes	Yes	0
Bank of Jangsu	Bank wealth management products	100,000,000.00	2023.3.28	2023.6.29	Self-owned funds	Interbank or exchange-traded fixed income instruments, money market instruments, and deposits above the investment grade	No	Capital preservation	3.28%	-	827,500.00	-	-	Yes	Yes	0
Bank of Jangsu	Bank wealth management products	100,000,000.00	2023.4.26	2023.7.27	Self-owned funds	Interbank or exchange-traded fixed income instruments, money market instruments, and deposits above the investment grade	No	Capital preservation	3.50%	-	862,500.00	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	850,000,000.00	2023.1.30	2023.5.4	Self-owned funds	Interest rate, exchange rate, commodity, indices, and other derivatives market	No	Capital preservation	3.35%	-	7,245,250.00	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	90,000,000.00	2023.4.26	2023.7.26	Self-owned funds	Interest rate, exchange rate, commodity, indices, and other derivatives market	No	Capital preservation	3.35%	-	734,250.00	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	100,000,000.00	2023.8.29	2023.11.17	Self-owned funds	Interest rate, exchange rate, commodity, indices, and other derivatives market	No	Capital preservation	2.84%	-	606,666.67	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	200,000,000.00	2023.1.17	2023.4.19	Self-owned funds	The exchange rate of the USD to the EUR	No	Capital preservation	3.20%	-	1,578,028.19	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	200,000,000.00	2023.2.24	2023.6.5	Self-owned funds	The exchange rate of the USD to the EUR	No	Capital preservation	3.20%	-	1,700,821.92	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	100,000,000.00	2023.4.26	2023.7.26	Self-owned funds	The exchange rate of the USD to the EUR	No	Capital preservation	3.20%	-	780,273.97	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	150,000,000.00	2023.12.27	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.55%	-	-	150,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	50,000,000.00	2023.10.24	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.46%	-	-	50,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	120,000,000.00	2023.10.25	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.34%	-	-	120,000,000.00	-	Yes	Yes	0
Industrial & Commercial Bank	Bank wealth management products	50,000,000.00	2023.6.28	2023.8.1	Self-owned funds	Interest rates of JPY/USD	No	Capital preservation	2.94%	-	136,931.51	-	-	Yes	Yes	0
Industrial & Commercial Bank	Bank wealth management products	100,000,000.00	2023.8.18	2023.11.20	Self-owned funds	Interest rates of JPY/USD	No	Capital preservation	3.04%	-	782,904.11	-	-	Yes	Yes	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
			Commencement date of entrusted wealth management	Termination date of entrusted wealth management												
Shanghai Pudong Development Bank	Bank wealth management products	130,000,000.00	2023.4.27	2023.8.2	Self-owned funds	The exchange rate of the USD to the JPY	No	Capital preservation	0.30%	-	104,000.00	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	200,000,000.00	2023.9.27	2023.12.5	Self-owned funds	Shanghai and Shenzhen 300 index	No	Capital preservation	0.10%	-	37,777.78	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	200,000,000.00	2023.3.23	2023.7.5	Self-owned funds	Exchange rate, interest rate/commodity, etc.	No	Capital preservation	3.00%	-	1,709,689.04	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	50,000,000.00	2023.3.23	2023.7.5	Self-owned funds	Exchange rate, interest rate/commodity, etc.	No	Capital preservation	2.88%	-	410,868.90	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	300,000,000.00	2023.8.14	2023.11.20	Self-owned funds	The exchange rate of the EUR to the USD	No	Capital preservation	2.15%	-	1,731,760.82	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	50,000,000.00	2023.11.24	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.07%	-	-	50,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	30,000,000.00	2023.10.26	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.46%	-	-	30,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	50,000,000.00	2023.10.26	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.34%	-	58,079.45	50,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	150,000,000.00	2023.11.30	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.44%	-	-	150,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	150,000,000.00	2023.11.30	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.67%	-	-	150,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	100,000,000.00	2023.11.30	-	Self-owned funds	Cash and deposits	No	Non-capital preservation	2.53%	-	-	100,000,000.00	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	50,000,000.00	2023.3.27	2023.5.4	Self-owned funds	The exchange rate of the EUR to the USD	No	Capital preservation	2.40%	-	124,931.51	-	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	150,000,000.00	2023.8.29	2023.11.17	Self-owned funds	Pegged to gold	No	Capital preservation	2.50%	-	821,917.81	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	49,000,000.00	2023.2.28	2023.9.5	Self-owned funds	Pegged to the fluctuation of interest rate, exchange rate, indices, etc.	No	Capital preservation	3.20%	-	811,923.29	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	49,000,000.00	2023.2.28	2023.9.5	Self-owned funds	Pegged to the fluctuation of interest rate, exchange rate, indices, etc.	No	Capital preservation	3.20%	-	811,923.29	-	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	50,000,000.00	2023.9.8	2023.12.8	Self-owned funds	Pegged to gold	No	Capital preservation	2.55%	-	317,876.71	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	50,000,000.00	2023.9.19	2023.12.18	Self-owned funds	Pegged to the fluctuation of interest rate, exchange rate, indices, etc.	No	Capital preservation	3.05%	-	376,027.40	-	-	Yes	Yes	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (if Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (if Any)
Ningbo Bank	Bank wealth management products	50,000,000.00	2023.12.20	-	Self-owned funds	The products are 100% invested in cash, bank deposits, bond repurchase, Central Bank bills, negotiable certificates of deposits, bonds, asset-backed securities, and other money market instruments with good liquidity approved by CBIRC and PBC.	No	Non-capital preservation	2.78%	-	-	50,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	30,000,000.00	2023.12.15	-	Self-owned funds	The products are 100% invested in cash, bank deposits, bond repurchase, Central Bank bills, negotiable certificates of deposits, bonds, asset-backed securities, and other money market instruments with good liquidity approved by CBIRC and PBC.	No	Non-capital preservation	2.34%	-	-	30,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	20,000,000.00	2023.12.15	-	Self-owned funds	The products are 100% invested in cash, bank deposits, bond repurchase, Central Bank bills, negotiable certificates of deposits, bonds, asset-backed securities, and other money market instruments with good liquidity approved by CBIRC and PBC.	No	Non-capital preservation	2.82%	-	-	20,000,000.00	-	Yes	Yes	0
Bank of China	Bank wealth management products	8,820,000.00	2023.4.3	2023.4.27	Self-owned funds	Included in the coverage of deposit reserves and deposit insurance premiums, derivatives embedded in the product are pegged to exchange rate, interest rate, precious metal, commodity, indices, and other targets.	No	Non-capital preservation	4.28%	-	25,154.54	-	-	Yes	Yes	0
Bank of China	Bank wealth management products	9,180,000.00	2023.4.3	2023.4.28	Self-owned funds	Included in the coverage of deposit reserves and deposit insurance premiums, derivatives embedded in the product are pegged to exchange rate, interest rate, precious metal, commodity, indices, and other targets.	No	Non-capital preservation	1.38%	-	8,602.74	-	-	Yes	Yes	0



# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Agricultural Bank of China	Bank wealth management products	10,000,000.00	2023.3.31	2023.5.5	Self-owned funds	Fixed income products that are mainly invested in the following assets that meet regulatory requirements, including but not limited to money market instruments, bonds (including convertible bonds and exchangeable bonds), interbank deposits, interbank borrowing, asset-backed securities, non-standard credit assets and other credit assets that meet regulatory requirements, securities investment funds, various asset management products or schemes, derivative assets and other financial instruments permitted by regulatory rules and applicable laws, and other investment types that meet regulatory requirements.	No	Non-capital preservation	1.51%	-	14,671.23	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	8,000,000.00	2023.3.21	2023.4.6	Self-owned funds	Pegged to exchange rate, interest rate, precious metal, commodity, indices, and other targets.	No	Capital preservation	2.20%	-	6,750.68	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	10,000,000.00	2023.5.26	2023.6.30	Self-owned funds	Assets, including but not limited to money market instruments, bonds (including convertible bonds and exchangeable bonds), interbank deposits, interbank borrowing, asset-backed securities, non-standard credit assets and other credit assets that meet regulatory requirements, securities investment funds, various asset management products or schemes, derivative assets and other financial instruments permitted by regulatory rules and applicable laws, and other investment types that meet regulatory requirements.	No	Non-capital preservation	1.50%	-	14,578.22	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	10,000,000.00	2023.7.21	2023.8.25	Self-owned funds	Included in the coverage of deposit reserves and deposit insurance premiums, derivatives embedded in the product are pegged to exchange rate, interest rate, precious metal, commodity, indices, and other targets.	No	Capital preservation	1.49%	-	14,485.21	-	-	Yes	Yes	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Bank of China	Bank wealth management products	18,000,000.00	2023.7.24	2023.8.28	Self-owned funds	Included in the coverage of deposit reserves and deposit insurance premiums, derivatives embedded in the product are pegged to exchange rate, interest rate, precious metal, commodity, indices, and other targets.	No	Capital preservation	2.09%	-	36,246.58	-	-	Yes	Yes	0
Bank of China	Bank wealth management products	10,000,000.00	2023.9.25	2023.10.30	Self-owned funds	Included in the coverage of deposit reserves and deposit insurance premiums, derivatives embedded in the product are pegged to exchange rate, interest rate, precious metal, commodity, indices, and other targets.	No	Capital preservation	1.92%	-	18,698.63	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	28,000,000.00	2023.1.17	2023.2.17	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.10%	-	69,547.69	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	94,000,000.00	2023.2.14	2023.3.17	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.10%	-	233,481.52	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	30,000,000.00	2023.2.24	2023.4.6	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.10%	-	98,552.59	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	94,000,000.00	2023.3.24	2023.4.24	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.10%	-	233,481.52	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	30,000,000.00	2023.4.14	2023.5.15	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.20%	-	76,919.10	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	120,000,000.00	2023.4.27	2023.6.1	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.10%	-	329,840.79	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	130,000,000.00	2023.6.12	2023.9.12	Self-owned funds	Investment in cash deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	2.80%	-	658,490.57	-	-	Yes	Yes	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (If Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Ningbo Bank	Bank wealth management products	30,000,000.00	2023.6.16	2023.7.17	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	3.05%	-	67,741.25	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	35,000,000.00	2023.7.14	2023.10.20	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	1.52%	-	125,098.81	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	55,000,000.00	2023.7.21	2023.10.27	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	1.52%	-	198,789.92	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	300,000,000.00	2023.8.11	2023.11.17	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	1.52%	-	1,139,625.46	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	50,000,000.00	2023.8.11	2023.11.17	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	1.52%	-	189,920.91	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	125,000,000.00	2023.9.18	2023.10.18	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	2.45%	-	240,782.58	-	-	Yes	Yes	0
Agricultural Bank of China	Bank wealth management products	135,000,000.00	2023.10.27	2023.12.1	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Capital preservation	1.53%	-	171,769.22	-	-	Yes	Yes	0
Ningbo Bank	Bank wealth management products	410,000,000.00	2023.11.27	-	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Non-capital preservation	2.30%	-	-	410,000,000.00	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	165,000,000.00	2023.12.14	-	Self-owned funds	Investment in cash, deposit, interbank borrowing, due from banks, interbank lending, treasury bonds, local government bonds, Central Bank bills, policy financial bonds, etc.	No	Non-capital preservation	2.80%	-	-	165,000,000.00	-	Yes	Yes	0



# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (if Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (if Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Shanghai Pudong Development Bank	Bank wealth management products	10,000,000.00	2023.9.12	2023.12.14	Self-owned funds	Deposits	No	Capital preservation	0.10%	-	2,627.78	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	50,000,000.00	2023.9.25	2023.10.25	Self-owned funds	Deposits	No	Capital preservation	2.46%	-	102,063.33	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	100,000,000.00	2023.9.12	2023.12.14	Self-owned funds	Deposits	No	Capital preservation	0.10%	-	25,277.78	-	-	Yes	Yes	0
Industrial & Commercial Bank	Bank wealth management products	80,000,000.00	2023.8.8	2023.9.11	Self-owned funds	Deposits	No	Capital preservation	2.94%	-	219,090.41	-	-	Yes	Yes	0
Bank of Communications	Bank wealth management products	20,000,000.00	2023.6.9	2023.9.8	Self-owned funds	Deposits	No	Capital preservation	3.00%	-	149,589.04	-	-	Yes	Yes	0
Industrial & Commercial Bank	Bank wealth management products	40,000,000.00	2023.6.7	2023.9.7	Self-owned funds	Deposits	No	Capital preservation	3.04%	-	306,498.63	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	50,000,000.00	2023.5.30	2023.8.1	Self-owned funds	Deposits	No	Capital preservation	2.12%	-	182,638.51	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	120,000,000.00	2023.4.27	2023.8.2	Self-owned funds	Deposits	No	Capital preservation	0.30%	-	96,000	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	30,000,000.00	2023.4.27	2023.8.2	Self-owned funds	Deposits	No	Capital preservation	0.30%	-	24,000	-	-	Yes	Yes	0
Industrial & Commercial Bank	Bank wealth management products	25,000,000.00	2023.3.2	2023.6.2	Self-owned funds	Deposits	No	Capital preservation	2.67%	-	168,328.77	-	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	72,000,000.00	2023.12.28		Self-owned funds	Deposits	No	Capital preservation	2.70%	-	-	72,000,000.00	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	35,000,000.00	2023.1.18	2023.2.21	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	3.19%	-	104,125.00	-	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	35,000,000.00	2023.2.24	2023.3.27	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.86%	-	65,895.84	-	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	35,000,000.00	2023.3.30	2023.5.4	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	3.19%	-	107,187.50	-	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	50,000,000.00	2023.3.31	2023.5.4	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	3.19%	-	148,750.00	-	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	50,000,000.00	2023.5.10	2023.8.14	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.84%	-	373,333.33	-	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	35,000,000.00	2023.5.12	2023.6.14	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.84%	-	89,833.33	-	-	Yes	Yes	0
Bank of Nanchang	Bank wealth management products	20,000,000.00	2023.6.21	2023.9.25	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.84%	-	149,333.33	-	-	Yes	Yes	0

# SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Termination		Sources of Funds	Investment Target	Whether there are restricted circumstances	Determination of Returns	Annualized Yield Rate	Expected Gains (if Any)	Actual Gains or Losses	Undue amount	Overdue unrecovered amount	Whether Statutory Procedures	Future entrusted wealth management plan available	Amount of Impairment Provision (if Any)
			Commencement date of entrusted wealth management	date of entrusted wealth management												
Bank of Nangjing	Bank wealth management products	22,000,000.00	2023.6.30	2023.7.14	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.33%	-	19,677.78	-	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	30,000,000.00	2023.6.30	2023.7.7	Self-owned funds	Gold, two tiers	No	Capital preservation	1.72%	-	9,865.89	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	30,000,000.00	2023.7.19	2023.10.23	Self-owned funds	Euro/US dollar FX spot rate, three tiers	No	Capital preservation	2.79%	-	220,000.00	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	40,000,000.00	2023.8.16	2023.11.20	Self-owned funds	Euro/US dollar FX spot rate, three tiers	No	Capital preservation	2.74%	-	288,000.00	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Bank wealth management products	20,000,000.00	2023.9.27	2023.12.5	Self-owned funds	Shanghai and Shenzhen 300 index	No	Capital preservation	0.10%	-	3,777.78	-	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	20,000,000.00	2023.9.28	2023.10.9	Self-owned funds	Gold, two tiers	No	Capital preservation	1.64%	-	9,884.93	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	30,000,000.00	2023.10.26	2023.12.5	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.88%	-	95,000.00	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	30,000,000.00	2023.11.24	2023.12.6	Self-owned funds	The spot rate of the EUR to the USD, three tiers	No	Capital preservation	2.54%	-	25,083.33	-	-	Yes	Yes	0
Bank of Nangjing	Bank wealth management products	30,000,000.00	2023.12.28	-	Self-owned funds	Financial assets and financial instruments	No	Capital preservation	3.54%	-	-	30,000,000.00	-	Yes	Yes	0
China Merchants Bank	Bank wealth management products	50,000,000.00	2023.12.28	-	Self-owned funds	Financial assets and financial instruments	No	Capital preservation	3.11%	-	-	50,000,000.00	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	150,000,000.00	2023.2.23	2023.4.20	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	2.93%	-	673,617.17	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	250,000,000.00	2023.3.23	2023.5.22	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	3.10%	-	1,273,972.60	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	180,000,000.00	2023.4.24	2023.6.12	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	3.10%	-	749,085.89	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	250,000,000.00	2023.5.22	2023.8.14	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	2.74%	-	1,577,708.64	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	120,000,000.00	2023.6.20	2023.9.11	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	2.88%	-	789,383.31	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	300,000,000.00	2023.8.16	2023.12.11	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	2.98%	-	2,847,944.76	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	80,000,000.00	2023.9.19	2023.12.11	Self-owned funds	The spot rate of the EUR to the USD	No	Capital preservation	3.00%	-	545,753.42	-	-	Yes	Yes	0
China Construction Bank	Bank wealth management products	150,000,000.00	2023.12.22	-	Self-owned funds	Financial assets and financial instruments	No	Capital preservation	1.92%	-	-	150,000,000.00	-	Yes	Yes	0

## SIGNIFICANT MATTERS

Others

Applicable  N/A

(3) *Entrusted wealth management impairment provision*

Applicable  N/A

2. Entrusted loans

(1) *General conditions of entrusted loans*

Applicable  N/A

Unit: 0'000 Currency: RMB

Type	Sources of Funds	Amount Incurred	Unexpired Balance	Overdue Outstanding Amount
Entrusted loans	Self-owned funds	10,950.00	186,650.00	-

Others

Applicable  N/A

# SIGNIFICANT MATTERS

(2) Breakdown of individual entrusted loans

Applicable  N/A

Unit: 0'000 Currency: RMB

Trustee	Type of Entrusted Loans	Entrusted Loans Amount	Commencement Date of Entrusted Loans	Termination Date of Entrusted Loans	Sources of Funds	Investment Target	Determination of Returns	Annualized Yield Rate	Expected Gains (If Any)	Actual Gains or Losses	Actual Recovery	Whether Followed the Statutory Procedures	Future Entrusted Loans Plan Available	Amount of Impairment Provision (If Any)
Shanghai Pudong Development Bank		2,000.00	2023/1/10	2024/1/10	Self-owned funds	Daily operations	Interest to be paid quarterly	3.44%				Yes	Yes	
Shanghai Pudong Development Bank		1,000.00	2023/1/16	2024/1/16	Self-owned funds	Daily operations	Interest to be paid quarterly	3.42%				Yes	Yes	
Shanghai Pudong Development Bank		18,700.00	2023/1/18	2024/1/18	Self-owned funds	Daily operations	Interest to be paid quarterly	3.41%				Yes	Yes	
Shanghai Pudong Development Bank		2,500.00	2023/1/18	2024/1/18	Self-owned funds	Daily operations	Interest to be paid quarterly	3.41%				Yes	Yes	
Shanghai Pudong Development Bank		30,000.00	2023/3/17	2024/3/16	Self-owned funds	Daily operations	Interest to be paid quarterly	3.19%				Yes	Yes	
Shanghai Pudong Development Bank		1,500.00	2023/4/11	2024/4/11	Self-owned funds	Daily operations	Interest to be paid quarterly	3.10%				Yes	Yes	
Shanghai Pudong Development Bank		5,000.00	2023/5/25	2024/5/24	Self-owned funds	Daily operations	Interest to be paid quarterly	2.95%				Yes	Yes	
Shanghai Pudong Development Bank		3,000.00	2023/6/9	2024/6/8	Self-owned funds	Daily operations	Interest to be paid quarterly	2.89%				Yes	Yes	
Shanghai Pudong Development Bank		1,400.00	2023/6/20	2024/6/19	Self-owned funds	Daily operations	Interest to be paid quarterly	2.85%				Yes	Yes	
Shanghai Pudong Development Bank		1,050.00	2023/7/21	2024/7/20	Self-owned funds	Daily operations	Interest to be paid quarterly	2.75%				Yes	Yes	
Shanghai Pudong Development Bank		6,000.00	2023/8/18	2024/8/17	Self-owned funds	Daily operations	Interest to be paid quarterly	2.65%				Yes	Yes	
Shanghai Pudong Development Bank		1,500.00	2023/9/8	2024/9/7	Self-owned funds	Daily operations	Interest to be paid quarterly	2.58%				Yes	Yes	
Shanghai Pudong Development Bank		7,900.00	2023/9/15	2024/9/14	Self-owned funds	Daily operations	Interest to be paid quarterly	2.56%				Yes	Yes	
Shanghai Pudong Development Bank		4,500.00	2023/11/10	2024/11/9	Self-owned funds	Daily operations	Interest to be paid quarterly	2.39%				Yes	Yes	
Shanghai Pudong Development Bank		2,800.00	2023/12/20	2024/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	2.33%				Yes	Yes	
Shanghai Pudong Development Bank		3,100.00	2023/1/18	2024/1/18	Self-owned funds	Daily operations	Interest to be paid quarterly	3.63%				Yes	Yes	
Shanghai Pudong Development Bank		1,500.00	2023/3/16	2024/3/15	Self-owned funds	Daily operations	Interest to be paid quarterly	3.60%				Yes	Yes	
Shanghai Pudong Development Bank		1,000.00	2023/4/11	2024/4/11	Self-owned funds	Daily operations	Interest to be paid quarterly	3.59%				Yes	Yes	
Shanghai Pudong Development Bank		2,200.00	2023/12/20	2024/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	3.45%				Yes	Yes	
Shanghai Pudong Development Bank		2,000.00	2023/1/12	2026/1/12	Self-owned funds	Daily operations	Interest to be paid quarterly	3.47%				Yes	Yes	
Shanghai Pudong Development Bank		7,000.00	2023/9/14	2026/9/13	Self-owned funds	Daily operations	Interest to be paid quarterly	2.70%				Yes	Yes	

Others

Applicable  N/A

(3) Entrusted loans impairment provision

Applicable  N/A

3. Others

Applicable  N/A

## SIGNIFICANT MATTERS

(IV) Other major contracts

Applicable  N/A

XIV. PROGRESS IN USE OF FUND RAISED

Applicable  N/A

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

Applicable  N/A

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## I. CHANGES IN SHARE CAPITAL

### (I) Table of changes in shares

1. Table of changes in shares

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

2. Explanation of changes in shares

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A



# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## II. SECURITY ISSUANCE AND LISTING

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

Applicable  N/A

Unit: 00 million shares Currency: RMB

Categories of stock and its derivative security	Date of issuance	Price (or interest rate) of issuance	Number of issuance	Listing date	Approved offering and trading volume	Termination date of trading
Categories of ordinary shares						
H Shares	1997-06-27	HKD3.11	12.22	1997-06-27	12.22	-
A Shares (Note 1)	2000-12-20	RMB4.20	1.50	2001-01-16	1.50	-
Convertible corporate bonds, separately tradable and convertible bonds						
-	-	-	-	-	-	-
Bonds (including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)						
2023 ultra-short-term notes (first tranche)	2023/1/3	2.30%	0.06	2023/1/5	0.06	2023/4/6
2023 ultra-short-term notes (second tranche)	2023/1/3	2.30%	0.06	2023/1/5	0.06	2023/4/6
2023 ultra-short-term notes (third tranche)	2023/1/3	2.30%	0.05	2023/1/5	0.05	2023/4/6
2023 ultra-short-term notes (fourth tranche)	2023/1/3	2.30%	0.06	2023/1/5	0.06	2023/4/6
2023 ultra-short-term notes (fifth tranche)	2023/2/6	2.15%	0.04	2023/2/8	0.04	2023/5/11
2023 ultra-short-term notes (sixth tranche)	2023/2/6	2.15%	0.04	2023/2/8	0.04	2023/5/11
2023 ultra-short-term notes (seventh tranche)	2023/2/28	2.36%	0.04	2023/3/2	0.04	2023/5/25
2023 ultra-short-term notes (eighth tranche)	2023/2/28	2.36%	0.037	2023/3/2	0.037	2023/5/25
2023 ultra-short-term notes (ninth tranche)	2023/3/31	2.18%	0.105	2023/4/4	0.105	2023/7/6
2023 ultra-short-term notes (tenth tranche)	2023/3/31	2.18%	0.05	2023/4/6	0.05	2023/7/6
2023 ultra-short-term notes (eleventh tranche)	2023/4/3	2.18%	0.04	2023/4/6	0.04	2023/7/6
2023 ultra-short-term notes (twelfth tranche)	2023/4/3	2.18%	0.04	2023/4/6	0.04	2023/7/6
2023 ultra-short-term notes (thirteenth tranche)	2023/4/11	2.23%	0.1	2023/4/13	0.1	2023/7/13
2023 ultra-short-term notes (fourteenth tranche)	2023/4/11	2.23%	0.04	2023/4/13	0.04	2023/7/13
2023 ultra-short-term notes (fifteenth tranche)	2023/5/9	2.22%	0.035	2023/5/11	0.035	2023/8/10
2023 ultra-short-term notes (sixteenth tranche)	2023/5/23	2.07%	0.03	2023/5/25	0.03	2023/8/24
2023 ultra-short-term notes (seventeenth tranche)	2023/7/4	2.03%	0.061	2023/7/6	0.061	2023/10/19
2023 ultra-short-term notes (eighteenth tranche)	2023/7/4	2.03%	0.062	2023/7/6	0.062	2023/10/19
2023 ultra-short-term notes (nineteenth tranche)	2023/7/11	2.08%	0.031	2023/7/13	0.031	2023/10/19
2023 ultra-short-term notes (twentieth tranche)	2023/8/8	2.04%	0.035	2023/8/10	0.035	2023/11/16
2023 ultra-short-term notes (twenty-first tranche)	2023/10/17	2.30%	0.054	2023/10/19	0.054	2024/1/18
2023 ultra-short-term notes (twenty-second tranche)	2023/10/17	2.30%	0.05	2023/10/19	0.05	2024/1/18
2023 ultra-short-term notes (twenty-third tranche)	2023/10/17	2.30%	0.05	2023/10/19	0.05	2024/1/18
2023 ultra-short-term notes (twenty-fourth tranche)	2023/11/8	2.43%	0.035	2023/11/10	0.035	2024/2/5
Other derivative securities						
American Depositary Receipt (ADR) Program	2002-12-23	-	-	-	-	-

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

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

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

According to the document, Zhong Shi Xie Zhu [2021] SCP No. 455, of National Association of Financial Market Institutional Investors, the Company was able to issue ultra-short-term notes in tranches for two years since 10 November 2021, with the Company's registered amount of ultra-short-term notes as RMB8 billion. On 27 September 2022, it applied to the National Association of Financial Market Institutional Investors for reduction of registration amount, after which the remaining valid registration amount was RMB6 billion. During the Reporting Period, the Company issued the ultra-short-term financing bonds of RMB7.23 billion to professional investors by 13 tranches.

According to the document, Zhong Shi Xie Zhu [2022] SCP No. 476, of National Association of Financial Market Institutional Investors, the Company was able to issue ultra-short-term notes in tranches for two years after 24 November 2022, with the Company's registered amount of ultra-short-term notes as RMB8 billion. During the Reporting Period, the Company issued the ultra-short-term financing bonds of RMB4.82 billion to professional investors by 11 tranches.

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

Applicable  N/A

### (III) Current shares of employee

Applicable  N/A

## III. SHAREHOLDERS AND DE FACTO CONTROLLER

### (I) Total amount of shareholders

Total amount of ordinary shareholders as at the end of the Reporting Period	23,875
Total amount of ordinary shareholders as at the end of the month before the annual report date	26,756
Total amount of preference shareholders with voting right restored as at the end of the Reporting Period	N/A
Total amount of preference shareholders with voting rights restored as at the end of the month before the annual report date	N/A

*Note:* As at the end of the Reporting Period, the amount of A shareholders was 23,490 and of H shareholders was 385, with the total of 23,875; as at the end of the month before the date of the annual report, the amount of A shareholders was 26,372 and of H shareholders was 384, with the total of 26,756.



## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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

Unit: share

Shares of the top ten shareholders (excluding share lending through refinancing)

Name of shareholder (Full Name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Equity interest (%)	Number of the shares subject to lock-up	Collateralized, tagged, or frozen		Nature of shareholders
					Status of shares	Number	
Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	0	2,742,578,825	54.44	- Nil	-	-	State-owned legal person
China Merchants Expressway Network& Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	0	589,059,077	11.69	- Nil	-	-	State-owned legal person
BlackRock, Inc.	-23,557,897	110,909,617	2.20	- Nil	-	-	Overseas legal person
Mitsubishi UFJ Financial Group, Inc.	-62,251,752	84,502,845	1.68	- Nil	-	-	Overseas legal person
JPMorgan Chase & Co.	-5,265,969	73,625,857	1.46	- Nil	-	-	Overseas legal person
Citigroup Inc.	-12,311,101	61,398,134	1.22	- Nil	-	-	Overseas legal person
China Merchants Securities Co., Ltd. - SSE Bonus Exchange-traded Stock Investment Funds	-3,527,901	28,385,455	0.56	- Nil	-	-	Others State-owned
China Galaxy Asset Management Co., Ltd.	-4,705,700	16,704,300	0.33	- Nil	-	-	legal person
China Life Insurance Company Limited - Traditional - Normal insurance product - 005L - CT001 Hu	-23,471,496	15,048,026	0.30	- Nil	-	-	Others
China Merchants Securities Co., Ltd. - Fullgoal CITICS Bonus Index Enhanced Securities Investment Fund	7,268,411	12,200,098	0.24	- Nil	-	-	Others

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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

Name of shareholder	Number of the shares not subject to lock-up	Categories and amount of shares	
		Category	Number
Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holding Co., Ltd. (招商局公路網絡科技控股股份有限公司)	589,059,077	RMB-denominated ordinary shares	589,059,077
BlackRock, Inc.	110,909,617	Overseas-listed foreign shares	110,909,617
Mitsubishi UFJ Financial Group, Inc.	84,502,845	Overseas-listed foreign shares	84,502,845
JPMorgan Chase & Co.	73,625,857	Overseas-listed foreign shares	73,625,857
Citigroup Inc.	61,398,134	Overseas-listed foreign shares	61,398,134
China Merchants Securities Co., Ltd. – SSE Bonus Exchange-traded Stock Investment Funds	28,385,455	RMB-denominated ordinary shares	28,385,455
China Galaxy Asset Management Co., Ltd.	16,704,300	RMB-denominated ordinary shares	16,704,300
China Life Insurance Company Limited – Traditional – Normal insurance product – 005L – CT001 Hu	15,048,026	RMB-denominated ordinary shares	15,048,026
China Merchants Securities Co., Ltd. – Fullgoal CITICS Bonus Index Enhanced Securities Investment Fund	12,200,098	RMB-denominated ordinary shares	12,200,098
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		

## Top 10 shareholders in share lending through refinancing

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Changes in top 10 shareholders from the previous period

Applicable  N/A

Unit: share

Changes in top 10 shareholders from the previous period					
Name of shareholder	New addition/exit in this Reporting Period	The number of shares lent and not yet returned at the end of the financing period		The number of shares held in general accounts and credit accounts of shareholders and lent through refinancing and not yet returned at the end of the financing period	
		Total number	Proportion (%)	Total number	Proportion (%)
China Merchants Securities Co., Ltd. -Fullgoal CITICS Bonus Index Enhanced Securities Investment Fund	New addition	0	0.00	0	0.00
China Life Insurance Company Limited - Dividends - Individual insurance dividends	Exit	0	0.00	0	0.00

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

Applicable  N/A

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

Applicable  N/A

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## (IV) Interest or short position

As at 31 December 2023, the interest or short position of the Company's shares or related shares held by the following shareholders (excluding directors and chief executives) that shall be disclosed and recorded in the book based on section 336 of the Securities and Futures Ordinance according to the terms of Section 2 and Section 3 of Part XV of the Securities and Futures Ordinance:

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

Name of shareholder	Identity	Number of H Shares		Percentage in H Shares (total shares)
		Direct interest	Number of H Shares	
BlackRock, Inc.	Controlled body corporate interests <sup>(3)</sup>	No	110,909,617(L) 2,334,000(S)	9.08%(2.20%) (L) 0.19%(0.05%) (S)
Mitsubishi UFJ Financial Group, Inc	Controlled body corporate interests <sup>(2)</sup>	No	84,502,845(L)	6.91% (1.68%) (L)
JPMorgan Chase & Co.	Controlled body corporate interests/Investment Manager/Custodian – Body corporate/ Authorised Lending Agent <sup>(4)</sup>	No	73,625,857(L) 7,494,000(S) 51,516,517(P)	6.02% (1.46%) (L) 0.61%(0.15%) (S) 4.21%(1.02%) (P)
Citigroup Inc.	Controlled body corporate interests/Authorised Lending Agent/Custodian – Body corporate <sup>(5)</sup>	No	61,398,134(L) 296,000(S) 61,035,073(P)	5.02% (1.22%) (L) 0.02 %(0.01%) (S) 4.99%(1.21%) (P)

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

- (1) China Merchants Group Corporation Limited is considered to hold the Company's share interest due to the interest of its controlled subordinate body corporate, China Merchants Expressway Network.
- (2) Mitsubishi UFJ Financial Group, Inc is considered to hold the Company's share interest due to the interest of multiple corporates indirectly wholly-owned by it.
- (3) BlackRock, Inc. is consider to hold the 110,909,617 H Shares (L) and 2,334,000 H Shares (S) of the Company (among which there are 1,628,000 H Shares of derivative instruments traded with cash settlement (over-the-counter)) due to its control of multiple corporates. Other corporates are all indirectly wholly-owned by BlackRock, Inc. except for:
  - (a) BlackRock Holdco 6, LLC has its 90% interest indirectly held by BlackRock, Inc. BlackRock Holdco 6, LLC has the Company's interest through the following corporates indirectly wholly-owned by it:
    - (i) BlackRock Institutional Trust Company, National Association holds 17,367,876 H Shares (L) and 2,334,000 H Shares (S) of the Company.
    - (ii) BlackRock Fund Advisors holds 59,422,000 H Shares (L) of the Company.

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (b) BR Jersey International Holdings L.P. has its 86% interest indirectly held by BlackRock, Inc. BR Jersey International Holdings L.P. has the Company's interest through the following corporates indirectly wholly-owned by it:
- (i) BlackRock Japan Co., Ltd. holds 1,766,883 H Share (L) of the Company.
  - (ii) BlackRock Investment Management (Australia) Limited holds 564,000 H Shares (L) of the Company.
  - (iii) BlackRock Asset Management North Asia Limited holds 1,115,736 H Shares (L) of the Company.
  - (iv) BlackRock (Singapore) Limited hold 553,855 H Shares (L) of the Company.
- (c) BlackRock Group Limited has its 90% interest indirectly held by BR Jersey International Holdings L.P (see note 3(b) in the above). BlackRock Group Limited has the Company's interest through the following corporates directly or indirectly wholly-owned by it:
- (i) BlackRock (Netherlands) B.V. holds 3,838,441 H Shares (L) of the Company.
  - (ii) BlackRock International Limited hold 32,000 H Shares (L) of the Company.
  - (iii) BlackRock Asset Management Ireland Limited holds 12,327,865 H Shares (L) of the Company.
  - (iv) BLACKROCK (Luxembourg)S.A. holds 242,000 H Shares (L) of the Company.
  - (v) BlackRock Investment Management (UK) Limited holds 1,353,299 H Shares (L) of the Company.
  - (vi) BlackRock Fund Managers Limited holds 4,723,662 H Shares (L) of the Company.
  - (vii) BlackRock Asset Management Schweiz AG hold 16,000 H Shares (L) of the Company.
- (d) BlackRock Canada Holdings LP has its 99.90% interest indirectly held by BR Jersey International Holdings L.P (see note 3(b) in the above). BlackRock Canada Holdings LP has the Company's interest through the 2,390,000 H Shares (L) held by BlackRock Asset Management Canada Limited, a corporate wholly-owned by it.



## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (4) JPMorgan Chase & Co. is considered to hold the 73,625,857 H Shares (L) (among which 412,122 H Shares are related to derivative instruments traded with cash settlement (over-the-counter)) and 7,494,000 H Shares (S) (among which 7,032,000 H Shares are related to derivative instruments traded with cash settlement (over-the-counter) and physical delivery (over-the-counter)) of the Company. Interests held by JP Morgan Chase & Co. is held with the identity of:

Identity	Number of Shares (L)	Number of Shares (S)	Number of Shares (P)
Controlled body corporate interest	12,378,321	7,494,000	
Investment Manager	9,218,519		
Guarantee person holding shares	512,500		
Authorised Lending Agent			51,516,517

- (5) Citigroup Inc. is considered to hold the 61,398,134 H Shares (L) (among which 288,000 H Shares are related to derivative instruments traded with cash settlement) and 296,000 H Shares (S) (among which all 296,000 H Shares are derivative instruments traded with cash settlement) of the Company. Interest held by Citigroup Inc. is held with the identity of:

Identity	Number of Shares (L)	Number of Shares (S)	Number of Shares (P)
Controlled body corporate interest	363,061	296,000	
Authorised Lending Agent			61,035,073

Citigroup Global Markets Holdings Bahamas Limited has its 90% interest indirectly held by Citigroup Inc. Citigroup Global Markets Holdings Bahamas Limited holds 363,061 H Shares (L) and 296,000 H Shares (S) of the Company through the corporate directly wholly-owned by it, Citigroup Global Markets Limited. Other corporates are all indirectly wholly-owned by Citigroup Inc. except for the above corporates.

Apart from the above, according to the Company's knowledge, as at 31 December 2023, there are no other individuals need to be disclosed based on the Security and Future Ordinance of Hong Kong.

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

## IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

### (I) Controlling shareholder

1. Legal representative

Applicable  N/A

Name	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
Head of office or legal representative	Deng Dongsheng
Date of establishment	1993-03-05
Principal business	It is engaged in the operation and management (under the mandate of provincial government) of state-owned asset, investment, construction, operation, and management of traffic infrastructure, transportation and related industries, toll road, entity investment, and domestic trading.
Shares of other domestic/overseas listed corporates controlling or holding shares during the Reporting Period	In addition to the Company's shareholding, Jiangsu Communications Holding directly held 1.92% equity interest of Bank of Jiangsu (600919), 9.99% equity interest of Bank of Nanjing (601009), 3.36% equity interest of Chunlan (600854), 5.39% equity interest of Huatai Securities (601688), 2.5% equity interest of Jinling Hotel (601007), 49.35% equity interest of Tongxingbao (301339) and 21.08% equity interest of Jiangsu Financial Lease (600901) as of the end of this Reporting Period.
Other explanations	—

2. Natural person

Applicable  N/A

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

Applicable  N/A

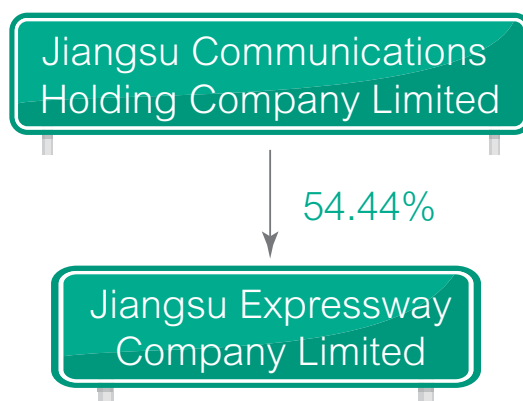
4. Explanation of changes in controlling shareholders during the Reporting Period

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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

Applicable  N/A



### (II) De facto controller

1. Legal representative

Applicable  N/A

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

2. Natural person

Applicable  N/A



## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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

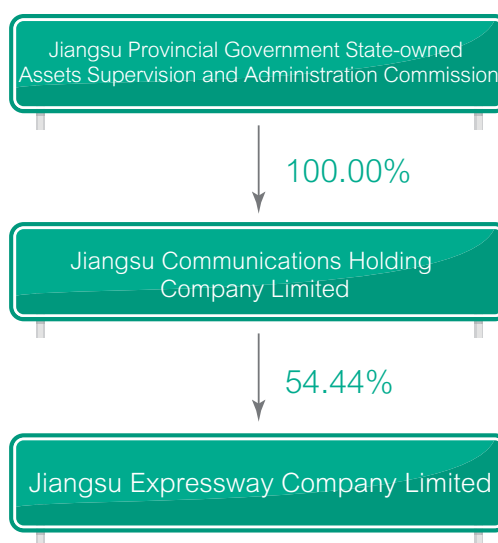
Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A



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

Applicable  N/A

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

Applicable  N/A

## CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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

Applicable  N/A

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

Applicable  N/A

Unit: RMB0'000, Currency: RMB

Name of legal representative shareholder	Head of office or legal representative	Date of establishment	Institution code	Registered capital	Principal business or Management
China Merchants Expressway Network& Technology Holding Co., Ltd. (招商局公路网络科技控股股份有限公司)	Bai Jingtao (白景涛)	1993-12-18	91110000101717000C	617,821.73	The investment, development, construction and operation management of infrastructure as roads, bridges, wharf, ports, and fairways; the investment management; the development and research of new techniques, product, and materials of transportation infrastructure and the sales of product; the sale of construction material, mechanical and electronic device, cars and auto parts, hardwares, and daily uses; the consult of financial information; and the personnel training.
Explanation	Nil				

### VII. EXPLANATION OF RESTRICTION ON SHARES REDUCTION

Applicable  N/A

# CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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

Applicable       N/A

## IX. OTHERS

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

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

### 2. Right of pre-emption

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

### 3. Public float

According to the public information and the knowledge of directors, the Board consider that the number of public float on 28 March 2024 (the last practical date of publishing this report) of the Company meets the requirement of listing rules in Hong Kong.

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

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

### 5. Management contracts

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

# PARTICULARS OF PREFERENCE SHARES

Applicable

N/A

# PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

### (I) Enterprise bonds

Applicable  N/A

### (II) Corporate bonds

Applicable  N/A

#### 1. Basic information of corporate bonds

Unit: Hundred million Yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (first tranche)	21 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 2022 (first 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 (second 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
Green corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	22 NingHu G2	137886.SH	2022/8/22	2022/8/23	2025/8/23	5.00	2.55	One-off principal repayment with annual interest payment	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
Green corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	22 NingHu G1	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

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

## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

*Outstanding bonds which are also past due*

Applicable  N/A

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

Applicable  N/A

Name of bond	Explanation of the payment of interests and repayment of principal
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (first tranche)	The interest of the 2021 corporate bonds (first tranche) for the first year amounting to RMB37 million was paid on 2 February 2023.
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2021 (second tranche)	The interest of the 2021 corporate bonds (second tranche) for the first year amounting to RMB24.64 million was paid on 24 November 2023.
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	The interest of the 2022 corporate bonds (first tranche) for the first year amounting to RMB29 million was paid on 20 April 2023.
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (second tranche)	The interest of the 2022 corporate bonds (second tranche) for the first year amounting to RMB12.75 million was paid on 23 August 2023.
Green corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (first tranche)	The interest of the 2022 green corporate bonds (first tranche) for the first year amounting to RMB18.06 million was paid on 24 October 2023.
Corporate bonds publicly issued to professional investors by Jiangsu Expressway Company Limited in 2022 (third tranche)	The interest of the 2022 corporate bonds (third tranche) for the first year amounting to RMB14.75 million was paid on 29 November 2023.

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

Applicable  N/A

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

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

## PARTICULARS OF CORPORATE BONDS

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

Name of intermediaries	Business address	Name of signing accountants	Contact person	Contact tel
Huatai United Securities Company Limited (21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1 lead underwriter, managing trustee)	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Block, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen		Wang Chao (王超), Wang Xiaolei (王晓磊), Lin Kai (林楷), Que Mengting (阙梦婷)	021-38966558
Xiangcai Securities Co., Ltd. (21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3 co-lead underwriter)	11th Floor, Building A, Xinnancheng Business Center, 198 Xiangfu Middle Road, Tianxin District, Changsha		Li Yandong (李艳东), Shao Binbin (邵彬彬), Meng Linghao (孟令浩), Zhang Hao (张浩)	021-50293515
CITIC Securities Co., Ltd. (G22 NingHu 1 co-lead underwriter)	Bonds financing business line, 22/F, CITIC Security Building, 48 Liangmaqiao Road, Chaoyang District, Beijing		Zhao Wei (赵维), Sun Xiaobo (孙晓博), Wu Dengwei (吴登委)	010-60837742
Grandall Law Firm (NanJing) (21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3 the issuer's lawyer)	7-8/F, Block B, 309 Hanzhongmen Road, Nanjing city, Jiangsu Province		Li Wenjun (李文君)	025-89660987
Beijing Dacheng Law Offices, LLP (G22 NingHu 1 the issuer's lawyer)	9th Floor, Block A, Lianchuang Technology Building, 18 JiHui Road, Gulou District, Nanjing		Zhu Bin (祝彬)	13813952887
China Chengxin International Credit Rating Co., Ltd. (21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1 credit rating agency)	Room 60101, Building 1, 2 Nanzhugan Hutong, Dongcheng District, Beijing		Cao Run (曹润), Qi Chen (齐晨)	010-66428877
China Chengxin Green Finance Technology (Beijing) Co., Ltd. (G22 NingHu 1 assessment institution)	Room 50532, 4/F, Building 1, 2 Nanzhugan Hutong, Dongcheng District, Beijing		Ma Jun (马郡)	18010038172
Deloitte Huayong Accounting Firm (Special General Partnership) (21 NingHu G1, 21 NingHu G2, 22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1 accounting firm)	30/F, 222 East Yan'an Road, Huangpu District, Shanghai	Yang Bei (杨蓓), Chen Shi (陈石)	Chen Shi (陈石)	025-57908880
KPMG Huazhen LLP (22 NingHu G1, 22 NingHu G2, 22 NingHu G3, G22 NingHu 1 accounting firm)	12/F, Deji Plaza, 18 Zhongshan Road, Nanjing City, Jiangsu Province	Huang Wenhui (黄文辉), Zhou Xuchun (周徐春)	Zhou Xuchun (周徐春)	025-86912888

The change of the above intermediaries

Applicable

N/A

## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

Unit: Hundred million Yuan Currency: RMB

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

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

Applicable  N/A

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

Applicable  N/A

Other explanations

Applicable  N/A

5. Adjustment of credit rating results

Applicable  N/A

Other explanations

Applicable  N/A



## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

7. Other explanation on the corporate bonds

Applicable  N/A

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

Applicable  N/A

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

Unit: Hundred million Yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2020 medium-term notes (first tranche)	20 NingHu Gao MTN001	102001586.IB	2020/8/19	2020/8/21	2025/8/21	20.00	3.98	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (first tranche)	21 NingHu Gao 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 NingHu Gao MTN002	102102145.IB	2021/10/25	2021/10/27	2024/10/27	5.00	3.3	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (third tranche)	21 NingHu Gao 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 NingHu Gao 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 NingHu Gao 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
2023 ultra-short-term notes (first tranche)	23 NingHu Gao SCP001	012380018.IB	2023/1/3	2023/1/4	2023/4/7	6.00	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 NingHu Gao SCP002	012380014.IB	2023/1/3	2023/1/4	2023/4/7	6.00	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

## PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2023 ultra-short-term notes (third tranche)	23 NingHu Gao SCP003	012380017.IB	2023/1/3	2023/1/4	2023/4/7	5.00	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 NingHu Gao SCP004	012380020.IB	2023/1/3	2023/1/4	2023/4/7	6.00	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 NingHu Gao SCP005	012380395.IB	2023/2/6	2023/2/7	2023/5/12	4.00	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 NingHu Gao SCP006	012380390.IB	2023/2/6	2023/2/7	2023/5/12	4.00	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 (seventh tranche)	23 NingHu Gao SCP007	012380752.IB	2023/2/28	2023/3/1	2023/5/26	4.00	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 NingHu Gao SCP008	012380756.IB	2023/2/28	2023/3/1	2023/5/26	3.70	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 NingHu Gao 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 NingHu Gao 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 NingHu Gao 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 NingHu Gao 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
2023 ultra-short-term notes (thirteenth tranche)	23 NingHu Gao 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

## PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2023 ultra-short-term notes (fourteenth tranche)	23 NingHu Gao SCP014	012381458.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 NingHu Gao 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 NingHu Gao 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
2023 ultra-short-term notes (seventeenth tranche)	23 NingHu Gao SCP017	012382533.IB	2023/7/4	2023/7/5	2023/10/20	6.10	2.03	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (eighteenth tranche)	23 NingHu Gao SCP018	012382539.IB	2023/7/4	2023/7/5	2023/10/20	6.20	2.03	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (nineteenth tranche)	23 NingHu Gao SCP019	012382605.IB	2023/7/11	2023/7/12	2023/10/20	3.10	2.08	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 (twentieth tranche)	23 NingHu Gao SCP020	012382965.IB	2023/8/8	2023/8/9	2023/11/17	3.50	2.04	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2023 ultra-short-term notes (twenty-first tranche)	23 NingHu Gao SCP021	012383799.IB	2023/10/17	2023/10/18	2024/1/19	5.40	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 (twenty-second tranche)	23 NingHu Gao SCP022	012383801.IB	2023/10/17	2023/10/18	2024/1/19	5.00	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 (twenty-third tranche)	23 NingHu Gao SCP023	012383800.IB	2023/10/17	2023/10/18	2024/1/19	5.00	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 (twenty-fourth tranche)	23 NingHu Gao SCP024	012384059.IB	2023/11/8	2023/11/9	2024/2/6	3.50	2.43	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

*Outstanding bonds which are also past due*

Applicable  N/A

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

Applicable  N/A

Name of bond	Explanation of the payment of interests and repayment of principal
2022 ultra-short-term notes (forty-three tranche)	The 2022 ultra-short-term notes (forty-three tranche) have matured and were redeemed on 10 February 2023 and the interest payment was completed.
2022 ultra-short-term notes (forty-four tranche)	The 2022 ultra-short-term notes (forty-four tranche) have matured and were redeemed on 3 March 2023 and the interest payment was completed.
2022 ultra-short-term notes (forty-five tranche)	The 2022 ultra-short-term notes (forty-five tranche) have matured and were redeemed on 14 April 2023 and the interest payment was completed.
2022 ultra-short-term notes (forty-six tranche)	The 2022 ultra-short-term notes (forty-six tranche) have matured and were redeemed on 14 April 2023 and the interest payment was completed.
2023 ultra-short-term notes (first tranche)	The 2023 ultra-short-term notes (first tranche) have matured and were redeemed on 7 April 2023 and the interest payment was completed.
2023 ultra-short-term notes (second tranche)	The 2023 ultra-short-term notes (second tranche) have matured and were redeemed on 7 April 2023 and the interest payment was completed.
2023 ultra-short-term notes (third tranche)	The 2023 ultra-short-term notes (third tranche) have matured and were redeemed on 7 April 2023 and the interest payment was completed.
2023 ultra-short-term notes (fourth tranche)	The 2023 ultra-short-term notes (fourth tranche) have matured and were redeemed on 7 April 2023 and the interest payment was completed.
2023 ultra-short-term notes (fifth tranche)	The 2023 ultra-short-term notes (fifth tranche) have matured and were redeemed on 12 May 2023 and the interest payment was completed.
2023 ultra-short-term notes (sixth tranche)	The 2023 ultra-short-term notes (sixth tranche) have matured and were redeemed on 12 May 2023 and the interest payment was completed.
2023 ultra-short-term notes (seventh tranche)	The 2023 ultra-short-term notes (seventh tranche) have matured and were redeemed on 26 May 2023 and the interest payment was completed.
2023 ultra-short-term notes (eighth tranche)	The 2023 ultra-short-term notes (eighth tranche) have matured and were redeemed on 26 May 2023 and the interest payment was completed.
2023 ultra-short-term notes (ninth tranche)	The 2023 ultra-short-term notes (ninth tranche) have matured and were redeemed on 7 July 2023 and the interest payment was completed.
2023 ultra-short-term notes (tenth tranche)	The 2023 ultra-short-term notes (tenth tranche) have matured and were redeemed on 7 July 2023 and the interest payment was completed.
2023 ultra-short-term notes (eleventh tranche)	The 2023 ultra-short-term notes (eleventh tranche) have matured and were redeemed on 7 July 2023 and the interest payment was completed.
2023 ultra-short-term notes (twelfth tranche)	The 2023 ultra-short-term notes (twelfth tranche) have matured and were redeemed on 7 July 2023 and the interest payment was completed.
2023 ultra-short-term notes (thirteenth tranche)	The 2023 ultra-short-term notes (thirteenth tranche) have matured and were redeemed on 14 July 2023 and the interest payment was completed.
2023 ultra-short-term notes (fourteenth tranche)	The 2023 ultra-short-term notes (fourteenth tranche) have matured and were redeemed on 14 July 2023 and the interest payment was completed.
2023 ultra-short-term notes (fifteenth tranche)	The 2023 ultra-short-term notes (fifteenth tranche) have matured and were redeemed on 11 August 2023 and the interest payment was completed.
2023 ultra-short-term notes (sixteenth tranche)	The 2023 ultra-short-term notes (sixteenth tranche) have matured and were redeemed on 25 August 2023 and the interest payment was completed.
2023 ultra-short-term notes (seventeenth tranche)	The 2023 ultra-short-term notes (seventeenth tranche) have matured and were redeemed on 20 October 2023 and the interest payment was completed.

## PARTICULARS OF CORPORATE BONDS

Name of bond	Explanation of the payment of interests and repayment of principal
2023 ultra-short-term notes (eighteenth tranche)	The 2023 ultra-short-term notes (eighteenth tranche) have matured and were redeemed on 20 October 2023 and the interest payment was completed.
2023 ultra-short-term notes (nineteenth tranche)	The 2023 ultra-short-term notes (nineteenth tranche) have matured and were redeemed on 20 October 2023 and the interest payment was completed.
2023 ultra-short-term notes (twentieth tranche)	The 2023 ultra-short-term notes (twentieth tranche) have matured and were redeemed on 17 November 2023 and the interest payment was completed.
2020 medium-term notes (first tranche)	The interest of the 2020 medium-term notes (first tranche) for the third year amounting to RMB79.6 million was paid on 21 August 2023.
2021 medium-term notes (first tranche)	The interest of the 2021 medium-term notes (first tranche) for the second year amounting to RMB34.5 million was paid on 17 June 2023.
2021 medium-term notes (second tranche)	The interest of the 2021 medium-term notes (second tranche) for the second year amounting to RMB16.5 million was paid on 27 October 2023.
2021 medium-term notes (third tranche)	The interest of the 2021 medium-term notes (third tranche) for the second year amounting to RMB15.65 million was paid on 24 November 2023.
2022 green medium-term notes (first tranche) (Tech note)	The interest of the 2022 medium-term notes (first tranche) (Tech note) for the first year amounting to RMB17.43 million was paid on 15 September 2023.
2022 medium-term notes (second tranche)	The interest of the 2022 medium-term notes (second tranche) for the first year amounting to RMB7.47 million was paid on 11 October 2023.
2022 medium-term notes (third tranche)	The interest of the 2022 medium-term notes (third tranche) for the first year amounting to RMB12.75 million was paid on 2 November 2023.

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

Applicable  N/A

# PARTICULARS OF CORPORATE BONDS

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

Name of intermediaries	Business address	Name of signing accountants	Contact person	Contact tel
Deloitte Touche Tohmatsu Certified Public Accountants LLP (the law firm for all ultra-short, medium-term notes)	30/F, 222 East Yan'an Road, Shanghai	Yang Bei (楊蓓), Chen Shi (陳石)	Yang Bei (楊蓓), Chen Shi (陳石)	025-57908880-5289
Beijing Dentons Law Office LLP (Nanjing) (the law firm for all ultra-short, medium-term notes)	9-10/F, Block A, Lianchuang Technology Building, No. 18 Jihui Road, Gulou District, Nanjing		Zhu Bin (祝彬)	025-83755226
China Chengxin International Credit Rating Co., Ltd. (the credit rating agency for all ultra-short and medium-term notes)	Building 6, Galaxy SOHO, No. 2 Nanzhuguan hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing		Gu Hetian (顧合天), Wang Xuan (王瑋)	010-66428877
China Chengxin Green Financing Technology (Beijing) Co., Ltd. (the Assessment institution of 22 NingHuGao MTN001 (Tech notes))	Room 50532, 4/F, Building 1, 2 Nanzhuguan Hutong, Dongcheng District, Beijing		Ma Jun (馬郡)	18010038172
China Guangfa Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP015, 23 NingHuGao SCP023)	713 Dongfeng East Road, Yuexiu District, Guangdong Province		Han Jiabao (韓家寶), Liu Weijun (劉偉鈞)	020-38321295, 020-38321260
China Development Bank (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP003)	18 Fuxingmennei Avenue, Xicheng District, Beijing		Gao Zhan (高子涵), Liu Yiting (劉怡婷)	010-68306358, 025-89655617
Huaxia Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP005, 23 NingHuGao SCP018)	22 Jianguomen Nei Avenue, Dongcheng District, Beijing		Li Tiying (李提瑩), Shi Cong (石聰)	010-85237734, 010-85237774
Bank of Jiangsu Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP008)	26 Zhonghua Road, Qinhuai Central Road, Nanjing City, Jiangsu Province		Zhu Heng (朱恒), Hu Youyan (胡幽妍)	025-58588291
Bank of Communications Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP016, 21 NingHuGao MTN001, 21 NingHuGao MTN002, 21 NingHuGao MTN003)	188 Yincheng Central Road, Shanghai		Zhu Dong (朱棟), Xiao Yadan (肖雅丹)	021-38873267, 021-58781234-6763/6762/8230
Bank of Nanjing Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP010, 23 NingHuGao SCP017, the lead underwriter/bookrunner, duration management institution of 22 NingHuGao MTN002, the co-lead underwriter of 22 NingHuGao MTN001 (Tech note))	288 Zhongshan Road, Xuanwu District, Nanjing		Zhang Miaomiao (張淼淼), Zeng Yun (曾雲), Qian Li (錢力)	025-86775895, 025-83079090, 025-8307909
Bank of Ningbo Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP012)	19/F, 21st Century Tower, 210 Century Ave, Pudong New Area, Shanghai		Wang Xinyi (王欣怡), Lv Jinghui (呂警輝)	021-23262719, 025-83583875
Shanghai Pudong Development Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP022)	8/F, Pudong Development Bank Tower, No. 29 Baolianjing Road, Pudong New Area, Shanghai		Li Yansun (李彥蓀)	021-31884090
Industrial Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP014, the co-lead underwriter of 22 NingHuGao MTN003)	Industrial Bank Tower, 398 Jiangbinzhong Avenue, Taijiang District, Fuzhou City, Fujian Province		Wang Haiyan (王海燕), Lv Jiabin (呂家進)	010-59886666-103159, 025-83193666, 010-59886666-103159, 025-83193666
China Merchants Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP009, 23 NingHuGao SCP019, 23 NingHuGao SCP021, 20 NingHuGao MTN001)	22/F, China Merchants Bank Tower, No. 2016 Shennan Avenue, Futian District, Shenzhen, Guangdong		Zhou Yuquan (周鈺堃), Zhou Xingchen (周星辰), Chen Nina (陳妮娜)	0755-88026153, 025-84796501, 0755-88026246

## PARTICULARS OF CORPORATE BONDS

Name of intermediaries	Business address	Name of signing accountants		
		Contact person	Contact tel	
Industrial and Commercial Bank of China Limited (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP009, the lead underwriter/bookrunner, duration management institution of 22 NingHuGao MTN001 (Tech note), the co-lead underwriter of 22 NingHuGao MTN002)	55 Fuxingmennei Avenue, Xicheng District, Beijing	Ren Dong (任东), Zhou Qianhui (周千慧)	010-81011843, 010-66104147	
China Everbright Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP013)	China Everbright Center, 25 Taipingqiao Street, Xicheng District, Beijing	Hao Youran (郝悠然), Liu Jianwei (劉建衛)	010-63637785, 025-84776054	
China Construction Bank Corporation (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP001, 23 NingHuGao SCP020, 23 NingHuGao SCP024, 22 NingHuGao MTN003)	No. 25 Financial Street, Xicheng District, Beijing	Wang Wenjun (王文俊)	010-67594276	
China Minsheng Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP006)	2 Fuxingmennei Avenue, Xicheng District, Beijing	Shu Chang (舒暢)	010-66366525	
Agricultural Bank of China Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP004)	69 Jianguomen Nei Avenue, Dongcheng District, Beijing	Qiao Yu (喬夢)	010-85109041	
Bank of China Limited (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP002)	1 Fuxingmennei Avenue, Beijing	Xu Jiasheng (徐家盛), Xun Yamei (荀雅梅)	010-66595027, 010-66592749	
Postal Savings Bank of China Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP011, the co-lead underwriter of 21 NingHuGao MTN001, 21 NingHu Gao MTN002, 21 NingHu Gao MTN003)	3 Financial Street, Xicheng District, Beijing	Hou Huijuan (侯慧娟), Sun Ru (孫濡), Cao Gan (曹幹)	010-68857499, 010-68857445, 025-83677882	
China CITIC Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 23 NingHuGao SCP007)	Building 1, 10 Guanghua Road, Chaoyang District, Beijing	Cheng Mi (程謎)	010-66635909	

*The change of the above intermediaries.*

Applicable  N/A

## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

Unit: '000 Currency: RMB

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
2020 medium-term notes (first tranche)	20.00	20.00	-	-	-	Yes
2021 medium-term notes (first tranche)	10.00	10.00	-	-	-	Yes
2021 medium-term notes (second tranche)	5.00	5.00	-	-	-	Yes
2021 medium-term notes (third tranche)	5.00	5.00	-	-	-	Yes
2022 green medium-term notes (first tranche) (Tech note)	7.00	7.00	-	-	-	Yes
2022 medium-term notes (second tranche)	3.00	3.00	-	-	-	Yes
2022 medium-term notes (third tranche)	5.00	5.00	-	-	-	Yes
2023 ultra-short-term notes (first tranche)	6.00	6.00	-	-	-	Yes
2023 ultra-short-term notes (second tranche)	6.00	6.00	-	-	-	Yes
2023 ultra-short-term notes (third tranche)	5.00	5.00	-	-	-	Yes
2023 ultra-short-term notes (fourth tranche)	6.00	6.00	-	-	-	Yes
2023 ultra-short-term notes (fifth tranche)	4.00	4.00	-	-	-	Yes
2023 ultra-short-term notes (sixth tranche)	4.00	4.00	-	-	-	Yes
2023 ultra-short-term notes (seventh tranche)	4.00	4.00	-	-	-	Yes
2023 ultra-short-term notes (eighth tranche)	3.70	3.70	-	-	-	Yes
2023 ultra-short-term notes (ninth tranche)	10.50	10.50	-	-	-	Yes
2023 ultra-short-term notes (tenth tranche)	5.00	5.00	-	-	-	Yes
2023 ultra-short-term notes (eleventh tranche)	4.00	4.00	-	-	-	Yes
2023 ultra-short-term notes (twelfth tranche)	4.00	4.00	-	-	-	Yes
2023 ultra-short-term notes (thirteenth tranche)	10.00	10.00	-	-	-	Yes
2023 ultra-short-term notes (fourteenth tranche)	4.00	4.00	-	-	-	Yes
2023 ultra-short-term notes (fifteenth tranche)	3.50	3.50	-	-	-	Yes
2023 ultra-short-term notes (sixteenth tranche)	3.00	3.00	-	-	-	Yes
2023 ultra-short-term notes (seventeenth tranche)	6.10	6.10	-	-	-	Yes
2023 ultra-short-term notes (eighteenth tranche)	6.20	6.20	-	-	-	Yes
2023 ultra-short-term notes (nineteenth tranche)	3.10	3.10	-	-	-	Yes
2023 ultra-short-term notes (twentieth tranche)	3.50	3.50	-	-	-	Yes
2023 ultra-short-term notes (twenty-first tranche)	5.40	5.40	-	-	-	Yes
2023 ultra-short-term notes (twenty-second tranche)	5.00	5.00	-	-	-	Yes
2023 ultra-short-term notes (twenty-third tranche)	5.00	5.00	-	-	-	Yes
2023 ultra-short-term notes (twenty-fourth tranche)	3.50	3.50	-	-	-	Yes



## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

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

Applicable  N/A

Other explanations

Applicable  N/A

5. Adjustment of credit rating results

Applicable  N/A

Other explanations

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

## PARTICULARS OF CORPORATE BONDS

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

Applicable  N/A

Unit: Yuan Currency: RMB

Principal indicators	2023	2022	Increase/decrease of the period as compared to the same period of the previous year (%)	Reasons for changes
Net profit attributable to shareholders of the listed company, net of nonrecurring profit and loss	4,174,743,637.63	3,423,828,879.88	21.93	During the Reporting Period, affected by the increase in road network traffic operated by the Group and the gross operating profit of the Company's toll business and ancillary business in service areas increased year on year, resulting in a year-on-year increase in the Group's total profit.
Current ratio	0.9149	0.6879	33.00	Mainly due to the increase in the balance of short-term wealth management products and currency funds held by the Group at the end of the Reporting Period as compared to the beginning of the Reporting Period, while the current liabilities resulting in an increase in the current ratio as compared to the beginning of the Reporting Period due to a decrease in accounts payable and other current liabilities as compared to the beginning of the Reporting Period.
Quick ratio	0.6541	0.4103	59.42	Mainly due to the decrease in the proportion of the Group's inventory and other current assets at the end of the Reporting Period as compared to the beginning of the Reporting Period, and the decrease in the current liabilities as compared to the beginning of the Reporting Period, resulting in the increase in quick ratio.
Gearing ratio (%)	48.02	51.63	Decreased by 3.61 percentage points	Mainly due to the decrease in the Group's interest-bearing debt balance, etc. at the end of the Reporting Period as compared to the beginning of the Reporting Period, and the increase in the total assets, resulting in the decrease in asset-liability ratio.
Total debt to EBITDA ratio	0.2457	0.1908	28.77	Mainly due to the decrease in the Group's total liabilities at the end of the Reporting Period as compared to the beginning of the Reporting Period and the year-on-year increase in total profit.
Interest coverage ratio	5.9652	5.100	16.96	Mainly due to a year-on-year increase in the Group's total profit during the Reporting Period.
Cash interest coverage ratio	6.49	4.49	44.54	Affected by the increase in road network traffic operated by the Group, resulting in the Group's net cash flow from operating activities increased year on year
EBITDA interest coverage ratio	8.1429	6.9389	17.35	Mainly due to a year-on-year increase in the Group's total profit during the Reporting Period.
Loan repayment rate (%)	100.00	100.00	-	
Interest coverage rate (%)	100.00	100.00	-	

### II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

Applicable  N/A

# AUDITOR'S REPORT

畢馬威華振審字第 2403447 號

## THE SHAREHOLDERS OF JIANGSU EXPRESSWAY COMPANY LIMITED:

### 1. OPINION

We have audited the accompanying financial statements of Jiangsu Expressway Company Limited ("Jiangsu Expressway"), which comprise the consolidated and company balance sheets as at 31 December 2023, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Jiangsu Expressway as at 31 December 2023, and the consolidated and company's financial performance and cash flows of Jiangsu Expressway for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### 2. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Jiangsu Expressway in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. KEY AUDIT MATTERS

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

Amortization of toll roads operation rights	
Refer to Note III.17 of Significant accounting policy and accounting estimates and Note V.18 of Notes to the consolidated financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2023, the net value of toll roads operation rights of Jiangsu Expressway and its subsidiaries ("Jiangsu Expressway Group") was RMB31,687,227,126.39. The amortization amount of toll roads operation rights in 2023 was RMB1,774,393,299.23. The toll roads operation rights of Jiangsu Expressway Group was amortized according to the traffic volume methods, and the monthly amortisation amount is calculated by the ratio of the actual traffic volume of the month to the sum of the actual traffic volume of the month and the estimated future traffic volume. The estimated future traffic volume refers to the prediction of the total traffic volume of Jiangsu Expressway Group in the remaining operation period in the future.</p> <p>We identified the amortization of toll roads operation rights as a key audit matter because the amortization amount of toll roads operation rights has a significant impact on the current year net profit, and the prediction of the estimated future traffic volume involves the judgment of the management and may be affected by the bias of the management.</p>	<p>Our audit procedures to evaluate the amortization of toll roads operation rights included the following:</p> <ul style="list-style-type: none"><li>Understand the design and operation of the key internal controls related to the amortization of toll road operation rights, and evaluate the effectiveness of relevant internal controls;</li><li>Ask the management to understand the methods and bases they used to predict the estimated future traffic volume, and evaluate the appropriateness;</li><li>Obtain the traffic volume prediction report issued by the third-party organization hired by Jiangsu Expressway Group, and understand its traffic volume prediction methods and key assumptions; Evaluate the competence, professional capability and objectivity of the third-party organization;</li></ul>

# AUDITOR'S REPORT

## 3. KEY AUDIT MATTERS (CONTINUED)

Amortization of toll roads operation rights (Continued)	
Refer to Note III.17 of Significant accounting policy and accounting estimates and Note V.18 of Notes to the consolidated financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"><li>• Check whether the actual traffic volume data received by Jiangsu Expressway Group from the external service entity is consistent with the actual traffic volume applied in the calculation of the amortization of toll road operation rights, and verify such data through confirmation with external service entities;</li><li>• Understand and evaluate the automatic application control and general information technology control related to the accuracy of actual traffic volume data by using the work of internal information technology experts.</li><li>• Compare the estimated traffic volume in previous years with the actual traffic volume in the corresponding period to evaluate whether there is any sign of management bias.</li><li>• Check the accuracy of the amortization amount of toll roads operation rights calculated according to the traffic volume method.</li></ul>

## 4. OTHER INFORMATION

Jiangsu Expressway's management is responsible for the other information. The other information comprises all the information included in 2023 annual report of Jiangsu Expressway, other than the financial statements and our auditor's report thereon.

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

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

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

## 5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Jiangsu Expressway's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Jiangsu Expressway or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Jiangsu Expressway's financial reporting process.

## 6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Jiangsu Expressway's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Jiangsu Expressway to cease to continue as a going concern.

# AUDITOR'S REPORT

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

- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Jiangsu Expressway to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

KPMG Huazhen LLP

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

Beijing, China

Zhou Xuchun (Engagement Partner)

Cao Yang

28 March 2024

# CONSOLIDATED BALANCE SHEET

as at 31 December 2023

(Expressed in Renminbi Yuan)

	Note	2023	2022	Note	2023	2022	
<b>Assets</b>				<b>Liabilities and shareholders' equity</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash at bank and on hand	V.1	862,161,074.06	932,931,344.38	Short-term loans	V.23	1,003,987,152.92	2,434,124,067.61
Financial assets held for trading	V.2	3,663,586,404.72	3,474,620,148.26	Bills payable	V.24	252,900,000.00	366,000,000.00
Bills receivable	V.3	8,663,103.00	950,000.00	Accounts payable	V.25	2,694,620,290.31	2,813,441,518.75
Accounts receivable	V.4	1,650,030,300.22	1,127,669,970.08	Advance payments received	V.26	21,398,050.68	15,148,842.33
Prepayments	V.5	6,112,638.02	7,737,346.20	Contract liabilities	V.27	39,662,422.59	162,928,919.15
Other receivables	V.6	61,589,717.54	62,758,902.02	Employee benefits payable	V.28	7,906,215.55	7,114,523.65
Inventories	V.7	2,238,246,666.22	2,585,018,115.85	Taxes payable	V.29	228,631,043.01	383,023,669.03
Non-current assets due within one year	V.8	119,723,641.87	62,000,000.00	Other payables	V.30	341,841,510.15	288,042,394.72
Other current assets	V.9	126,659,049.37	1,132,118,913.26	Non-current liabilities due within one year	V.31	3,031,210,204.68	1,815,208,560.25
<b>Total current assets</b>		<b>8,736,772,595.02</b>	<b>9,385,804,740.05</b>	Other current liabilities	V.32	1,927,281,542.83	5,359,728,092.37
<b>Non-current assets</b>				<b>Total current liabilities</b>		<b>9,549,438,432.72</b>	<b>13,644,760,587.86</b>
Long-term receivables	V.10	59,436,854.80	111,904,575.09	<b>Non-current liabilities</b>			
Long-term equity investments	V.11	11,882,583,176.73	11,089,989,971.83	Long-term loans	V.33	19,449,100,982.09	16,053,597,366.94
Investments in other equity instruments	V.12	6,822,989,652.00	6,989,448,132.00	Debentures payable	V.34	7,984,206,539.05	9,972,337,481.34
Other non-current financial assets	V.13	2,912,377,965.03	2,877,355,787.11	Lease liabilities	V.35	18,507,760.81	20,300,291.44
Investment properties	V.14	288,986,713.80	308,801,243.53	Long-term payables	V.36	69,733,023.45	71,404,993.74
Fixed assets	V.15	7,595,044,911.05	8,045,978,815.98	Deferred income	V.37	61,767,427.74	73,860,914.18
Construction in progress	V.16	87,693,849.80	188,697,382.38	Deferred tax liabilities	V.20	640,181,902.82	671,751,540.62
Right-of-use assets	V.17	26,887,608.43	29,471,084.75	<b>Total non-current liabilities</b>		<b>28,223,497,635.96</b>	<b>26,863,252,588.26</b>
Intangible assets	V.18	39,861,699,681.34	39,160,901,716.97	<b>Total liabilities</b>		<b>37,772,936,068.68</b>	<b>40,508,013,176.12</b>
Long-term deferred expenses	V.19	16,204,355.14	18,310,574.19	<b>Shareholders' equity</b>			
Deferred tax assets	V.20	186,751,635.49	183,314,189.73	Share capital	V.38	5,037,747,500.00	5,037,747,500.00
Other non-current assets	V.21	184,014,945.73	68,366,860.46	Capital reserve	V.39	9,801,241,684.91	9,776,409,372.86
<b>Total non-current assets</b>		<b>69,924,671,349.34</b>	<b>69,072,540,334.02</b>	Other comprehensive income	V.40	1,677,108,920.24	1,752,882,112.53
<b>Total assets</b>		<b>78,661,443,944.36</b>	<b>78,458,345,074.07</b>	General risk reserve	V.41	-	9,737,731.83
				Specific reserve	V.42	2,090,207.92	577,468.02
				Surplus reserve	V.43	4,183,280,243.52	4,019,593,072.94
				Retained earnings	V.44	13,285,818,750.47	11,343,860,451.93
				<b>Total equity attributable to shareholders of the Company</b>		<b>33,987,287,307.06</b>	<b>31,940,807,710.11</b>
				Non-controlling interests		6,901,220,568.62	6,009,524,187.84
				<b>Total shareholders' equity</b>		<b>40,888,507,875.68</b>	<b>37,950,331,897.95</b>
				<b>Total liabilities and shareholders' equity</b>		<b>78,661,443,944.36</b>	<b>78,458,345,074.07</b>

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge  
of accounting affairs

Yao Qunfang  
The head of the accounting  
department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# COMPANY BALANCE SHEET

as at 31 December 2023

(Expressed in Renminbi Yuan)

	Note	2023	2022		Note	2023	2022
<b>Assets</b>				<b>Liabilities and shareholders' equity</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash at bank and on hand		192,627,809.69	457,256,666.75	Short-term loans	XVI.10	923,916,264.00	1,704,448,586.00
Financial assets held for trading	XVI.1	2,130,000,000.00	2,450,006,985.16	Accounts payable	XVI.11	817,528,290.64	582,679,623.53
Accounts receivable	XVI.2	434,330,569.71	410,626,643.63	Advance payments received		7,191,441.70	4,488,651.19
Prepayments		974,225.73	1,130,751.22	Employee benefits payable		1,928,094.04	1,927,435.78
Other receivables	XVI.3	15,166,908.36	10,682,984.50	Taxes payable		56,972,631.71	36,143,213.39
Inventories		18,087,503.75	17,655,990.24	Other payables		253,782,583.49	243,353,866.72
Other current assets	XVI.4	3,539,645,610.19	2,838,602,047.81	Non-current liabilities due within one year	XVI.12	2,239,987,704.33	142,426,258.82
<b>Total current assets</b>		<b>6,330,832,627.43</b>	<b>6,185,962,069.31</b>	Other current liabilities	XVI.13	1,898,631,291.00	5,334,649,066.00
<b>Non-current assets</b>				<b>Total current liabilities</b>		<b>6,199,938,300.91</b>	<b>8,050,116,701.43</b>
Long-term equity investments	XVI.5	21,545,732,199.46	20,149,153,401.76	<b>Non-current liabilities</b>			
Investments in other equity instruments	XVI.6	4,824,057,312.00	5,256,708,192.00	Long-term loans	XVI.14	4,226,689,268.61	1,996,497,782.70
Fixed assets	XVI.7	1,110,844,419.15	1,230,056,879.64	Debentures payable	XVI.15	7,985,534,841.45	9,974,656,778.90
Construction in progress		60,623,989.64	93,394,861.08	Deferred income		53,755,377.74	63,845,851.68
Intangible assets	XVI.8	10,601,379,805.34	11,655,199,035.84	Deferred tax liabilities		138,085,587.26	254,570,034.04
Long-term deferred expenses		1,317,531.66	1,315,525.44	<b>Total non-current liabilities</b>		<b>12,404,065,075.06</b>	<b>12,289,570,447.32</b>
Other non-current assets	XVI.9	1,452,755,638.22	2,062,755,638.21	<b>Total liabilities</b>		<b>18,604,003,375.97</b>	<b>20,339,687,148.75</b>
<b>Total non-current assets</b>		<b>39,596,710,895.47</b>	<b>40,448,583,533.97</b>	<b>Shareholders' equity</b>			
<b>Total assets</b>		<b>45,927,543,522.90</b>	<b>46,634,545,603.28</b>	Share capital		5,037,747,500.00	5,037,747,500.00
				Capital reserve		9,969,275,937.78	9,945,032,992.78
				Other comprehensive income		815,290,319.15	1,056,590,611.44
				Surplus reserve		2,518,873,750.00	2,518,873,750.00
				Retained earnings		8,982,352,640.00	7,736,613,600.31
				<b>Total shareholders' equity</b>		<b>27,323,540,146.93</b>	<b>26,294,858,454.53</b>
				<b>Total liabilities and shareholders' equity</b>		<b>45,927,543,522.90</b>	<b>46,634,545,603.28</b>

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge of  
accounting affairs

Yao Qunfang  
The head of the  
accounting department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements



# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	Note	2023	2022
<b>I. Operating income</b>	V.45	<b>15,192,010,226.04</b>	13,255,603,107.72
Less: Operating costs	V.45	<b>9,580,684,804.43</b>	8,841,449,322.89
Taxes and surcharges	V.46	<b>53,378,012.08</b>	168,927,615.17
Selling and distribution expenses	V.47	<b>10,026,993.87</b>	14,501,739.24
General and administrative expenses	V.48	<b>283,506,233.50</b>	293,508,570.18
Financial expenses	V.49	<b>1,126,370,193.34</b>	1,094,226,669.03
Including: Interest expenses		<b>1,076,088,753.42</b>	1,098,642,030.08
Interest income		<b>28,986,561.47</b>	23,262,551.07
Add: Other income	V.50	<b>30,838,145.86</b>	31,982,996.77
Investment income	V.51	<b>1,464,582,102.32</b>	1,867,961,513.05
Including: Income from investment in associates and joint ventures		<b>846,679,037.20</b>	1,086,915,705.37
Gains/(losses) from changes in fair value	V.52	<b>85,937,472.55</b>	(142,950,442.33)
Credit losses	V.53	<b>(20,431,539.23)</b>	(5,354,679.05)
Impairment losses	V.54	<b>(14,594,829.24)</b>	–
Gains from asset disposals	V.55	<b>13,404,236.61</b>	25,731,786.68
<b>II. Operating profit</b>		<b>5,697,779,577.69</b>	4,620,360,366.33
Add: Non-operating income	V.56	<b>13,957,656.30</b>	10,630,200.48
Less: Non-operating expenses	V.56	<b>39,462,620.21</b>	49,967,992.41
<b>III. Profit before income tax</b>		<b>5,672,274,613.78</b>	4,581,022,574.40
Less: Income tax expenses	V.57	<b>1,062,649,445.98</b>	833,033,706.01
<b>IV. Net profit for the year</b>		<b>4,609,625,167.80</b>	3,747,988,868.39
(1) Net profit classified by continuity of operations:			
1. Net profit from continuing operations		<b>4,609,625,167.80</b>	3,747,988,868.39
2. Net profit from discontinued operations		–	–
(2) Net profit classified by ownership:			
1. Shareholders of the Company		<b>4,413,271,587.29</b>	3,724,115,165.87
2. Non-controlling interests		<b>196,353,580.51</b>	23,873,702.52
<b>V. Other comprehensive income, net of tax</b>	V.40	<b>(41,655,992.29)</b>	847,357,806.80
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company		<b>(75,773,192.29)</b>	837,091,056.80
1. Items that will not be reclassified to profit or loss		<b>(76,178,930.56)</b>	837,189,417.43
a. Other comprehensive income recognised under equity method		<b>82,782,129.44</b>	(3,743,295.51)
b. Changes in fair value of investments in other equity instruments		<b>(158,961,060.00)</b>	840,932,712.94
2. Items that may be reclassified to profit or loss		<b>405,738.27</b>	(98,360.63)
(2) Other comprehensive income (net of tax) attributable to non-controlling interests		<b>34,117,200.00</b>	10,266,750.00
<b>VI. Total comprehensive income for the year</b>		<b>4,567,969,175.51</b>	4,595,346,675.19
(1) Attributable to shareholders of the Company		<b>4,337,498,395.00</b>	4,561,206,222.67
(2) Attributable to non-controlling interests		<b>230,470,780.51</b>	34,140,452.52
<b>VII. Earnings per share:</b>			
(1) Basic earnings per share	V.58	<b>0.8760</b>	0.7392
(2) Diluted earnings per share	V.58	<b>0.8760</b>	0.7392

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang

Legal Representative

Chen Jinjia

The person in-charge  
of accounting affairs

Yao Qunfang

The head of the  
accounting department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# COMPANY INCOME STATEMENT

for the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	Note	2023	2022
<b>I. Operation income</b>	XVI.16	<b>8,561,213,269.59</b>	6,696,414,212.37
Less: Operating costs	XVI.16	<b>4,787,418,156.93</b>	3,520,647,201.03
Taxes and surcharges		<b>30,638,979.64</b>	25,061,375.00
General and administrative expenses		<b>216,956,900.12</b>	200,590,925.38
Financial expenses	XVI.17	<b>538,615,741.35</b>	414,460,754.98
Including: Interest expenses		<b>479,697,955.14</b>	423,982,102.30
Interest income		<b>14,382,491.17</b>	16,956,547.66
Add: Other income		<b>21,234,047.28</b>	24,523,253.82
Investment income	XVI.18	<b>1,369,388,488.22</b>	1,230,101,841.61
Including: Income from investments in associates and joint ventures		<b>719,919,007.59</b>	564,663,110.58
Provision for credit losses		<b>(1,880,278.30)</b>	(467,344.78)
Gains from asset disposals		<b>8,600,000.00</b>	1,134,700.00
<b>II. Operating profit</b>		<b>4,384,925,748.75</b>	3,790,946,406.63
Add: Non-operating income		<b>6,405,673.66</b>	6,588,680.83
Less: Non-operating expenses		<b>27,518,173.27</b>	43,726,096.02
<b>III. Profit before income tax</b>		<b>4,363,813,249.14</b>	3,753,808,991.44
Less: Income tax expenses	XVI.19	<b>800,710,359.45</b>	733,228,160.26
<b>IV. Net profit for the year</b>		<b>3,563,102,889.69</b>	3,020,580,831.18
(1) Net profit from continuing operations		<b>3,563,102,889.69</b>	3,020,580,831.18
(2) Net profit from discontinued operations		-	-
<b>V. Other comprehensive income, net of tax</b>		<b>(241,300,292.29)</b>	735,337,864.11
(1) Items that will not be reclassified to profit or loss		<b>(241,706,030.56)</b>	735,436,224.74
1. Other comprehensive income recognised under equity method		<b>82,782,129.44</b>	(3,743,295.51)
2. Changes in fair value of investments in other equity instruments		<b>(324,488,160.00)</b>	739,179,520.25
(2) Items that may be reclassified to profit or loss		<b>405,738.27</b>	(98,360.63)
<b>VI. Total comprehensive income for the year</b>		<b>3,321,802,597.40</b>	3,755,918,695.29

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge  
of accounting affairs

Yao Qunfang  
The head of the  
accounting department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	附註	2023 年	2022 年
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		12,805,897,762.31	9,657,865,802.24
Refund of taxes		77,010,954.48	1,127,937,142.47
Proceeds from other operating activities	V.60(1)	488,056,459.35	1,175,062,817.41
Sub-total of cash inflows		13,370,965,176.14	11,960,865,762.12
Payment for goods and services		2,729,562,155.51	2,273,624,208.27
Payment to and for employees		1,367,014,065.62	1,284,237,259.94
Payment of various taxes		1,498,140,003.06	1,396,026,964.96
Payment for other operating activities	V.60(2)	383,824,870.20	1,479,056,282.51
Sub-total of cash outflows		5,978,541,094.39	6,432,944,715.68
Net cash inflow from operating activities	V.61(1)	7,392,424,081.75	5,527,921,046.44
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		17,234,043,833.50	16,242,271,244.68
Investment returns received		765,238,729.78	916,007,126.42
Net proceeds from disposal of fixed assets		14,034,635.02	51,755,200.88
Net proceeds from disposal of subsidiaries	V.61(2)	284,595,804.89	-
Sub-total of cash inflows		18,297,913,003.19	17,210,033,571.98
Payment for acquisition of fixed assets, intangible assets and other long-term assets		3,804,376,752.41	4,039,105,625.86
Payment for acquisition of investments		17,372,094,795.33	17,140,572,709.15
Net payment for acquisition of subsidiaries		-	2,457,000,000.00
Sub-total of cash outflows		21,176,471,547.74	23,636,678,335.01
Net cash outflow from investing activities		(2,878,558,544.55)	(6,426,644,763.03)
<b>III. Cash flows from financing activities:</b>			
Proceeds from investors		702,916,000.00	511,000,000.00
Including: Proceeds from non-controlling shareholders of subsidiaries		702,916,000.00	400,000,000.00
Proceeds from borrowings		7,871,138,911.24	7,026,403,472.09
Proceeds from issue of bonds		12,050,000,000.00	29,357,400,000.00
Sub-total of cash inflows		20,624,054,911.24	36,894,803,472.09
Repayments of borrowings		21,774,738,025.23	32,259,970,646.60
Payment for dividends, profit distributions or interest		3,448,583,744.41	3,422,409,878.25
Including: Profits paid to non-controlling shareholders of subsidiaries		41,965,315.66	19,885,678.86
Payment for other financing activities	V.60(3)	6,008,003.40	5,993,174.91
Sub-total of cash outflows		25,229,329,773.04	35,688,373,699.76
Net cash (outflow)/inflow from financing activities		(4,605,274,861.80)	1,206,429,772.33
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-	-
<b>V. Net (decrease)/increase in cash and cash equivalents</b>			
Add: Cash and cash equivalents at the beginning of the year	V.61(1)b	(91,409,324.60)	307,706,055.74
		925,012,854.49	617,306,798.75
<b>VI. Cash and cash equivalents at the end of the year</b>			
	V.61(3)	833,603,529.89	925,012,854.49

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge  
of accounting affairs

Yao Qunfang  
The head of the  
accounting department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	Note	2023	2022
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		8,721,945,580.28	6,898,107,313.27
Proceeds from other operating activities		169,859,684.46	137,354,618.91
Sub-total of cash inflows		8,891,805,264.74	7,035,461,932.18
Payment for goods and services		2,499,559,686.35	1,725,009,332.58
Payment to and for employees		1,047,961,783.83	991,938,293.89
Payment of various taxes		1,010,784,513.60	1,011,783,590.13
Payment for other operating activities		89,993,964.92	104,372,268.67
Sub-total of cash outflows		4,648,299,948.70	3,833,103,485.27
Net cash inflow from operating activities		4,243,505,316.04	3,202,358,446.91
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		11,127,660,313.49	13,384,812,151.70
Investment returns received		740,145,067.63	703,641,086.37
Net proceeds from disposal of fixed assets		10,286,065.42	11,710,589.10
Proceeds from other investing activities		8,335,986,467.63	7,203,610,022.71
Sub-total of cash inflows		20,214,077,914.17	21,303,773,849.88
Payment for acquisition of fixed assets, intangible assets and other long-term assets		64,526,022.23	150,500,419.84
Payment for acquisition of investments		10,755,007,892.73	13,359,655,172.95
Net payment for acquisition of subsidiaries and other business units		712,550,000.00	3,514,170,000.00
Payment for other investing activities		8,446,935,275.34	8,789,634,022.68
Sub-total of cash outflows		19,979,019,190.30	25,813,959,615.47
Net cash inflow / (outflow) from investing activities		235,058,723.87	(4,510,185,765.59)
<b>III. Cash flows from financing activities:</b>			
Proceeds from borrowings		5,358,866,720.94	3,699,540,071.22
Proceeds from issuance of debentures		12,050,000,000.00	29,357,400,000.00
Sub-total of cash inflows		17,408,866,720.94	33,056,940,071.22
Repayments of borrowings		19,363,804,855.90	28,884,530,599.08
Payment for dividends, profit distributions or interest		2,787,020,329.13	2,723,026,269.00
Payment for other financing activities		1,234,432.88	4,270,444.22
Sub-total of cash outflows		22,152,059,617.91	31,611,827,312.30
Net cash (outflow) / inflow from financing activities		(4,743,192,896.97)	1,445,112,758.92
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-	-
<b>V. Net (decrease) / increase in cash and cash equivalents</b>			
		(264,628,857.06)	137,285,440.24
Add: Cash and cash equivalents at the beginning of the year		457,256,666.75	319,971,226.51
<b>VI. Cash and cash equivalents at the end of the year</b>			
		192,627,809.69	457,256,666.75

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang

Legal Representative

Chen Jinjia

The person in-charge  
of accounting affairs

Yao Qunfang

The head of the  
accounting department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	2023									
	Attributable to shareholders of the Company									
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Special reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at the beginning of the year	5,037,747,500.00	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
II. Changes in equity during the year ("+" for increases)	-	24,832,312.05	(75,773,192.29)	163,687,170.58	(9,737,731.83)	1,512,739.90	1,941,958,298.54	2,046,479,596.95	891,696,380.78	2,938,175,977.73
1. Total comprehensive income	-	-	(75,773,192.29)	-	-	-	4,413,271,587.29	4,337,498,395.00	230,470,780.51	4,567,969,175.51
2. Shareholders' contributions of capital	-	-	-	(2,804,119.00)	(8,408,946.17)	-	11,213,065.17	-	702,916,000.00	702,916,000.00
(1) Contribution by ordinary shareholders	-	-	-	-	-	-	-	-	702,916,000.00	702,916,000.00
(2) Disposal of subsidiaries	-	-	-	(2,804,119.00)	(8,408,946.17)	-	11,213,065.17	-	-	-
3. Appropriation of profits	-	24,832,312.05	-	166,491,289.58	(1,328,785.66)	-	(2,482,526,353.92)	(2,292,531,537.95)	(41,965,315.66)	(2,334,496,853.61)
(1) Appropriation for surplus reserve	-	-	-	166,491,289.58	-	-	(166,491,289.58)	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(41,965,315.66)	(2,359,329,165.66)
(3) Appropriation for general risk reserve	-	-	-	-	(1,328,785.66)	-	1,328,785.66	-	-	-
(4) Others	-	24,832,312.05	-	-	-	-	-	24,832,312.05	-	24,832,312.05
4. Special reserve	-	-	-	-	-	1,512,739.90	-	1,512,739.90	274,915.93	1,787,655.83
(1) Appropriation during the year	-	-	-	-	-	6,806,240.52	-	6,806,240.52	2,112,448.03	8,918,688.55
(2) Utilisation during the year	-	-	-	-	-	(5,293,500.62)	-	(5,293,500.62)	(1,837,532.10)	(7,131,032.72)
III. Balance at the end of the year	5,037,747,500.00	9,801,241,684.91	1,677,108,920.24	4,183,280,243.52	-	2,090,207.92	13,285,818,750.47	33,987,287,307.06	6,901,220,568.62	40,888,507,875.68

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge of  
accounting affairs

Yao Qunfang  
The head of the accounting  
department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	2022									
	Attributable to shareholders of the Company									
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Special reserve	Retained earnings	Sub-total	Non-controlling interests	Total
<b>I. Balance at the beginning of the year</b>	5,037,747,500.00	12,122,409,372.86	931,335,600.50	3,834,110,631.26	6,505,092.88	-	10,110,279,671.92	32,042,387,869.42	5,595,196,297.05	37,637,584,166.47
<b>II. Changes in equity during the year ("+" for increases)</b>	-	(2,346,000,000.00)	821,546,512.03	185,482,441.68	3,232,638.95	577,468.02	1,233,580,780.01	(101,580,169.31)	414,327,890.79	312,747,731.48
1. Total comprehensive income	-	-	837,091,056.80	-	-	-	3,724,115,165.87	4,561,206,222.67	34,140,452.52	4,595,346,675.19
2. Shareholders' contributions and decrease of capital	-	111,000,000.00	-	-	-	-	-	111,000,000.00	400,000,000.00	511,000,000.00
(1) Contribution by ordinary shareholders	-	111,000,000.00	-	-	-	-	-	111,000,000.00	400,000,000.00	511,000,000.00
3. Appropriation of profits	-	-	-	185,482,441.68	3,232,638.95	-	(2,505,078,930.63)	(2,317,363,850.00)	(19,886,678.86)	(2,337,249,528.86)
(1) Appropriation for surplus reserve	-	-	-	185,482,441.68	-	-	(185,482,441.68)	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(19,886,678.86)	(2,337,249,528.86)
(3) Appropriation for general risk reserve	-	-	-	-	3,232,638.95	-	(3,232,638.95)	-	-	-
4. Transfers within equity	-	-	(15,544,544.77)	-	-	-	15,544,544.77	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	(15,544,544.77)	-	-	-	15,544,544.77	-	-	-
5. Considerations paid for the business combination involving entities under common control	-	(2,457,000,000.00)	-	-	-	-	-	(2,457,000,000.00)	-	(2,457,000,000.00)
6. Special reserve	-	-	-	-	-	577,468.02	-	577,468.02	73,117.13	650,585.15
(1) Appropriation during the year	-	-	-	-	-	2,781,972.78	-	2,781,972.78	73,117.13	2,855,089.91
(2) Utilisation during the year	-	-	-	-	-	(2,204,504.76)	-	(2,204,504.76)	-	(2,204,504.76)
<b>III. Balance at the end of the year</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

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge  
of accounting affairs

Yao Qunfang  
The head of the accounting  
department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2023

(Expressed in Renminbi Yuan)

	2023						2022					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
<b>I. Balance at the beginning of the year</b>	5,037,747,500.00	9,945,032,992.78	1,056,590,611.44	2,518,873,750.00	7,736,613,600.31	26,294,858,454.53	5,037,747,500.00	10,372,950,811.58	336,797,292.10	2,518,873,750.00	7,017,852,074.36	25,284,221,428.04
<b>II. Changes in equity during the year ("+" for increases)</b>	-	24,242,945.00	(241,300,292.29)	-	1,245,739,039.69	1,028,681,692.40	-	(427,917,818.80)	719,793,319.34	-	718,761,525.95	1,010,637,026.49
1. Total comprehensive income	-	-	(241,300,292.29)	-	3,563,102,889.69	3,321,802,597.40	-	-	735,337,864.11	-	3,020,580,831.18	3,755,918,695.29
2. Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	(427,917,818.80)	-	-	-	(427,917,818.80)
(1) Adjustments on business combinations involving enterprises under common control	-	-	-	-	-	-	-	(427,917,818.80)	-	-	-	(427,917,818.80)
3. Appropriation of profits	-	24,242,945.00	-	-	(2,317,363,850.00)	(2,293,120,905.00)	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
(1) Distributions to shareholders	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
(2) Others	-	24,242,945.00	-	-	-	24,242,945.00	-	-	-	-	-	-
4. Transfers within equity	-	-	-	-	-	-	-	-	(15,544,544.77)	-	15,544,544.77	-
(1) Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	(15,544,544.77)	-	15,544,544.77	-
<b>III. Balance at the end of the year</b>	5,037,747,500.00	9,969,275,937.78	815,290,319.15	2,518,873,750.00	8,982,352,640.00	27,323,540,146.93	5,037,747,500.00	9,945,032,992.78	1,056,590,611.44	2,518,873,750.00	7,736,613,600.31	26,294,858,454.53

These financial statements were approved by the Board of Directors of the Company on 28 March 2024.

Chen Yunjiang  
Legal Representative

Chen Jinjia  
The person in-charge  
of accounting affairs

Yao Qunfang  
The head of the accounting  
department

(Company stamp)

The notes on pages 222 to 352 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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, and the provision of passenger transport services and other supporting services along the toll road. Please refer to Note VII for details of the subsidiaries of the Company.

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

## II. BASIS OF PREPARATION

As at 31 December 2023, the Group had total current liabilities in excess of total current assets of RMB812,665,837.70. As at 31 December 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. The Company’s management believes the facilities above are to provide all necessary financial support to the Group in the foreseeable future so as to maintain the Group’s ability to continue as a going concern, therefore, the financial statements have been prepared on the going concern basis.

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group is principally engaged in toll road operation. The Group determines the specific accounting policies on the amortization of toll road operation rights according to the toll road industry characteristics. Refer to Note III 17 for details.

### 1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2023, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (“CSRC”) in 2023. In addition, the financial statements were also subject to relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange.

### 2. Accounting period

The accounting period is from 1 January to 31 December.

### 3. Operating cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. Except for the real estate industry, the Group’s business cycle is short, and the determining criterion of asset-liability liquidity is 12 months. The real estate industry business cycle is from real estate development to sales realization, generally in more than 12 months, the specific period is determined according to the development conditions of the project, and its criterion of asset-liability liquidity is based on the business cycle.

### 4. Functional currency

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 year ended 31 December 2023

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

### 5. Method used to determine the materiality threshold and the basis for selection

Item	Materiality threshold
Significant construction projects in progress	Budget of the project is greater than 5% of profit before income tax
Significant joint ventures or associates	The carrying amount of the long-term equity investment is greater than 2% of the total assets of the Group or the investment profit or loss under the equity method is greater than 5% of profit before income tax
Significant Significant non-wholly-owned subsidiaries	Amount of net assets of the non-wholly-owned subsidiary is greater than 5% of profit before income tax

### 6. 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 acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met and the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable assets and liabilities at their acquisition-date fair values. It is not required to apply the accounting of business combination described as below.

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

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

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

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. 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 asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 6. 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 (Continued)

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.12(2) (b)); Any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings at the date of acquisition.

### 7. Criteria of control and preparation of consolidated financial statements

#### (1) General principles

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

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

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

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

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

Where a subsidiary was acquired during the reporting period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period, through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 7. Criteria of control and preparation of consolidated financial statements (Continued)

#### (3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period.

When the Group loses control of a subsidiary in multiple transactions in which it disposes of its long-term equity investment in the subsidiary in stages, the following are considered to determine whether the Group should account for the multiple transactions as a bundled transaction:

- arrangements are entered into at the same time or in contemplation of each other;
- arrangements work together to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at least one other arrangement;
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note III.7(4)).

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

#### (4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

### 8. Cash and cash equivalents

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 9. Foreign currency transactions and translation of foreign currency financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, except that differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period (see Note III.16). 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.

### 10. Financial instruments

Financial instruments include cash at bank and on hand, investments in equity securities other than those classified as long-term equity investments (see Note III.12), 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 at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with Note III.21.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

#### (2) Classification and subsequent measurement of financial assets

##### (a) *Classification of financial assets*

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

#### (2) Classification and subsequent measurement of financial assets (Continued)

##### (a) *Classification of financial assets (Continued)*

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

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

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

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

##### (b) *Subsequent measurement of financial assets*

###### – Financial assets at FVTPL

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

###### – Financial assets at amortised cost

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

###### – Equity investments at FVOCI

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

#### (3) Classification and subsequent measurement of financial liabilities

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

##### – Financial liabilities at FVTPL

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

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

##### – Financial guarantee liabilities

Financial guarantees are contracts that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss.

A financial guarantee liability is measured at the higher of the amount of the loss allowance determined in accordance with impairment policies of financial instruments and the amount initially recognised less the cumulative amount of income.

##### – Financial liabilities at amortised cost

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

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

#### (5) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

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

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

#### (6) Impairment

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

- financial assets measured at amortised cost;
- contract assets
- lease receivables.

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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

#### (6) Impairment (Continued)

##### *Measurement of ECLs*

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

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

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

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

Loss allowances for bills receivable, accounts receivable and contract assets arising from ordinary business activities such as sale of goods and provision of services, as well as lease receivables arising from lease transactions are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for bills receivables, trade receivables, contract assets and lease receivables, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

(6) Impairment (Continued)

*Provisions for bad and doubtful debts arising from receivables*

(a) Categories of groups for collective assessment based on credit risk characteristics and basis for determination

Bills receivable	Based on the different credit risk characteristics of acceptors, the Group classifies bills receivable into two groups: bank acceptance bills and commercial acceptance bills.
Accounts receivable	Historically, there are significant differences in terms of occurrence of losses among different customer types for the Group. Therefore, when calculating impairment provisions based on aging information, the Group distinguishes different customer groups by product type to evaluate the expected credit losses of accounts receivable.
Other receivables	The Group's other receivables mainly include cash pledges and deposits receivable, petty cash receivables due from employees, receivables due from related parties, dividends receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classifies other receivables into 2 groups, specifically: the group of dividends receivable and the group of other receivables.
Long-term receivables	Historically, there is no significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group makes provisions for bad and doubtful debts arising from long-term receivables on the basis of all customers being one group without further segmentation by different customer types.

(b) Criteria for individual assessment

Bills receivable, accounts receivable, other receivable and contract assets are usually assessed collectively as a group based on credit risk characteristics to make provisions. When a counterparty is significantly different from other counterparties in the group in terms of credit risk characteristics, or if there has been a significant change in its credit risk characteristics, the individual approach is adopted for receivables due from this counterparty. For example, when a counterparty is in serious financial difficulties and the expected credit loss ratio of receivables due from this counterparty is significantly higher than the average expected credit loss ratio of the relevant ageing range, it should be individually assessed for provisioning purposes.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 10. Financial instruments (Continued)

#### (6) Impairment (Continued)

##### *Financial instruments that have low credit risk*

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

##### *Significant increases in credit risk*

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

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

##### *Presentation of allowance for ECL*

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

##### *Write-off*

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

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

#### (7) Equity instrument

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 11. Inventories

(1) Categories

Inventories include spare parts for repairs and maintenance of toll roads infrastructure, petrol for sales and real estate under development etc.

Inventories are initially measured at cost. Cost of real estate under development include payments for land acquisition, costs for infrastructure, construction and installation costs, borrowing costs capitalized before project is ready for intended use, and other relevant costs during development. Cost of other inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

(2) Measurement method of cost of inventories

The actual cost of real estate under development is calculated using the specific identification method. The actual cost of oil products is calculated using the weighted average method at the end of the month. Other inventories are calculated using the first-in-first out method.

(3) Inventory count system

The Group maintains a perpetual inventory system.

(4) Criteria 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. The net realisable value of materials held for use in production is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of inventory held to satisfy sales or service contracts is measured based on the contract price. If the quantities of inventories held by the Group exceed the quantities specified in sales contracts, the net realisable value of the excess portion of inventories is based on general selling prices.

Any excess of the cost over the net realisable value of each item of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 12. Long-term equity investments

(1) Investment cost of long-term equity investments

(a) *Long-term equity investments acquired through a business combination*

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted to capital premium in the capital reserve, with any excess adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

(b) *Long-term equity investments acquired other than through a business combination*

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

(a) *Investments in subsidiaries*

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.19.

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note III.7.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 12. Long-term equity investments (Continued)

(2) Subsequent measurement of long-term equity investment (Continued)

(b) *Investment in joint ventures and associates*

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.12(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.12(3)).

An investment in a joint venture and an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

The accounting treatments under the equity method adopted by the Group are as follows:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.
- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III.19.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 12. Long-term equity investments (Continued)

- (3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

### 13. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. For the impairment of the investment properties, refer to Note III.19.

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant & buildings	30	3	3.2



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 14. 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.15.

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.

#### (2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant and buildings	10–30	0	3.3–10.0
Safety equipment	10	3	9.7
Communication and surveillance equipment	8	3	12.1
Toll and ancillary equipment	8	3	12.1
Machinery and equipment	9–33	3	2.9–10.8
Electronic equipment	5	3	19.4
Motor vehicles	8	3	12.1
Furniture and others	5	3	19.4

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

#### (3) For the impairment of the fixed assets, refer to Note III.19.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 14. Fixed assets (Continued)

#### (4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

- when the fixed asset is holding for disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

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

### 15. Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.16), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

When the construction in progress of the Company is ready for its intended use, it shall be transferred to fixed assets. The criteria for determining the intended usable state should meet one of the following conditions:

- The physical construction (including installation) of fixed assets has been fully completed or substantially completed;
- Trial production or operation has been conducted, and the results indicate that the asset can operate normally or stably produce qualified products, or the trial operation results indicate that it can operate or operate normally;
- The expenditure amount on the fixed assets constructed for this project is very low or almost does not occur again;
- The purchased fixed assets have met the designed or contracted requirements, or are basically in line with the design or contract requirements.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.19).

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 16. Borrowing costs

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

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

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

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 17. Intangible assets

Useful life and amortisation methods

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.19). 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 estimated useful lives, basis for determination and amortisation methods of intangible assets are as follows:

Item	Estimated useful life (years)	Basis for determination	Method of amortisation
Toll road operation rights	25-35	Franchise period	Traffic flow method
Land use rights	22-30	Legal service life	Straight-line method
Rights to use sea areas	28	Legal service life	Straight-line method
Software	5	Expected period to bring economic benefits to the company	Straight-line method

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

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

### 18. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortised more than one year. Long-term deferred expenses are amortised using a straight-line method within the benefit period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 19. Impairment of assets other than inventories and financial assets

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

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

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.20) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

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

### 20. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 21. Revenue recognition

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

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

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation.

The 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.

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

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

For 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.

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

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note III.10(6)). 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 21. Revenue recognition (Continued)

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

(1) Toll road income

Toll road income is the income from operating toll road, and is recognized in accordance with amount collected and receivable when a vehicle is passing through.

(2) Construction income

For participation in public infrastructure construction business in the form of PPP, the Group accounts for the construction phase of the project in accordance with the revenue guidelines to determine the Group's status as the primary responsible party. For construction service revenue provided in PPP projects, it is a performance obligation to be performed at a certain point in time and a contract asset is recognized. The Group recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project assets as intangible assets, and the contract assets recognized during the relevant construction period are presented in the balance sheet under "intangible assets". For construction services that are not completed at the balance sheet date, the Group determines the progress of performance based on the proportion of the cumulative actual costs incurred to the estimated total costs and recognizes revenue over the contract period in accordance with the progress of performance.

(3) Income from ancillary service

Ancillary service income is mainly from sales of petroleum products. Income from sales of petroleum products is recognized when control of the petroleum products is transferred.

(4) Income from real estate development

Income from real estate development is recognized after the related property procedures are completed and transferred to the customer. The Group shall recognize revenue based on transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods and services.

(5) Income from sales of electricity

Income from sales of electricity is recognised when electricity is supplied to the grid companies or customers. The Group recognises income from sales of electricity based on the contracted on-grid electricity price (including national tariff subsidies) and the monthly actual on-grid electricity consumption confirmed by the grid companies or customers.

(6) Income from advertisement and other services

Income from advertisement and other services are mainly from advertising operation, the revenue shall be recognized within the service period based on the service time and price after providing services.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 22. Contract costs

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

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

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 23. Employee benefits

(1) Short-term employee benefits

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

(2) Post-employment benefits – defined contribution plans

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

(3) Termination benefits

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

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

### 24. Government grants

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

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

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

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Or included in other income or non-operating income directly.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 25. 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.

### 26. Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. 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 reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

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

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;
- deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 27. Leases

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

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

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

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

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

#### (1) As a lessee

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

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.19.

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 year ended 31 December 2023

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

### 27. Leases (Continued)

#### (1) As a lessee (Continued)

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

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

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

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

#### (2) As a lessor

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

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

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

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.10. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 28. Profit distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

### 29. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

### 30. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

### 31. Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### (1) Significant accounting estimates

Except for accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes III.14 and 17) and provision for impairment of various types of assets (see Notes V.4, 6, 7, 11, 14, 15, 16, 17, 18, 19 and Notes XVI.1, 2). Other significant accounting estimates are as follows:

- (a) Note V.20: Recognition of deferred tax assets;
- (b) Note X: Fair value measurements of financial instruments.

#### (2) Significant accounting judgements

Significant judgements made by the Group in the application of accounting policies are as follows:

Notes VII.1 (1) and 2 (1): Significant judgements and assumptions in determining control, joint control or significant influence over other entity.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

### 32. 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 CASs newly issued by the Ministry of Finance ("MOF").

(a) *CAS No.25-Insurance Contract (Caikuai [2020] No.20) ("the New Insurance Contract Standards") and implementation guidance*

The New Insurance Contract Standards replaced CAS No.25-Old Insurance Contract and CAS No.26 -Reinsurance Contract issued by the MOF in 2006 and Implementation Standards of Insurance Contract (Caikuai [2009] No.15) issued in 2009.

The Group does not have insurance contract arrangements. The adoption of the new insurance standard does not have significant effect on the financial position and financial performance of the Group.

(b) *"The initial recognition exemption is no longer applied to the deferred tax related to assets and liabilities arising from a single transaction" in CAS Bulletin No.16 (Caikuai [2022] No.31) ("Bulletin No.16")*

In accordance with the provision, the Group does not apply the initial recognition exemption of deferred tax in CAS No.18 -Income Tax to a single transaction that affects neither accounting profit nor taxable profit (or deductible loss) and results in equal taxable and deductible temporary differences on initial recognition, such as leases. The Group recognises a deferred tax liability for the taxable temporary differences arising from these transactions on initial recognition in accordance with CAS No. 18-Income Tax. In addition, the Group has sufficient deductible temporary differences that have not been recognized as deferred tax assets when the above taxable temporary differences reverse in the future and therefore recognizes deferred tax assets equal to the amount of deferred tax liabilities. The newly recognized deferred tax assets and deferred tax liabilities meet the conditions for offset and are presented on a net basis in balance sheet. The adoption of the above regulations does not have significant effect on the financial position and financial performance of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## IV. TAXATION

### 1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	3%-13%
City maintenance and construction tax	Based on VAT paid	5%-7%
Land appreciation tax	Based on appreciation amount on property sold and applicable tax rate	Progressive rates ranging from 30%-60%
Corporate income tax	Based on taxable profits	25%, except Note 2

Except the subsidiaries mentioned in Note 2 below are entitled to the preferential tax rates and Jiangsu Expressway International (Hong Kong) Company Limited ("Ninghu International") is entitled to a statutory tax rate of 16.5%, the income tax rate applicable to the Company and other subsidiaries for the year is 25% (2022: 25%).

### 2. Subsidiaries with preferential tax rates

Company name	Preferential tax rate	Reason
Jiangsu Communications Holding Fengxian Renewable Energy Co., Ltd. ("Fengxian Renewable Energy")	12.5%	3-year exemption and 3-year half payment
Jiangsu Zhendan Expressway Co., Ltd. ("Zhendan Company")	12.5%	3-year exemption and 3-year half payment
Yancheng Yunshan Photovoltaic Power Generation Co., Ltd. ("Yancheng Yunshan")	12.5%	3-year exemption and 3-year half payment
Jiangsu Wufengshan Bridge Co., Ltd. ("Wufengshan Bridge")	0%	3-year exemption and 3-year half payment
Jiangsu Communications Holding Rudong Offshore Wind Power Co., Ltd. ("Rudong Company")	0%	3-year exemption and 3-year half payment
Kunshan Fengyuan Real Estate Development Co., Ltd. ("Kunshan Fengyuan")	5%	Small and micro enterprise
Jiangsu Communications Holding Clean Energy Xuzhou Co., Ltd. ("Xuzhou Clean Energy")	5%	Small and micro enterprise
Jiangsu Communications Holding Clean Energy Tongshan Co., Ltd. ("Tongshan Clean Energy")	5%	Small and micro enterprise
Jiangsu Communications Holding Fengxian Agricultural Technology Co., Ltd. ("Agricultural Technology")	5%	Small and micro enterprise
Liyang Youke Energy Co., Ltd. ("Liyang Youke")	5%	Small and micro enterprise
Changzhou Jintan Heyi New Energy Technology Co., Ltd. ("Jintan Heyi")	5%	Small and micro enterprise
Jiangsu Communications Holding Clean Energy Suqian Co., Ltd. ("Suqian Clean Energy")	5%	Small and micro enterprise

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash at bank and on hand

Item	2023	2022
Cash on hand	<b>65,617.50</b>	69,744.33
Deposits with banks	<b>541,811,607.73</b>	333,377,987.25
Other monetary funds	<b>22,480,550.00</b>	2,439,156.77
Cash deposited in the finance company	<b>297,803,298.83</b>	597,044,456.03
Total	<b>862,161,074.06</b>	932,931,344.38

As at 31 December 2023, other monetary funds of the Group include security deposits for notes of RMB20,987,333.33, and cash deposited in the finance company include security deposits for notes of RMB7,240,000.00 (31 December 2022: Cash deposited in the finance company include security deposits for notes of RMB7,300,000.00). The rest of other monetary funds are mainly funds in transit, etc.

### 2. Financial assets held for trading

Item	Note	2023	2022
Financial assets at fair value through profit or loss		<b>3,663,586,404.72</b>	3,474,620,148.26
Including: Financial products	(1)	<b>3,637,000,000.00</b>	3,444,000,000.00
Others	(2)	<b>26,586,404.72</b>	30,620,148.26
Total		<b>3,663,586,404.72</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 financial assets held for trading.

#### (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 financial assets held for trading.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Bills receivable

- (1) Classification of bills receivable

Item	2023	2022
Bank acceptance bills	<b>8,663,103.00</b>	950,000.00
Less: Provision for bad and doubtful debts	-	-
<b>Total</b>	<b>8,663,103.00</b>	950,000.00

All of the above bills are due within one year.

- (2) The pledged bills receivable of the Group at the end of the year

As at 31 December 2023, the Group had no pledged bills receivable (31 December 2022: none).

- (3) Outstanding endorsed or discounted bills that have not matured at the end of the year

As at 31 December 2023, there is no outstanding endorsed or discounted bills receivable that have not matured (31 December 2022: none).

### 4. Accounts receivable

- (1) Accounts receivable by customer type are as follows:

Type	2023	2022
Amounts due from related party	<b>299,928,142.43</b>	229,096,489.03
Amounts due from third party	<b>1,385,055,928.22</b>	913,095,712.25
Sub-total	<b>1,684,984,070.65</b>	1,142,192,201.28
Less: Provision for bad and doubtful debts	<b>34,953,770.43</b>	14,522,231.20
<b>Total</b>	<b>1,650,030,300.22</b>	1,127,669,970.08

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

(2) The ageing analysis of accounts receivable is as follows:

Ageing	2023	2022
Within 1 year (inclusive)	<b>1,000,359,573.16</b>	818,830,075.45
Over 1 year but within 2 years (inclusive)	<b>381,557,486.70</b>	263,703,609.37
Over 2 years but within 3 years (inclusive)	<b>245,676,090.60</b>	33,468,052.66
Over 3 years but within 4 years (inclusive)	<b>33,412,895.56</b>	25,410,558.81
Over 4 years	<b>23,978,024.63</b>	779,904.99
Sub-total	<b>1,684,984,070.65</b>	1,142,192,201.28
Less: Provision for bad and doubtful debts	<b>34,953,770.43</b>	14,522,231.20
Total	<b>1,650,030,300.22</b>	1,127,669,970.08

The ageing is counted starting from the date when accounts receivable are recognised.

(3) Accounts receivable by provisioning method

Category	2023					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	1,710,232.43	0.10	1,710,232.43	100.00	-	-	-	-	-	
Collective assessment	1,683,273,838.22	99.90	33,243,538.00	1.97	1,650,030,300.22	1,142,192,201.28	100.00	14,522,231.20	1.27	1,127,669,970.08
- Toll road fees receivable and others	579,400,796.56	34.39	769,672.07	0.13	578,631,124.49	396,148,435.57	34.68	596,358.26	0.15	395,552,077.31
- Electricity fees receivable	1,103,873,041.66	65.51	32,473,865.93	2.94	1,071,399,175.73	746,043,765.71	65.32	13,925,872.94	1.87	732,117,892.77
Total	1,684,984,070.65	100.00	34,953,770.43	2.07	1,650,030,300.22	1,142,192,201.28	100.00	14,522,231.20	1.27	1,127,669,970.08

As at 31 December 2023, the Group had no significant individually bad debt provisioned accounts receivable (31 December 2022: None).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

(3) Accounts receivable by provisioning method

#### *Assessment of ECLs on accounts receivable:*

At all times, the Group measures impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the ageing and the expected loss rate. According to the historical experience of the Group, there are significant differences in the losses of customer groups related to different products. Therefore, the Group assesses ECLs on accounts receivable through disaggregating different customer groups by product type when calculating impairment loss based on ageing information.

Collective assessment:

Collective assessment 1: toll road business and others

	Expected credit loss rate	Carrying amount at the end of the year	Provision for bad and doubtful debts at the end of the year
Within 1 year	0.00%	571,495,762.57	–
Over 1 year but within 2 years	5.00%	416,626.72	20,831.34
Over 2 years (inclusive)	10.00%	7,488,407.27	748,840.73
<b>Total</b>		<b>579,400,796.56</b>	<b>769,672.07</b>

Collective assessment 2: sales of electricity

	Expected credit loss rate	Carrying amount at the end of the year	Provision for bad and doubtful debts at the end of the year
Within 1 year	0.30%	427,153,578.16	1,287,222.15
Over 1 year but within 2 years	3.01%	381,140,859.98	11,472,339.89
Over 2 year but within 3 years	5.93%	242,456,372.49	14,377,662.89
Over 3 years but within 4 years	8.77%	29,144,206.40	2,555,946.90
Over 4 years but within 5 years	11.51%	23,198,119.64	2,670,103.57
Over 5 years	14.18%	779,904.99	110,590.53
<b>Total</b>		<b>1,103,873,041.66</b>	<b>32,473,865.93</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

(4) Movements of provisions for bad and doubtful debts:

	2023				2022			
	Individual assessment	Collective assessment 1	Collective assessment 2	Total	Individual assessment	Collective assessment 1	Collective assessment 2	Total
Balance at the beginning of the year	-	596,358.26	13,925,872.94	14,522,231.20	-	129,013.48	9,038,538.67	9,167,552.15
Additions during the year	1,710,232.43	198,722.10	19,549,167.48	21,458,122.01	-	467,344.78	8,781,543.64	9,248,888.42
Recoveries or reversals during the year	-	(25,408.29)	(1,001,174.49)	(1,026,582.78)	-	-	(3,894,209.37)	(3,894,209.37)
Balance at the end of the year	1,710,232.43	769,672.07	32,473,865.93	34,953,770.43	-	596,358.26	13,925,872.94	14,522,231.20

(5) Five largest accounts receivable by debtor at the end of the year

The total of five largest accounts receivable of the Group at the end of the year is RMB1,514,543,194.32, according for 89.88% of the total accounts receivable, and the corresponding balance of provision for bad and doubtful debts is RMB32,359,266.68.

(6) Derecognition of accounts receivable due to transfer of financial assets

The Group has no accounts receivable derecognition due to transfer to financial assets this year (2022: none).

(7) Assets and liabilities recognised due to the transfer with continuing involvement of accounts receivable

The Group does not transfer receivables this year and continues to involve in the formation of assets and liabilities (2022: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Prepayments

(1) Prepayments by category:

Item	2023	2022
Prepayment	<b>6,112,638.02</b>	7,737,346.20
Total	<b>6,112,638.02</b>	7,737,346.20

(2) The ageing analysis of prepayments is as follows:

Ageing	2023		2022	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	<b>5,853,638.07</b>	<b>95.77</b>	7,096,853.21	91.73
Over 1 year but within 2 years (inclusive)	<b>212,310.95</b>	<b>3.47</b>	583,769.95	7.54
Over 2 years but within 3 years (inclusive)	<b>2,000.00</b>	<b>0.03</b>	56,723.04	0.73
Over 3 years	<b>44,689.00</b>	<b>0.73</b>	–	–
Total	<b>6,112,638.02</b>	<b>100.00</b>	7,737,346.20	100.00

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

(3) Five largest prepayments by debtor at the end of the year:

Name of entity	Amount	Proportion of the amount to the total prepayment (%)
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. ("JCH Commercial Operation Company")	<b>743,056.55</b>	12.16
Jiangsu Electric Power Company Wuxi Power Supply Company	<b>647,252.10</b>	10.59
Kunshan Lize Natural Gas Sales Co., Ltd.	<b>557,209.46</b>	9.12
The Jiangyin Branch of China Petroleum and Chemical Corporation	<b>445,572.08</b>	7.29
Jiangsu Tianlongen Clothing Co., Ltd.	<b>389,760.00</b>	6.38
Total	<b>2,782,850.19</b>	45.54

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables

	Note	2023	2022
Dividends receivable	(1)	<b>19,262,901.83</b>	4,989,960.00
Others	(2)	<b>42,326,815.71</b>	57,768,942.02
Total		<b>61,589,717.54</b>	62,758,902.02

(1) Dividends receivable

Investee	2023	2022
Longyuan Donghai Wind Power Co., Ltd. ("Longyuan Donghai")	<b>14,272,941.83</b>	–
Jiangsu Kuailu Motor Transport Co., Ltd. ("Kuailu Company")	<b>4,989,960.00</b>	4,989,960.00
Total	<b>19,262,901.83</b>	4,989,960.00

(2) Others

(a) Others by customer type:

Customer type	2023	2022
Amounts due from related party	<b>5,912,674.20</b>	17,429,452.99
Amounts due from third party	<b>52,353,254.51</b>	56,278,602.03
Sub-total	<b>58,265,928.71</b>	73,708,055.02
Less: Provision for bad and doubtful debts	<b>15,939,113.00</b>	15,939,113.00
Total	<b>42,326,815.71</b>	57,768,942.02

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(2) Others (Continued)

(b) The ageing analysis is as follows:

Ageing	2023	2022
Within 1 year (inclusive)	4,412,677.96	7,784,678.16
Over 1 year but within 2 years (inclusive)	2,700,773.76	18,726,497.05
Over 2 years but within 3 years (inclusive)	16,857,772.16	13,251,033.52
Over 3 years	34,294,704.83	33,945,846.29
Sub-total	58,265,928.71	73,708,055.02
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	42,326,815.71	57,768,942.02

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

(c) Others by provisioning method:

Category	2023		2023		Carrying amount	2022		2022		Carrying amount
	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)		Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	
Individual assessment	15,812,140.02	27.14	15,812,140.02	100.00	-	15,812,140.02	21.45	15,812,140.02	100.00	-
Collective assessment	42,453,788.69	72.86	126,972.98	0.30	42,326,815.71	57,895,915.00	78.55	126,972.98	0.22	57,768,942.02
Total	58,265,928.71	100.00	15,939,113.00	27.36	42,326,815.71	73,708,055.02	100.00	15,939,113.00	21.63	57,768,942.02

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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*

	2023				2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL – Not credit impaired	Stage 3 Lifetime ECL – Credit impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL – Not credit impaired	Stage 3 Lifetime ECL – Credit impaired	Total
1. Provision								
Balance at the beginning of the year	126,972.98	-	15,812,140.02	15,939,113.00	126,972.98	-	15,812,140.02	15,939,113.00
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reverse to stage 2	-	-	-	-	-	-	-	-
Reverse to stage 1	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-
Reversals during the year	-	-	-	-	-	-	-	-
Written-off during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	126,972.98	-	15,812,140.02	15,939,113.00	126,972.98	-	15,812,140.02	15,939,113.00
2. Balance of other accounts receivable at the end of the year	42,453,788.69	-	15,812,140.02	58,265,928.71	57,895,915.00	-	15,812,140.02	73,708,055.02
3. Percentage for the provision	0.30%	-	100.00%	27.36%	0.22%	-	100.00%	21.63%

(e) *Others categorised by nature*

Nature of other receivables	2023	2022
Liquidated damages	-	11,000,000.00
Landlord maintenance funds	18,059,467.25	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	3,884,765.66	4,018,786.60
Mortgage deposits for housing fund loan	417,000.00	2,864,000.00
Others	13,441,434.28	14,692,120.10
Sub-total	58,265,928.71	73,708,055.02
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	42,326,815.71	57,768,942.02



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(2) Others (Continued)

(f) Five largest others-by debtor at the end of the year

Debtor	Nature of the receivable	Balance at the end of the year	Ageing	Percentage of ending balance of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Yixing Highway Administration	Amounts of investment clearance	15,812,140.02	More than 3 years	27.14	15,812,140.02
Jiangsu Lord Equity Investment Fund Management Co., Ltd. ("Load Fund Company")	Advance project funds	5,598,493.35	More than 3 years	9.61	-
Department China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	6,088,716.00	More than 3 years	10.45	-
Nanjing Heyi Electric Power Technology Co., Ltd.	Others	558,900.00	2-3 years	0.96	-
Jiangsu Provincial Transportation Engineering Construction Bureau	Advance project funds	439,791.51	1-3 years	0.75	-
Total		28,498,040.88		48.91	15,812,140.02

### 7. Inventories

Inventories by category:

Item	Book value	2023		Book value	2022	
		Provision for impairment of inventories	Carrying amount		Provision for impairment of inventories	Carrying amount
Properties under development	417,504,929.42	-	417,504,929.42	407,901,256.91	-	407,901,256.91
Properties for sales	1,798,726,207.47	-	1,798,726,207.47	2,156,279,927.97	-	2,156,279,927.97
Spare parts for repair and maintenance	5,116,970.50	-	5,116,970.50	4,414,772.75	-	4,414,772.75
Petrol	16,898,558.83	-	16,898,558.83	16,422,158.22	-	16,422,158.22
Total	2,238,246,666.22	-	2,238,246,666.22	2,585,018,115.85	-	2,585,018,115.85

As at 31 December 2023, there are no inventories pledged as security by the Group (2022: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories (Continued)

Inventories by category: (Continued)

Details of properties under development are as follows:

Project Name	Commencement date	Estimated completion date	Estimated total investment	31 December 2022	31 December 2023
Baohua Hongyan Community Plot A Project	September 2018	Postponed	2,455,800,000.00	374,070,824.63	<b>378,940,961.95</b>
Huaqiao Urban Core Project	December 2012	3,089,100,000.00 December 2025	33,830,432.28	38,563,967.47	<b>38,563,967.47</b>
Total			5,544,900,000.00	407,901,256.91	<b>417,504,929.42</b>

Details of properties for sales are as follows:

Project Name	Completion date	1 January 2023	Increase	Decrease	31 December 2023
Suzhou Qingyuan	December 2013	<b>343,297,798.08</b>	–	204,738,499.38	<b>138,559,298.70</b>
Baohua Hongyan Community Plot B Project	November 2016	<b>150,292,421.02</b>	–	11,359,404.02	<b>138,933,017.00</b>
Huaqiao Urban Core Project	December 2019	<b>424,619,519.56</b>	–	14,099,221.76	<b>410,520,297.80</b>
Hanrui Center	June 2021	<b>1,201,652,979.32</b>	26,249,006.41	126,012,681.24	<b>1,101,889,304.49</b>
Suzhou Nanmen Road G25 Project	September 2022	<b>36,417,209.99</b>	–	27,592,920.51	<b>8,824,289.48</b>
Total		<b>2,156,279,927.97</b>	26,249,006.41	383,802,726.91	<b>1,798,726,207.47</b>

### 8. Non-current assets due within one year

Item	2023	2022
Long-term receivables due within one year	<b>119,723,641.87</b>	62,000,000.00
Sub-total	<b>119,723,641.87</b>	62,000,000.00
Less: Provision for impairment	–	–
Total	<b>119,723,641.87</b>	62,000,000.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Other current assets

Item	Note	2023	2022
Factoring receivable	(1)	–	973,773,182.66
Input VAT to be deducted		<b>24,161,317.41</b>	4,875,858.47
Prepaid enterprise income tax		<b>62,316,185.62</b>	101,375,057.01
Prepaid taxes and levies related to pre-sale of real estate		<b>40,094,326.05</b>	51,953,777.70
Others		<b>87,220.29</b>	141,037.42
Sub-total		<b>126,659,049.37</b>	1,132,118,913.26
Less: Provision for impairment		–	–
Total		<b>126,659,049.37</b>	1,132,118,913.26

(1) Factoring receivable

As at 31 July 2023, the Group disposed of its subsidiary, Ninghu Commercial Factoring (Guangzhou) Co., Ltd. and had no factoring receivables at the end of the period.

### 10. Long-term receivables

Item	Note	2023			2022			Range of discount rate
		Book value	Provision for bad and doubtful debts	Carrying amount	Book value	Provision for bad and doubtful debts	Carrying amount	
Receivables from sales of properties		<b>179,160,496.67</b>	–	<b>179,160,496.67</b>	185,606,300.00	–	185,606,300.00	3.65%
Including: Unearned finance income		<b>6,445,803.33</b>	–	<b>6,445,803.33</b>	11,701,724.91	–	11,701,724.91	
Sub-total		<b>179,160,496.67</b>	–	<b>179,160,496.67</b>	173,904,575.09	–	173,904,575.09	
Less: Due within one year	V.8	<b>119,723,641.87</b>	–	<b>119,723,641.87</b>	62,000,000.00	–	62,000,000.00	
Total		<b>59,436,854.80</b>	–	<b>59,436,854.80</b>	111,904,575.09	–	111,904,575.09	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Long-term equity investments

(1) Long-term equity investments by category:

Item	2023	2022
Investments in joint ventures	11,740,240.97	9,921,731.43
Investments in associates	11,870,842,935.76	11,080,068,240.40
Sub-total	11,882,583,176.73	11,089,989,971.83
Less: Provision for impairment	-	-
<b>Total</b>	<b>11,882,583,176.73</b>	<b>11,089,989,971.83</b>

(2) Movements of long-term equity investments during the year are as follows:

Investee (Note 1)	Movements during the year							Balance at the end of the year	Balance of provision for impairment at the end of the year	
	Balance at the beginning of the year	Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movement	Declared distribution of cash profits			Provision for impairment
<b>Joint ventures</b>										
Jiangsu Nengtou Xincheng Photovoltaic Power Generation Co., Ltd. ("Nengtou Xincheng")	9,921,731.43	-	-	1,701,882.99	-	116,626.55	-	-	11,740,240.97	-
Sub-total	9,921,731.43	-	-	1,701,882.99	-	116,626.55	-	-	11,740,240.97	-
<b>Associates</b>										
Jiangsu Yanjiang Company Co., Ltd. ("Yanjiang Company")	2,804,128,690.36	-	-	57,859,061.97	-	-	-	-	2,861,987,752.33	-
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	2,194,739,782.25	-	-	313,705,752.76	83,773,205.85	24,242,945.00	(34,190,139.60)	-	2,582,271,546.26	-
Suzhou Expressway Management Co., Ltd ("Suzhou Expressway Management")	2,154,938,923.37	-	-	132,687,612.08	-	-	(54,620,883.00)	-	2,233,005,652.45	-
Zijin Trust Co., Ltd. ("Zijin Trust")	2,096,153,026.49	-	-	194,395,327.14	405,738.27	-	(42,010,000.00)	-	2,248,944,091.90	-
Jiangsu Communications Holding Group Finance Co., Ltd. ("Group Finance Company")	708,708,011.31	-	-	35,671,726.23	-	-	(12,500,000.00)	-	731,879,737.54	-
Three Gorges New Energy Nantong Co., Ltd. ("Three Gorges Nantong")	440,033,500.00	-	-	38,130,985.86	-	283,942.38	-	-	478,448,428.24	-
Jiangsu Sundian Road & Bridge Co., Ltd. ("Sundian Road & Bridge Company")	222,484,332.64	-	-	48,906,751.12	-	-	-	-	271,391,083.76	-
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	171,736,912.63	-	-	1,961,601.67	-	-	-	-	173,698,514.30	-
Longyuan Donghai	87,596,704.12	-	-	6,873,929.59	-	188,798.12	(18,784,989.46)	-	75,874,442.37	-
Jiangsu Communication Culture and Media Co., Ltd. ("Culture Media")	77,626,203.86	-	-	5,094,811.94	(991,076.41)	-	-	-	81,729,939.39	-
Jiangsu Expressway Network Operation&Management Center ("Network Operation Company")	59,067,680.91	-	-	6,882,415.42	-	-	-	-	65,750,096.33	-
Kuailu Company	29,006,148.31	-	-	378,969.41	-	-	-	-	29,385,117.72	-
Luode Fund Company	22,663,621.20	-	-	589,109.45	-	-	-	-	23,252,730.65	-
Jiangsu Yuxin Ninghu Gas Co., Ltd. ("Yuxin Ninghu Company")	11,184,702.95	-	-	2,039,099.57	-	-	-	-	13,223,802.52	-
Sub-total	11,080,068,240.40	-	-	844,977,154.21	83,187,867.71	24,715,685.50	(162,106,012.06)	-	11,870,842,935.76	-
<b>Total</b>	<b>11,089,989,971.83</b>	<b>-</b>	<b>-</b>	<b>846,679,037.20</b>	<b>83,187,867.71</b>	<b>24,832,312.05</b>	<b>(162,106,012.06)</b>	<b>-</b>	<b>11,882,583,176.73</b>	<b>-</b>

Note 1: The foregoing companies are all unlisted company registered in PRC (Note VII.2).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Investments in other equity instruments

Item	Balance at the beginning of the year	Increase in capital	Decrease in capital	Movements during the year		Others	Balance at the end of the year	Dividend income recognised for the year	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reason for being designated at fair value through other comprehensive income
				Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income						
Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu") (Note 1)	5,707,128,132.00	-	-	-	(469,722,480.00)	-	5,237,405,652.00	384,154,701.56	607,874,824.56	-	Non-tradable investment in other equity instruments
Jiangsu Financial Leasing Co., Ltd. ("Jiangsu Financial Leasing") (Note 2)	1,282,320,000.00	-	-	303,264,000.00	-	-	1,585,584,000.00	81,900,000.00	1,314,685,543.11	-	Non-tradable investment in other equity instruments
Total	6,989,448,132.00	-	-	303,264,000.00	(469,722,480.00)	-	6,822,989,652.00	466,054,701.56	1,922,560,367.67	-	/

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 held by the Group. Jiangsu Leasing was listed in 2018, the Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

### 13. Other non-current financial assets

Item	2023	2022
Financial assets at fair value through profit or loss	<b>2,912,377,965.03</b>	2,877,355,787.11
Including: Equity Interest Investment in partnership		
Suzhou Industrial Park Guochuang Kaiyuan Phase II Investment Center LLP	<b>1,679,195,170.11</b>	1,686,932,351.72
Nanjing Luode Zhongbei Zhiyuan Equity Investment LLP	<b>245,139,994.59</b>	257,357,110.04
Nanjing Luode Huizhi Equity Investment LLP	<b>418,287,961.17</b>	460,425,716.91
Convertible Bonds		
Jiangsu Financial Leasing	<b>569,754,839.16</b>	472,640,608.44
Total	<b>2,912,377,965.03</b>	2,877,355,787.11

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Investment properties

	Plant and buildings
Cost	
Balance at the beginning of the year	329,218,473.65
Additions during the year	14,787,908.55
– Transfers from inventories	14,787,908.55
Decreases during the year	26,811,471.85
– Transfers to inventories	26,811,471.85
Balance at the end of the year	317,194,910.35
Accumulated depreciation	
Balance at the beginning of the year	20,417,230.12
Charge for the year	9,661,228.14
Decrease for the year	1,870,261.71
Balance at the end of the year	28,208,196.55
Carrying amounts	
At the end of the year	288,986,713.80
At the beginning of the year	308,801,243.53

As at 31 December 2023, the Group has no investment properties pending certificates of ownership (31 December 2022: none).

As at 31 December 2023, the Group has no investment properties pledged or mortgaged as security (31 December 2022: none).

### 15. Fixed assets

Fixed assets by category

Item	2023	2022
Fixed assets	<b>7,593,070,057.20</b>	8,045,978,815.98
Fixed assets pending for disposal	<b>1,974,853.85</b>	–
Total	<b>7,595,044,911.05</b>	8,045,978,815.98

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Fixed assets (Continued)

Fixed assets by category (Continued)

(1) Fixed assets

Item	Plant & buildings	Safety equipment	Toll and ancillary equipment	Communication and surveillance equipment	Machinery & equipment	Electronic equipment	Motor vehicles	Office & other equipment	Total
<b>Cost</b>									
Balance at the beginning of the year	3,664,475,940.04	1,135,688,268.40	555,589,760.39	548,229,781.54	5,363,523,950.86	417,237,522.07	63,727,170.66	125,660,184.61	11,874,132,578.57
Additions during the year	34,119,157.70	3,358,825.31	7,006,387.61	37,168,446.13	134,665,155.27	14,642,648.22	5,909,238.62	3,187,430.38	240,057,289.24
– Purchases	2,699,634.90	2,709,464.20	3,133,904.36	8,659,329.50	14,316,746.29	13,819,966.22	5,909,238.62	3,160,856.38	54,409,140.47
– Transfers from construction in progress	31,419,522.80	649,361.11	3,872,483.25	28,509,116.63	120,348,408.98	822,682.00	–	26,574.00	185,648,148.77
Decrease during the year	53,006,278.97	27,623,591.52	18,560,048.23	40,493,330.81	32,084,884.10	7,557,333.02	8,900,778.63	969,403.40	189,195,648.68
– Disposals or written-offs	15,240,497.92	296,443.80	7,302,679.89	14,730,386.52	23,953,920.79	5,005,589.21	8,807,800.15	811,103.40	76,148,421.68
– Other transfer out-settlement adjustment	1,306,751.89	67,470.32	132,800.75	8,520,591.95	26,200.00	358,527.70	92,978.48	–	10,505,321.09
– Transfers to fixed assets pending for disposal	36,459,029.16	27,259,677.40	11,124,567.59	17,242,352.34	8,104,763.31	2,193,216.11	–	158,300.00	102,541,905.91
Balance at the end of the year	3,645,588,818.77	1,111,423,502.19	544,036,099.77	544,904,896.86	5,466,104,222.03	424,322,837.27	60,735,630.65	127,878,211.59	11,924,994,219.13
<b>Accumulated depreciation</b>									
Balance at the beginning of the year	1,214,573,829.28	881,655,943.84	272,652,676.91	336,549,795.04	902,675,697.38	105,405,171.18	46,763,482.89	67,877,166.07	3,828,153,762.59
Charge for the year	178,808,979.15	38,572,155.02	56,531,617.01	30,951,751.88	299,517,884.26	32,400,558.23	3,046,645.35	20,189,414.94	660,019,005.84
Disposals or written-offs during the year	12,986,142.94	202,206.90	6,937,545.90	13,288,724.66	23,112,206.99	4,507,629.03	8,501,885.73	740,041.53	70,276,383.68
Reversal of fixed assets pending for disposal	28,437,515.82	25,657,084.87	8,124,045.39	15,719,427.68	5,795,302.24	2,085,295.82	–	153,551.00	85,972,222.82
Balance at the end of the year	1,351,959,149.67	894,368,807.09	314,122,702.63	338,493,394.58	1,173,286,072.41	131,212,804.56	41,308,242.51	87,172,988.48	4,331,924,161.93
<b>Provision for impairment</b>									
Balance at the beginning of the year	–	–	–	–	–	–	–	–	–
Charge for the year	8,021,513.34	784,802.57	2,666,785.17	1,011,703.63	2,066,318.15	43,706.38	–	–	14,594,829.24
Transfers to fixed assets pending for disposal for the year	8,021,513.34	784,802.57	2,666,785.17	1,011,703.63	2,066,318.15	43,706.38	–	–	14,594,829.24
Balance at the end of the year	–	–	–	–	–	–	–	–	–
<b>Carrying amounts</b>									
At the end of the year	2,293,629,669.10	217,054,695.10	229,913,397.14	206,411,502.28	4,292,818,149.62	293,110,032.71	19,427,388.14	40,705,223.11	7,593,070,057.20
At the beginning of the year	2,449,902,110.76	254,032,324.56	282,937,083.48	211,679,386.50	4,460,848,253.48	311,832,350.89	16,963,687.77	57,783,018.54	8,045,978,815.98

As at 31 December 2023, the Group has no fixed assets as collateral for the Group's liabilities (31 December 2022: none).

As at 31 December 2023, the Group has no temporarily idle fixed assets (31 December 2022: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Fixed assets (Continued)

Fixed assets by category (Continued)

(2) *Fixed assets leased out under operating leases*

Item	2023	2022
Plant & buildings	<b>190,724,889.46</b>	165,588,528.20

(3) *Fixed assets pending certificates of ownership*

As at 31 December 2023, the book value of the Group's fixed assets without certificates of ownership is RMB941,541,870.68(31 December 2022: RMB951,293,548.42), the above assets were incorporated into communication facilities, therefore cannot obtain certification at present.

(4) *Impairment testing of fixed assets*

The Group determines whether there is any indication of possible impairment of assets at the balance sheet date. And if there is any indication of impairment, the Group will estimate the recoverable amount and conduct an impairment test. The recoverable amount is the net amount of the fair value of the cash-generating unit less disposal costs.

During the year, the Group recognised an impairment provision for fixed assets of RMB14,594,829.24, and the reasons and methods for the Group's charge of impairment allowance are as follows:

The recoverable amount is determined on the basis of fair value less disposal costs. In 2023, due to the impact of the Xiyi Expressway expansion project, the buildings and traffic safety facilities on both sides of part of the road section of Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng Company"), a subsidiary of the Group, need to be demolished. There are significant indication of impairment of the above-mentioned assets, and the Group intends to dispose the above-mentioned assets. The above assets include carrying amounts before impairment housings and buildings of RMB8,021,513.34, security facilities of RMB1,602,592.53, toll collection and ancillary facilities of RMB3,000,522.20, communication and monitoring equipment of RMB1,522,924.66, machinery and equipment of RMB2,309,461.07, electronic equipment of RMB107,920.29 and furniture and others of RMB4,749.00.

The recoverable amount of the cash-generating units is likely to be disposed in the near future rather than continuing to be held and operated, and the recoverable amount is determined based on the net amount of the fair value of the underlying assets less disposal costs. The fair value of the assets is determined based on the open market transactions of similar assets, and the disposal costs include taxes and fees involved in the disposal of the assets.

The Group adopts the cost replacement approach and refers to the price of disposal of other similar assets to determine the net amount of fair value of similar assets in the market less disposal costs.

Based on the estimated recoverable amount determined by the net amount of the fair value of the assets less disposal costs as described above, the Group made provision for impairment of RMB8,021,513.34, RMB784,802.57, RMB2,666,785.17, RMB1,011,703.63, RMB2,066,318.15 and RMB43,706.38 respectively for housings and buildings, security facilities, toll collection and ancillary facilities, communication and monitoring equipment, machinery and equipment, and electronic equipment in these asset groups during the year.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Construction in progress

	2023	2022
Construction in progress	<b>87,693,849.80</b>	188,697,382.38

(1) Construction in progress

2023			2022		
Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
<b>87,693,849.80</b>	-	<b>87,693,849.80</b>	188,697,382.38	-	188,697,382.38

(2) As at 31 December 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).

### 17. Right-of-use assets

#### As a lessee

Item	Plant & buildings	Rights to use roofs	Transportation vehicles	Rights to use parking spaces	Total
<b>Cost</b>					
Balance at the beginning of the year	38,442,972.60	11,467,160.11	242,884.72	541,969.45	50,694,986.88
Additions during the year	4,462,234.52	1,665,655.56	-	-	6,127,890.08
Decrease during the year	8,277,432.67	-	242,884.72	-	8,520,317.39
Balance at the end of the year	34,627,774.45	13,132,815.67	-	541,969.45	48,302,559.57
<b>Accumulated depreciation</b>					
Balance at the beginning of the year	18,941,306.04	1,999,063.56	242,884.72	40,647.81	21,223,902.13
Charge for the year	7,682,971.92	1,008,070.56	-	20,323.92	8,711,366.40
Reductions during the year	8,277,432.67	-	242,884.72	-	8,520,317.39
Balance at the end of the year	18,346,845.29	3,007,134.12	-	60,971.73	21,414,951.14
<b>Provision for impairment</b>					
Balance at the beginning of the year	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-
<b>Carrying amounts</b>					
At the end of the year	16,280,929.16	10,125,681.55	-	480,997.72	26,887,608.43
At the beginning of the year	19,501,666.56	9,468,096.55	-	501,321.64	29,471,084.75

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Intangible assets

(1) Intangible assets

Item	Toll road operation rights-in operation	Toll road operation rights-under construction	Land use rights	Rights to use sea areas	Software	Total
<b>Cost</b>						
Balance at the beginning of the year	50,538,009,090.58	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 year	4,057,488.06	2,547,818,493.65	-	-	2,214,248.09	2,554,090,229.80
- Purchase	-	-	-	-	1,093,493.39	1,093,493.39
- Internally generated	-	2,496,053,906.65	-	-	-	2,496,053,906.65
- Settlement adjustment	4,057,488.06	-	-	-	-	4,057,488.06
- Others	-	51,764,587.00	-	-	1,120,754.70	52,885,341.70
Decrease during the year	7,205,216.71	-	-	-	600,000.00	7,805,216.71
- Disposal	-	-	-	-	600,000.00	600,000.00
- Settlement adjustment	7,205,216.71	-	-	-	-	7,205,216.71
Balance at the end of the year	50,534,861,361.93	7,894,411,005.92	1,747,328,971.12	75,992,526.65	80,551,847.19	60,333,145,712.81
<b>Accumulated amortisation</b>						
Balance at the beginning of the year	17,073,240,936.31	-	1,477,340,964.92	5,620,076.77	69,757,004.75	18,625,958,982.75
Additions during the year	1,774,393,299.23	-	64,721,568.48	2,848,340.76	4,123,840.25	1,846,087,048.72
- Charge for the year	1,774,393,299.23	-	64,721,568.48	2,848,340.76	4,123,840.25	1,846,087,048.72
Decrease during the year	-	-	-	-	600,000.00	600,000.00
- Disposal	-	-	-	-	600,000.00	600,000.00
Balance at the end of the year	18,847,634,235.54	-	1,542,062,533.40	8,468,417.53	73,280,845.00	20,471,446,031.47
<b>Carrying amounts</b>						
At the end of the year	31,687,227,126.39	7,894,411,005.92	205,266,437.72	67,524,109.12	7,271,002.19	39,861,699,681.34
At the beginning of the year	33,464,768,154.27	5,346,592,512.27	269,988,006.20	70,372,449.88	9,180,594.35	39,160,901,716.97

As at 31 December 2023, the Group pledged RMB18,329,415,095.97 of road operation rights in operation and RMB6,502,083,768.16 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.22 for further details.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Intangible assets (Continued)

(2) Movements of major construction projects in progress during the year

Item	Budget	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Percentage of actual cost to budget	Project progress	Sources of funding
Longtan Bridge	6,253,905,000.00	3,135,653,278.26	746,637,593.94	-	3,882,290,872.20	62.08%	In progress	Self-owned funds and loans from financial institutions
Longtan Bridge North Connection	6,984,587,200.00	1,645,803,293.68	973,989,602.28	-	2,619,792,895.96	37.51%	In progress	Self-owned funds and loans from financial institutions
Xiji Expressway expansion project	7,754,910,000.00	565,135,940.33	827,191,297.43	-	1,392,327,237.76	17.95%	In progress	Self-owned funds and loans from financial institutions
Total		5,346,592,512.27	2,547,818,493.65	-	7,894,411,005.92			

(3) Land use rights pending certificates of ownership

As at 31 December 2023, the Group has no land use rights without certificates of ownership (31 December 2022: none).

### 19. Long-term deferred expenses

Item	Balance at the beginning of the year	Additions during the year	Amortisation for the year	Balance at the end of the year
Building improvements	18,310,574.19	5,762,388.48	7,868,607.53	16,204,355.14
Less: Provision for impairment	-	-	-	-
Total	18,310,574.19	5,762,388.48	7,868,607.53	16,204,355.14

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and liabilities

Item	2023		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	63,399,243.65	12,885,964.90	21,293,749.21	4,790,184.43
Unrealised profits of intra-group transactions	346,848,109.44	86,712,027.36	346,897,713.19	86,724,428.30
Deductible tax losses	223,940,119.01	55,985,029.75	37,179,493.78	9,294,873.43
Land appreciation tax of real estate projects	141,649,164.08	35,412,291.04	310,655,508.51	77,663,877.16
Lease liabilities	9,325,904.25	1,965,241.85	-	-
Accrued expense	16,212,131.88	4,053,993.57	36,421,987.24	8,974,694.22
Deferred income	41,871,350.12	10,467,837.53	52,339,187.58	13,084,796.90
Sub-total	843,246,022.43	207,482,386.00	804,787,639.51	200,532,854.44
Amount offset	(84,350,018.32)	(20,730,750.51)	(68,874,658.84)	(17,218,664.71)
Balance after offsetting	758,896,004.11	186,751,635.49	735,912,980.67	183,314,189.73
Deferred tax liabilities:				
Changes in fair values of held-for-trading financial assets	(16,587,004.72)	(4,146,751.18)	(20,613,763.10)	(5,153,440.78)
Right-of-use assets	(9,589,269.55)	(2,040,563.32)	-	-
Changes in fair values of investments in other equity instruments	(1,922,560,367.67)	(480,640,091.92)	(2,089,018,847.67)	(522,254,711.92)
Changes in fair values of other non-current financial assets	(692,583,388.60)	(173,145,847.15)	(602,619,157.67)	(150,654,789.41)
Difference between tax policies and that under accounting policies for service zone lease income	(3,757,598.99)	(939,399.76)	(43,629,052.82)	(10,907,263.22)
Sub-total	(2,645,077,629.53)	(660,912,653.33)	(2,755,880,821.26)	(688,970,205.33)
Amount offset	84,350,018.32	20,730,750.51	68,874,658.84	17,218,664.71
Balance after offsetting	(2,560,727,611.21)	(640,181,902.82)	(2,687,006,162.42)	(671,751,540.62)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Deferred tax assets and deferred tax liabilities (Continued)

(2) Details of unrecognised deferred tax assets

Item	2023	2022
Deductible tax losses	<b>530,205,003.08</b>	868,357,390.62
Deductible temporary differences	<b>9,712,433.49</b>	9,167,594.99
Total	<b>539,917,436.57</b>	877,524,985.61

(3) Expiration of deductible tax losses for unrecognised deferred tax assets

Year	2023	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>69,663,242.72</b>	382,745,632.77
2027	<b>200,891,926.62</b>	367,816,591.13
2028	<b>162,187,859.02</b>	–
Total	<b>530,205,003.08</b>	868,357,390.62

### 21. Other non-current assets

Item	2023			2022		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Prepayments for land and use right certificate fee	<b>9,713,630.00</b>	–	<b>9,713,630.00</b>	9,713,630.00	–	9,713,630.00
Prepayments for construction	–	–	–	200,000.00	–	200,000.00
Deductible input tax	<b>174,301,315.73</b>	–	<b>174,301,315.73</b>	58,453,230.46	–	58,453,230.46
Total	<b>184,014,945.73</b>	–	<b>184,014,945.73</b>	68,366,860.46	–	68,366,860.46

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Assets with restrictive ownership title or right-of-use

Item	2023				2022			
	Carrying amount	Book value	Type of restriction	Reason for restriction	Carrying amount	Book value	Type of restriction	Reason for restriction
Cash at bank and on hand	28,557,544.17	28,557,544.17	For guarantees, freezes	Note Margin, Business Freeze	7,918,489.89	7,918,489.89	For guarantees	Customer mortgage margin, pre-sale regulatory funds and bill margin
Intangible assets	26,433,973,442.30	24,831,498,864.13	For pledges	Pledge of toll road rights	24,714,296,955.30	23,591,032,436.60	For pledges	Pledge of toll road rights
Accounts receivable	905,721,059.44	882,192,252.31	For pledges	Pledge of the rights for electricity fee receivable	576,102,489.36	568,354,076.80	For pledges	Pledge of the rights for electricity fee receivable
Total	27,368,252,045.91	25,742,248,660.61			25,298,317,934.55	24,167,305,003.29		

The amortisation of intangible assets used as pledge for current year is RMB479,210,059.47.

### 23. Short-term loans

(1) Short-term loans by category:

Category	2023	2022
Credit loans	1,003,987,152.92	2,434,124,067.61
Total	1,003,987,152.92	2,434,124,067.61

(2) Past due short-term loans:

As at 31 December 2023, there are no short-term loans overdue but not yet repaid (31 December 2022: none).

### 24. Bills payable

Item	2023	2022
Bank acceptance bills	252,900,000.00	366,000,000.00
Total	252,900,000.00	366,000,000.00

As at 31 December 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 year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25. Accounts payable

(1) Details of accounts payable are as follows:

Item	2023	2022
Amounts due to related party	<b>89,327,164.40</b>	186,615,902.53
Amounts due to third party	<b>2,605,293,125.91</b>	2,626,825,616.22
Total	<b>2,694,620,290.31</b>	2,813,441,518.75

(2) Significant accounts payable with ageing of more than one year

Item	Balance at the end of the year	Reasons why not settled
Construction payable	<b>1,192,864,682.01</b>	Long settlement procedure of the project
Construction payable for real estate project	<b>370,857,275.33</b>	Long settlement procedure of the real estate project
Total	<b>1,563,721,957.34</b>	

### 26. Advance payments received

Details of advance payments received are as follows:

Item	2023	2022
Related parties	<b>2,885,411.12</b>	2,879,190.33
Third parties	<b>18,512,639.56</b>	12,269,652.00
Total	<b>21,398,050.68</b>	15,148,842.33

At the end of 31 December 2023, the Group has no significant advance payment with ageing of more than one year (31 December 2022: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Contract liabilities

Item	2023	2022
Advances from sales of property received	39,662,422.59	162,928,919.15
Total	39,662,422.59	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.

### 28. Employee benefits payable

(1) Employee benefits payable:

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Short-term employee benefits	7,114,523.65	1,175,071,875.18	1,174,280,183.28	7,906,215.55
Post-employment benefits – defined contribution plans	–	192,803,095.55	192,803,095.55	–
Total	7,114,523.65	1,367,874,970.73	1,367,083,278.83	7,906,215.55

(2) Short-term employee benefits

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Salaries, bonuses, allowances	821,886.62	890,879,367.46	890,373,572.08	1,327,682.00
Staff welfare	–	5,752,965.62	5,752,965.62	–
Social insurance	3,765.00	103,299,955.00	103,299,955.00	3,765.00
Medical insurance	3,765.00	93,820,576.37	93,820,576.37	3,765.00
Work-related injury insurance	–	3,901,098.87	3,901,098.87	–
Maternity insurance	–	5,578,279.76	5,578,279.76	–
Housing fund	–	94,632,641.00	94,632,641.00	–
Labour union fee, staff and workers' education fee	6,288,872.03	32,737,995.78	32,452,099.26	6,574,768.55
Non-monetary benefits	–	47,721,569.82	47,721,569.82	–
Termination benefits	–	47,380.50	47,380.50	–
Total	7,114,523.65	1,175,071,875.18	1,174,280,183.28	7,906,215.55

For the current year, the Group provided employee with non-monetary benefits of RMB47,721,569.82 (2022: RMB48,480,648.89), which represents purchased non-monetary welfare goods and holiday gifts that distributed to employees etc. The calculation basis is the actual purchasing cost.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 28. Employee benefits payable (Continued)

(3) Post-employment benefits – defined contribution plans

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Basic pension insurance	–	121,989,467.32	121,989,467.32	–
Unemployment insurance	–	3,881,386.70	3,881,386.70	–
Annuity	–	66,932,241.53	66,932,241.53	–
<b>Total</b>	<b>–</b>	<b>192,803,095.55</b>	<b>192,803,095.55</b>	<b>–</b>

### 29. Taxes payable

Item	2023	2022
Corporate income tax	<b>22,094,300.73</b>	7,797,007.24
Land appreciation tax	<b>141,649,164.08</b>	310,655,508.51
Value-added tax	<b>54,262,681.54</b>	55,485,288.40
Property tax	<b>3,325,258.99</b>	1,207,116.32
Individual income tax	<b>2,296,033.24</b>	3,509,747.26
Urban maintenance and construction tax	<b>2,236,130.40</b>	1,797,099.26
Others	<b>2,767,474.03</b>	2,571,902.04
<b>Total</b>	<b>228,631,043.01</b>	383,023,669.03

### 30. Other payables

	Note	2023	2022
Dividends payable	(1)	<b>105,617,866.33</b>	104,557,522.67
Others	(2)	<b>236,223,643.82</b>	183,484,872.05
<b>Total</b>		<b>341,841,510.15</b>	288,042,394.72

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Other payables (Continued)

(1) Dividends payable

Item	2023	2022
Dividends for ordinary shares	<b>105,617,866.33</b>	104,557,522.67

(2) Others

Details of others by nature are as follows:

Item	2023	2022
Lease deposit of service area	<b>61,993,362.64</b>	49,178,438.65
Performance and other security	<b>37,524,524.80</b>	35,977,215.85
Project quality deposit	<b>28,405,739.00</b>	30,458,222.82
House purchase bonus	<b>2,955,830.42</b>	3,232,935.28
Others	<b>105,344,186.96</b>	64,638,059.45
Total	<b>236,223,643.82</b>	183,484,872.05

As of 31 December 2023, no significant others payable aged more than one year (31 December 2022: none).

### 31. Non-current liabilities due within one year

Item	2023	2022
Long-term loans due within one year (Note V.33)	<b>896,003,232.13</b>	1,673,998,534.30
Bonds payable due within one year (Note V.34)	<b>2,125,889,862.33</b>	127,249,150.67
Long-term payables due within one year (Note V.36)	<b>1,671,970.29</b>	1,598,441.96
Other non-current liabilities due within one year	-	4,451,000.00
Lease liabilities due within one year (Note V.35)	<b>7,645,139.93</b>	7,911,433.32
Total	<b>3,031,210,204.68</b>	1,815,208,560.25

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Other current liabilities

Item	2023	2022
Super short-term bonds payable	<b>1,898,631,291.00</b>	5,334,649,066.00
Output VAT to be transferred	<b>28,650,251.83</b>	25,079,026.37
<b>Total</b>	<b>1,927,281,542.83</b>	5,359,728,092.37

The movements of super short-term bonds payable:

Name of bond	Face value	Coupon rate	Issuance date	Maturity period	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Repayment during the year	Balance at the end of the year	Default (Y/N)
Super short-term bonds payable											
22 Ninghu Gao SCP039	100	1.59%	2022 September 20	107	1,000,000,000.00	1,004,443,287.00	-	217,808.89	1,004,661,095.89	-	N
22 Ninghu Gao SCP040	100	1.61%	2022 September 30	90	500,000,000.00	501,874,658.00	-	110,273.51	501,984,931.51	-	N
22 Ninghu Gao SCP041	100	1.61%	2022 September 30	90	400,000,000.00	401,499,726.00	-	88,219.21	401,587,945.21	-	N
22 Ninghu Gao SCP042	100	1.61%	2022 September 30	90	400,000,000.00	401,499,726.00	-	88,219.21	401,587,945.21	-	N
22 Ninghu Gao SCP043	100	1.78%	2022 November 9	92	800,000,000.00	802,028,713.00	-	1,560,547.27	803,589,260.27	-	N
22 Ninghu Gao SCP044	100	2.17%	2022 November 30	92	770,000,000.00	771,419,121.00	-	2,792,462.56	774,211,583.56	-	N
22 Ninghu Gao SCP045	100	2.40%	2022 December 9	123	750,000,000.00	750,986,301.00	-	5,079,452.42	756,065,753.42	-	N
22 Ninghu Gao SCP046	100	2.60%	2022 December 13	121	700,000,000.00	700,897,534.00	-	5,135,890.66	706,033,424.66	-	N
23 Ninghu Gao SCP001	100	2.30%	2023 January 3	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-	N
23 Ninghu Gao SCP002	100	2.30%	2023 January 3	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-	N
23 Ninghu Gao SCP003	100	2.30%	2023 January 3	93	500,000,000.00	-	500,000,000.00	2,930,136.99	502,930,136.99	-	N
23 Ninghu Gao SCP004	100	2.30%	2023 January 3	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-	N
23 Ninghu Gao SCP005	100	2.15%	2023 February 6	94	400,000,000.00	-	400,000,000.00	2,214,794.52	402,214,794.52	-	N
23 Ninghu Gao SCP006	100	2.15%	2024 February 6	94	400,000,000.00	-	400,000,000.00	2,214,794.52	402,214,794.52	-	N
23 Ninghu Gao SCP007	100	2.36%	2023 February 28	86	400,000,000.00	-	400,000,000.00	2,218,142.08	402,218,142.08	-	N
23 Ninghu Gao SCP008	100	2.36%	2024 February 28	86	370,000,000.00	-	370,000,000.00	2,051,781.42	372,051,781.42	-	N
23 Ninghu Gao SCP009	100	2.18%	2023 March 31	95	1,050,000,000.00	-	1,050,000,000.00	5,941,393.44	1,055,941,393.44	-	N
23 Ninghu Gao SCP010	100	2.18%	2023 March 31	94	500,000,000.00	-	500,000,000.00	2,799,453.55	502,799,453.55	-	N
23 Ninghu Gao SCP011	100	2.18%	2023 April 3	94	400,000,000.00	-	400,000,000.00	2,239,562.84	402,239,562.84	-	N
23 Ninghu Gao SCP012	100	2.18%	2023 April 3	93	400,000,000.00	-	400,000,000.00	2,239,562.84	402,239,562.84	-	N
23 Ninghu Gao SCP013	100	2.23%	2023 April 11	93	1,000,000,000.00	-	1,000,000,000.00	5,666,393.44	1,005,666,393.44	-	N
23 Ninghu Gao SCP014	100	2.23%	2023 April 11	93	400,000,000.00	-	400,000,000.00	2,266,557.38	402,266,557.38	-	N
23 Ninghu Gao SCP015	100	2.22%	2023 May 9	93	350,000,000.00	-	350,000,000.00	1,974,344.26	351,974,344.26	-	N
23 Ninghu Gao SCP016	100	2.07%	2023 May 23	107	300,000,000.00	-	300,000,000.00	1,577,950.82	301,577,950.82	-	N
23 Ninghu Gao SCP017	100	2.03%	2023 July 4	107	610,000,000.00	-	610,000,000.00	3,620,166.67	613,620,166.67	-	N
23 Ninghu Gao SCP018	100	2.03%	2023 July 4	107	620,000,000.00	-	620,000,000.00	3,679,513.66	623,679,513.66	-	N
23 Ninghu Gao SCP019	100	2.08%	2023 July 11	100	310,000,000.00	-	310,000,000.00	1,761,748.63	311,761,748.63	-	N
23 Ninghu Gao SCP020	100	2.04%	2023 August 8	100	350,000,000.00	-	350,000,000.00	1,950,819.67	351,950,819.67	-	N
23 Ninghu Gao SCP021	100	2.30%	2023 October 17	93	540,000,000.00	-	540,000,000.00	2,587,500.00	-	542,587,500.00	N
23 Ninghu Gao SCP022	100	2.30%	2023 October 17	93	500,000,000.00	-	500,000,000.00	2,395,833.00	-	502,395,833.00	N
23 Ninghu Gao SCP023	100	2.30%	2023 October 17	93	500,000,000.00	-	500,000,000.00	2,395,833.00	-	502,395,833.00	N
23 Ninghu Gao SCP024	100	2.43%	2023 November 8	89	350,000,000.00	-	350,000,000.00	1,252,125.00	-	351,252,125.00	N
<b>Total</b>					17,370,000,000.00	5,334,649,066.00	12,050,000,000.00	81,599,774.60	15,567,617,549.60	1,898,631,291.00	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33. Long-term loans

(1) Long-term loans by category

Item	2023	2022
Pledged loans	<b>11,045,410,226.46</b>	10,493,718,583.88
Guaranteed loans	<b>8,774,085.59</b>	10,353,339.10
Unsecured loans	<b>9,290,919,902.17</b>	7,223,523,978.26
Less: Long-term loans due within one year ( <i>Note V.31</i> )	<b>896,003,232.13</b>	1,673,998,534.30
<b>Total</b>	<b>19,449,100,982.09</b>	16,053,597,366.94

As of 31 December 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 RMB3,277,000,000.00 and an interest of RMB3,131,241.96; obtained loans from Bank of Communications with a total principal of RMB1,469,659,168.00 and an interest of RMB1,514,347.31; obtained loans from Industrial and Commercial Bank of China with a total principal of RMB1,638,000,000.00 and an interest of RMB1,703,594.41; obtained loans from China Construction Bank with a total principal of RMB1,559,000,000.00 and an interest of RMB1,619,627.81; obtained loans from Agricultural Bank of China with a total principal of RMB354,000,000.00 and an interest of RMB367,766.65; obtained loans from Post Office Saving Bank of China with a total principal of RMB1,384,452,000.00 and an interest of RMB1,450,982.53; obtained loans from China Merchants Bank with a total principal of RMB1,352,000,000.00 and an interest of RMB1,511,497.79. The principal of long-term loans due within one year is RMB504,759,332.00 and the interest payable due within one year is RMB11,299,058.46. The maturity date of the remaining Pledged loans is from 21 March 2025 to 29 June 2051. Please refer to Note V.22 "Assets with restrictive ownership title or right-of-use" for the details of the pledged items of the above pledged loans at the end of 31 December 2023.
- (b) Guaranteed loans mainly include a long-term loan obtained by the Group from Spanish government with a total principal of USD1,238,805.10, which is equivalent to RMB8,774,085.59 at the end of the year. The principal of long-term loans due within one year is USD247,761.02, which is equivalent to RMB1,754,816.98. The maturity date of the last loans is 10 July 2028.
- (c) Unsecured loans mainly include loans obtained by the Group from Jiangsu Communications Holding Company Limited with a total principal of RMB3,193,434,877.48 and an interest of RMB28,406,889.65; obtained loans from Bank of Communications with a total principal of RMB1,275,000,000.00 and an interest of RMB622,985.89; obtained loans from Shanghai Pudong Development Bank with a total principal of RMB581,500,000.00 and an interest of RMB634,292.09; obtained loans from China Merchants Bank with a total principal of RMB542,000,000.00 and an interest of RMB437,463.67; obtained loans from China Construction Bank with a total principal of RMB1,551,000,000.00 and an interest of RMB1,310,420.84; obtained loans from Agricultural Bank of China with a total principal of RMB662,775,000.00 and an interest of RMB669,704.52; obtained loans from Industrial and Commercial Bank of China with a total principal of RMB150,000,000.00 and an interest of RMB137,500.00; obtained loans from Bank of China with a total principal of RMB840,000,000.00 and an interest of RMB675,277.89; obtained loans from Jiangsu Communications Holding Group Finance Co., Ltd. with a total principal of RMB311,845,000.00 and an interest of RMB322,448.47; obtained loans from Post Office Saving Bank of China with a total principal of RMB150,000,000.00 and an interest of RMB148,041.67; The principal of long-term loans due within one year is RMB344,825,000.00 and the interest payable due within one year is RMB33,365,024.69. The maturity date of the remaining unsecured loans is from 3 January 2025 to 29 June 2051.

As of 31 December 2023, the annual interest rate of Pledged loans is 2.40% – 3.81%, the annual interest rate of Guaranteed loans is 2%, and the annual interest rate range of unsecured loans is 2.40% – 3.85%.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34. Debentures payable

#### (1) Debentures payable

Item	2023	2022
Medium term notes	5,551,467,096.84	5,544,625,794.05
Corporate bonds	4,558,629,304.54	4,554,960,837.96
Less: Debentures payable due within one year (Note V.31)	2,125,889,862.33	127,249,150.67
<b>Total</b>	<b>7,984,206,539.05</b>	<b>9,972,337,481.34</b>

#### (2) Movements of debentures:

Debentures Name	Debentures										Default (Y/N)			
	Face value (RMB)	Nominal interest rate	Issuance date	Maturity period	Interest rate	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Amortisation of discounts or premium		Repayment during the year	Balance at the end of the year	Repayment during the year
20 Ninghu Gao MTN001	100.00	3.98%	21 August 2020	5 years	3.98%	2,000,000,000.00	2,019,904,366.39	-	79,600,000.00	3,344,522.11	79,600,000.00	2,023,248,908.50	29,004,931.51	N
21 Ninghu Gao MTN001	100.00	3.45%	15 June 2021	3 years	3.45%	1,000,000,000.00	1,017,222,570.16	-	34,500,000.00	1,018,881.60	34,500,000.00	1,018,241,451.76	1,018,241,451.76	N
21 Ninghu Gao MTN002	100.00	3.30%	25 October 2021	3 years	3.30%	500,000,000.00	502,054,307.15	-	16,500,000.00	505,889.61	16,500,000.00	502,660,176.76	502,660,176.76	N
21 Ninghu Gao MTN003	100.00	3.13%	22 November 2021	3 years	3.13%	500,000,000.00	500,665,513.09	-	15,650,000.00	501,515.19	15,650,000.00	501,167,028.28	501,167,028.28	N
22 Ninghu Gao MTN001 (SCI-TECH Innovation note)	100.00	2.49%	13 September 2022	3 years	2.49%	700,000,000.00	703,259,209.62	-	17,490,000.00	687,381.83	17,490,000.00	703,946,591.45	5,157,389.85	N
22 Ninghu Gao MTN002	100.00	2.49%	10 October 2022	3 years	2.49%	300,000,000.00	300,843,869.80	-	7,470,000.00	294,051.76	7,470,000.00	301,137,921.56	1,678,191.78	N
22 Ninghu Gao MTN003	100.00	2.55%	31 October 2022	3 years	2.55%	500,000,000.00	500,675,937.84	-	12,750,000.00	489,080.69	12,750,000.00	501,165,018.53	2,095,890.41	N
21 Ninghu G1	100.00	3.70%	2 February 2021	3+2 years	3.70%	1,000,000,000.00	1,031,704,880.64	-	37,000,000.00	577,428.97	37,000,000.00	1,032,282,309.61	33,756,164.44	N
21 Ninghu G2	100.00	3.08%	24 November 2021	3+2 years	3.08%	800,000,000.00	800,664,397.82	-	24,640,000.00	466,437.30	24,640,000.00	801,130,835.12	2,585,260.28	N
22 Ninghu G1	100.00	2.90%	20 April 2022	3 years	2.90%	1,000,000,000.00	1,018,020,428.46	-	29,000,000.00	990,395.16	29,000,000.00	1,019,011,423.62	20,339,726.02	N
22 Ninghu G2	100.00	2.55%	23 August 2022	3 years	2.55%	500,000,000.00	503,250,797.61	-	12,750,000.00	462,245.24	12,750,000.00	503,713,042.85	4,576,027.40	N
G22 Ninghu 1	100.00	2.58%	24 October 2022	3 years	2.58%	700,000,000.00	701,442,920.14	-	18,060,000.00	684,993.97	18,060,000.00	702,127,914.11	3,414,082.19	N
22 Ninghu G3	100.00	2.95%	29 November 2022	3 years	2.95%	500,000,000.00	499,877,413.29	-	14,750,000.00	486,365.94	14,750,000.00	500,363,779.23	1,333,561.65	N
<b>Total</b>						10,000,000,000.00	10,099,586,632.01	-	320,100,000.00	10,509,769.37	320,100,000.00	10,110,096,401.38	2,125,889,862.33	

### 35. Lease liabilities

Item	Note	2023	2022
Long-term lease liabilities		26,152,900.74	28,211,724.76
Less: lease liabilities due within one year	V.31	7,645,139.93	7,911,433.32
<b>Total</b>		<b>18,507,760.81</b>	<b>20,300,291.44</b>

For the Group's specific arrangements relating to leasing activities, refer to Note V.62.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 36. Long-term payables

Item	2023	2022
Long-term payables for right to use sea areas	<b>71,404,993.74</b>	73,003,435.70
Less: Long-term payables due within one year (Note V.31)	<b>1,671,970.29</b>	1,598,441.96
Total	<b>69,733,023.45</b>	71,404,993.74

### 37. Deferred income

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year	Reason for deferral
Government grant	73,860,914.18	–	12,093,486.44	<b>61,767,427.74</b>	Construction grants of Ningchang Expressway and subsidy for removal of provincial boundary toll station
Total	73,860,914.18	–	12,093,486.44	<b>61,767,427.74</b>	

Items relating to government grant:

Items	Balance at the beginning of the year	Additions during the year	Amounts recognised in other income during the year	Other changes	Balance at the end of the year	Related to assets/income
Subsidy for construction of Ningchang Expressway (Note 1)	21,521,726.60	–	1,625,648.98	–	19,896,077.62	Related to assets
Subsidy for reconstruction of highway provincial boundary toll station (Note 2)	52,339,187.58	–	10,467,837.46	–	41,871,350.12	Related to assets
Total	73,860,914.18	–	12,093,486.44	–	61,767,427.74	

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., a subsidiary of the Company, amounting to RMB86,689,640.00. The Group recognizes the project construction subsidy as a compensation of reconstruction of highway provincial boundary toll station which is recorded in deferred income.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Share capital

	Balance at the beginning of the year	Issuance of new shares	Bonus shares	Changes during the year Transfer from reserves	Others	Sub-total	Balance at the end of the year
Total shares	5,037,747,500.00	-	-	-	-	-	<b>5,037,747,500.00</b>

### 39. Capital reserve

Item	2023	2022
Share premium	<b>4,061,508,338.00</b>	4,061,508,338.00
Including: Capital contributed by investors	<b>4,887,251,453.53</b>	4,887,251,453.53
Considerations paid for business combinations involving enterprises under common control	<b>(825,743,115.53)</b>	(825,743,115.53)
Other capital reserves	<b>5,739,733,346.91</b>	5,714,901,034.86
Including: Share of capital reserve of the investee under the equity method	<b>5,892,625.44</b>	(18,939,686.61)
Contribution by holders of other equity instruments	<b>6,483,769.61</b>	6,483,769.61
Transfer from capital reserve under the previous accounting system	<b>5,653,832,002.49</b>	5,653,832,002.49
Difference arising from merging associates	<b>73,524,949.37</b>	73,524,949.37
Total	<b>9,801,241,684.91</b>	9,776,409,372.86

During the year, the movement in the Group's capital surplus represents the Specific reserve provided by the equity method of accounting for investees.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 40. Other comprehensive income

Item	Balance at the beginning of the year attributable to shareholders of the Company		Less: Previously recognized amount transferred to profit or loss	2023		Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	Balance at the end of the year attributable to shareholders of the Company
	Before-tax amount			Less: Income tax expense				
Items that will not be reclassified to profit or loss	1,752,980,473.16	(129,165,950.56)	-	52,987,020.00	(76,178,930.56)	34,117,200.00	<b>1,676,801,542.60</b>	
Including: Other comprehensive income recognised under equity method ( <i>Note 1</i> )	281,576,029.38	82,782,129.44	-	-	82,782,129.44	-	<b>364,358,158.82</b>	
Changes in fair value of investments in other equity instruments ( <i>Note 2</i> )	1,471,404,443.78	(211,948,080.00)	-	52,987,020.00	(158,961,060.00)	34,117,200.00	<b>1,312,443,383.78</b>	
Items that may be reclassified to profit or loss	(98,360.63)	405,738.27	-	-	405,738.27	-	<b>307,377.64</b>	
Including: Other comprehensive income recognised under equity method ( <i>Note 3</i> )	(98,360.63)	405,738.27	-	-	405,738.27	-	<b>307,377.64</b>	
<b>Total</b>	<b>1,752,882,112.53</b>	<b>(128,760,212.29)</b>	<b>-</b>	<b>52,987,020.00</b>	<b>(75,773,192.29)</b>	<b>34,117,200.00</b>	<b>1,677,108,920.24</b>	

*Note 1:* The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the associate Yangtze Bridge Company of the Group and Culture Media. The Group adjusts other comprehensive income according to the shareholding ratio.

*Note 2:* Other investments in equity instruments are the fair value adjustment of the ordinary shares of A-share listed company Bank of Jiangsu Co., Ltd. and ordinary shares of A-share listed company Jiangsu Financial Leasing Co., Ltd.

*Note 3:* The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the associate Zijin Trust of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.

### 41. General risk reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
General risk reserve	9,737,731.83	-	9,737,731.83	-

General risk reserve for the prior year represents the provision of risk reserve by Ninghu Factoring Company, a subsidiary of the Company, as per requirement of "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises" (Yin Bao Jian Ban Fa (2019) No.205). At July 31 2023, the Group disposed of its subsidiary, Ninghu Factoring Company, with no general risk reserve at the end of the period.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Specific reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Safety fund	577,468.02	6,806,240.52	5,293,500.62	<b>2,090,207.92</b>
Total	577,468.02	6,806,240.52	5,293,500.62	<b>2,090,207.92</b>

The increase in specific reserve during the year was the safety fund made by a subsidiary (Yunshan Green Energy) of the Company based on the Administrative Measures for the Accrual and Use of Expenses for Work Safety by Enterprises (Caizi [2022] No.136).

### 43. Surplus reserve

Items	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Statutory surplus reserve	3,559,132,056.47	98,932,433.25	2,804,119.00	<b>3,655,260,370.72</b>
Discretionary surplus reserve	460,461,016.47	67,558,856.33	–	<b>528,019,872.80</b>
Total	4,019,593,072.94	166,491,289.58	2,804,119.00	<b>4,183,280,243.52</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 year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44. Retained earnings

Items	Note	2023	2022
Retained earnings at the beginning of the year		<b>11,343,860,451.93</b>	10,110,279,671.92
Add: Net profits for the year attributable to shareholders of the Company		<b>4,413,271,587.29</b>	3,724,115,165.87
Transfer of other comprehensive income to retained earnings	(1)	-	15,544,544.77
Reversal of general risk reserve		<b>1,328,785.66</b>	-
Disposal of subsidiaries		<b>11,213,065.17</b>	-
Less: Appropriation for statutory surplus reserve		<b>98,932,433.25</b>	109,545,738.94
Appropriation for discretionary surplus reserve		<b>67,558,856.33</b>	75,936,702.74
Appropriation for general risk reserve		-	3,232,638.95
Dividends to ordinary shares	(2)	<b>2,317,363,850.00</b>	2,317,363,850.00
Retained earnings at the end of the year		<b>13,285,818,750.47</b>	11,343,860,451.93

- (1) Transfer of other comprehensive income to retained earnings

Transfer of other comprehensive income to retained earnings is mainly the income generated by the disposal of partial investments in other equity instruments held by the Group in 2022. This financial asset is designated to be measured at fair value and its change is included in other comprehensive income. The accumulated profit of RMB15,544,544.77 is transferred from other comprehensive income to undistributed profit.

- (2) Dividends to ordinary shares during the year

Pursuant to the shareholders' approval at the shareholders' general meeting on 20 June 2023, a cash dividend of RMB0.46 per share (2022: RMB0.46 per share), totalling RMB2,317,363,850.00 (2022: RMB2,317,363,850.00), was declared and paid to the Company's ordinary shareholders on 26 July 2023.

### 45. Operating income and operating costs

- (1) Operating income and operating costs

Items	Note	2023		2022	
		Income	Cost	Income	Cost
Principal activities		<b>13,850,791,481.07</b>	<b>8,702,146,555.59</b>	11,786,933,521.91	7,958,674,859.74
Other operating activities		<b>1,341,218,744.97</b>	<b>878,538,248.84</b>	1,468,669,585.81	882,774,463.15
Total		<b>15,192,010,226.04</b>	<b>9,580,684,804.43</b>	13,255,603,107.72	8,841,449,322.89
Including: revenue from contracts with customers	V.45(2)	<b>15,020,522,055.56</b>	<b>9,345,962,607.50</b>	13,162,146,352.67	8,624,182,102.72
Rental income		<b>171,488,170.48</b>	<b>234,722,196.93</b>	93,456,755.05	217,267,220.17

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45. Operating income and operating costs (Continued)

(2) Disaggregation of revenue from contracts with customers

Type of contract	2023		2022	
	Income	Cost	Income	Cost
By type of goods or services				
Toll road income	9,510,966,569.17	4,266,004,000.87	7,323,016,523.07	3,319,631,749.81
Construction income	2,496,053,906.65	2,496,053,906.65	3,340,387,380.03	3,340,387,380.03
Ancillary services income	1,725,136,111.49	1,713,540,064.28	1,060,057,453.18	1,118,503,380.56
Real estate income	474,897,940.35	363,056,827.88	674,078,627.89	431,390,921.20
Income from sales of electricity	642,167,322.18	341,313,339.43	651,675,244.34	328,148,600.23
Advertising and others income	171,300,205.72	165,994,468.39	112,931,124.16	86,120,070.89
Total	15,020,522,055.56	9,345,962,607.50	13,162,146,352.67	8,624,182,102.72
By timing of transferring goods or services				
Revenue recognized at a point in time	12,407,994,675.97	6,767,292,917.20	9,718,487,782.07	5,208,034,307.54
Revenue recognized over time	2,612,527,379.59	2,578,669,690.30	3,443,658,570.60	3,416,147,795.18
Total	15,020,522,055.56	9,345,962,607.50	13,162,146,352.67	8,624,182,102.72

(3) Information related to transaction price allocated to the remaining performance obligations

At the end of the reporting period, the amount of income corresponding to the performance obligation which have been signed but have not been performed or have not been completed is RMB39,662,422.59 (2022: RMB162,928,919.15), which refers to the transaction price of the real estate sales contract that has not met the agreed delivery conditions. RMB39,662,422.59 of the total is expected to be recognised in 2024.

### 46. Taxes and surcharges

Items	2023	2022
Land appreciation tax	(3,782,724.53)	128,552,672.12
City maintenance and construction tax	22,375,166.89	17,402,646.79
Education surcharges	16,170,057.80	12,647,046.15
Property tax	13,356,485.43	3,728,630.65
Land use tax	1,855,292.22	2,653,723.39
Others	3,403,734.27	3,942,896.07
Total	53,378,012.08	168,927,615.17

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Selling and distribution expenses

Items	2023	2022
Commission fee for agent of real estate sales	4,492,694.01	7,553,147.86
Staff costs	2,377,963.74	–
Advertisement and promotion fee	1,372,649.43	3,204,167.83
Depreciation	2,370.51	1,906.95
Others	1,781,316.18	3,742,516.60
<b>Total</b>	<b>10,026,993.87</b>	<b>14,501,739.24</b>

### 48. General and administrative expenses

Items	2023	2022
Staff costs	119,637,198.12	115,027,827.98
Depreciation and amortisation	77,398,368.30	78,275,925.24
Consulting and intermediary service fee	37,631,982.39	48,025,651.90
Property management fee	7,378,754.75	9,129,681.96
Audit fee	3,460,000.00	3,000,000.00
Maintenance and repair fee	2,473,557.03	4,694,774.20
Publicity fee related to the Party building	2,448,624.69	4,634,208.99
Travelling expenses	1,898,269.81	1,141,712.49
Vehicle related expenses	1,721,712.36	3,218,935.02
Office expenses	1,446,155.62	1,789,134.59
Labor protection fee	1,395,383.66	1,697,193.75
Others	26,616,226.77	22,873,524.06
<b>Total</b>	<b>283,506,233.50</b>	<b>293,508,570.18</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49. Financial expenses

Items	2023	2022
Interest expenses from loans and payables	<b>1,138,588,079.04</b>	1,111,892,890.86
Interest expenses from lease liabilities	<b>1,138,217.82</b>	1,685,983.10
Less: Borrowing costs capitalised	<b>63,637,543.44</b>	14,936,843.88
Interest income from deposits and receivables	<b>28,986,561.47</b>	23,262,551.07
Net exchange losses	<b>71,418,365.26</b>	2,806,116.78
Bond issuance fee and commission charges for other loans	<b>2,190,222.65</b>	5,993,174.91
Other financial expenses	<b>5,659,413.48</b>	10,047,898.33
<b>Total</b>	<b>1,126,370,193.34</b>	1,094,226,669.03

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 2.40% – 3.71% (2022: 3.25% – 4.16%) for the year.

### 50. Other income

Items	2023	2022
Government grants	<b>30,516,786.77</b>	31,604,959.61
Others	<b>321,359.09</b>	378,037.16
<b>Total</b>	<b>30,838,145.86</b>	31,982,996.77

### 51. Investment income

Items	2023	2022
Investment income from long-term equity investments accounted for using the equity method	<b>846,679,037.20</b>	1,086,915,705.37
Investment income from disposal of long-term equity investments	<b>497,405.57</b>	–
Investment income from financial assets held for trading during the holding period	<b>82,111,589.30</b>	113,447,577.74
Investment income from disposal of financial assets held for trading	<b>65,361.80</b>	74,319.29
Investment income from other non-current financial assets during the holding period	<b>69,174,006.89</b>	174,228,724.92
Investment income from other equity instruments during the holding period	<b>466,054,701.56</b>	479,699,920.00
Investment income from the acquisition of equity in previous years	–	13,595,265.73
<b>Total</b>	<b>1,464,582,102.32</b>	1,867,961,513.05

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 52. Gains/(losses) from changes in fair value

Items	2023	2022
Financial assets held for trading	<b>(4,026,758.38)</b>	(5,710,657.34)
Other non-current financial assets	<b>89,964,230.93</b>	(137,239,784.99)
Total	<b>85,937,472.55</b>	(142,950,442.33)

### 53. Credit losses

Item	2023	2022
Accounts receivable	<b>20,431,539.23</b>	5,354,679.05

### 54. Impairment losses

Item	2023	2022
Fixed Assets	<b>14,594,829.24</b>	–

### 55. Gains from asset disposals

Item	2023	2022
Gains from disposal of fixed assets	<b>13,404,236.61</b>	25,731,786.68

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 56. Non-operating income and non-operating expenses

(1) Non-operating income by item is as follows:

Items	2023	2022	Amount recognised in extraordinary gain and loss in 2023
Income from highway property compensation	<b>7,226,460.00</b>	7,038,297.00	7,226,460.00
Others	<b>6,731,196.30</b>	3,591,903.48	6,731,196.30
<b>Total</b>	<b>13,957,656.30</b>	10,630,200.48	13,957,656.30

(2) Non-operating expenses

Item	2023	2022	Amount recognised in extraordinary gain and loss in 2023
Expenditure for repair of damaged highway property	<b>15,401,852.36</b>	35,244,475.79	15,401,852.36
Penalty for delayed delivery of buildings	<b>6,209,525.58</b>	2,656,061.55	6,209,525.58
Losses on retirement of fixed assets	<b>5,110,752.20</b>	3,971,789.54	5,110,752.20
Non-profit donations	<b>1,410,000.00</b>	1,404,450.79	1,410,000.00
Others	<b>11,330,490.07</b>	6,691,214.74	11,330,490.07
<b>Total</b>	<b>39,462,620.21</b>	49,967,992.41	39,462,620.21

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Income tax expenses

Items	Note	2023	2022
Current tax expense for the year based on tax law and regulations		<b>1,048,388,391.08</b>	878,723,329.99
Changes in deferred tax	(1)	<b>6,607,536.44</b>	(36,298,618.66)
Tax filing differences for prior year		<b>7,653,518.46</b>	(9,391,005.32)
Total		<b>1,062,649,445.98</b>	833,033,706.01

(1) The analysis of changes in deferred tax is set out below:

Item	2023	2022
Origination and reversal of temporary differences	<b>6,607,536.44</b>	(36,298,618.66)

(2) Reconciliation between income tax expenses and accounting profit:

Items	2023	2022
Profits before taxation	<b>5,672,274,613.78</b>	4,581,022,574.40
Expected income tax expenses at tax rate of 25%	<b>1,418,068,653.45</b>	1,145,255,643.60
Tax filing differences for prior year	<b>7,653,518.46</b>	(9,391,005.32)
Effect of non-taxable income	<b>(334,124,121.24)</b>	(395,126,315.88)
Effect of non-deductible costs, expense and losses	<b>73,382,205.08</b>	22,342,199.50
Effect of using the deductible losses for which no deferred tax asset was recognised in previous periods	<b>(120,033,137.36)</b>	(236,912.35)
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this year	<b>40,683,174.38</b>	93,850,541.63
Effect of preferential tax rates applied by subsidiaries	<b>(38,890,752.77)</b>	(33,621,501.39)
Allocation of income tax for investments in partnerships	<b>15,909,905.98</b>	9,961,056.22
Income tax expenses	<b>1,062,649,445.98</b>	833,033,706.01



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 58. 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:

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Company	<b>4,413,271,587.29</b>	3,724,115,165.87
Weighted average number of ordinary shares outstanding	<b>5,037,747,500.00</b>	5,037,747,500.00
Basic earnings per share ( <i>RMB/share</i> )	<b>0.8760</b>	0.7392

Weighted average number of ordinary shares is calculated as follows:

	2023	2022
Issued ordinary shares at the beginning of the year	<b>5,037,747,500.00</b>	5,037,747,500.00
Weighted average number of ordinary shares at the end of the year	<b>5,037,747,500.00</b>	5,037,747,500.00

(2) Diluted earnings per share

There are no dilutive underlying common shares in the Company during the reporting period and diluted earnings per share are the same as basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Supplementary information on income statement

Items	2023	2022
Operating income	<b>15,192,010,226.04</b>	13,255,603,107.72
Less: Employee benefits expenses	<b>1,367,874,970.73</b>	1,287,832,940.48
Depreciation and amortisation expenses	<b>2,532,347,256.63</b>	2,048,472,217.60
Toll related expenses	<b>216,974,520.11</b>	212,286,954.81
Road maintenance expenses	<b>1,042,595,154.98</b>	609,917,852.14
System maintenance expenses	<b>80,881,708.12</b>	81,559,904.85
Construction services expenses	<b>2,496,053,906.65</b>	3,340,387,380.03
Real estate development land and construction cost	<b>360,797,542.63</b>	435,356,228.58
Petroleum in the service zone	<b>1,543,601,935.98</b>	919,163,094.69
Catering cost in the service zone	<b>3,227,924.41</b>	1,570,629.71
Taxes and surcharges	<b>53,378,012.08</b>	168,927,615.17
Financial expenses	<b>1,126,370,193.34</b>	1,094,226,669.03
Credit losses	<b>20,431,539.23</b>	5,354,679.05
Impairment losses	<b>14,594,829.24</b>	-
Others	<b>229,863,111.56</b>	212,912,429.42
Add: Other income	<b>30,838,145.86</b>	31,982,996.77
Investment income	<b>1,464,582,102.32</b>	1,867,961,513.05
Gains/(losses) from changes in fair value	<b>85,937,472.55</b>	(142,950,442.33)
Gains from asset disposals	<b>13,404,236.61</b>	25,731,786.68
Operating profit	<b>5,697,779,577.69</b>	4,620,360,366.33

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Cash flow statement

(1) Proceeds relating to other operating activities:

Item	2023	2022
Receipts from government grants and non-operating income etc.	<b>32,702,315.72</b>	30,569,424.14
Receipts from interest income of bank deposit	<b>28,986,561.47</b>	23,262,551.07
Recovery from financial factoring business	<b>378,245,672.16</b>	1,121,230,842.20
Collection of payments for construction work	<b>48,121,910.00</b>	–
<b>Total</b>	<b>488,056,459.35</b>	1,175,062,817.41

(2) Payments relating to other operating activities:

Item	2023	2022
Changes in cash with restricted usage	<b>20,639,054.28</b>	1,587,966.84
Payment of non-salary and other expenditure	<b>117,818,709.86</b>	139,206,298.52
Expenses on financial factoring business	<b>245,367,106.06</b>	1,338,262,017.15
<b>Total</b>	<b>383,824,870.20</b>	1,479,056,282.51

(3) Payments relating to other financing activities:

Item	2023	2022
Bond issue fee and other charges of loans	<b>6,008,003.40</b>	5,993,174.91

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Supplementary information for the cash flow statement

(1) Supplement to the cash flow statement

a. *Reconciliation of net profit to cash flows from operating activities:*

Item	2023	2022
Net profit	4,609,625,167.80	3,747,988,868.39
Add: Provisions for impairment of assets	14,594,829.24	–
Impairment of credit assets	20,431,539.23	5,354,679.05
Depreciation of fixed assets	660,019,005.84	593,741,194.22
Amortisation of intangible assets	1,846,087,048.72	1,433,933,951.40
Amortisation of long-term deferred expenses	7,868,607.53	2,686,797.77
Depreciation of ROU assets	8,711,366.40	11,978,726.71
Amortisation of investment properties	9,661,228.14	6,131,547.50
Amortisation of deferred income	(12,093,486.44)	(25,639,038.84)
Gains from asset disposals	(13,404,236.61)	(25,731,786.68)
Losses from retirement of fixed assets	5,110,752.20	3,971,789.54
(Gains)/losses from changes in fair value	(85,937,472.55)	142,950,442.33
Financial expenses	1,153,523,898.41	1,107,441,321.77
Investment income	(1,464,582,102.32)	(1,867,961,513.05)
Increase in deferred tax assets	(3,437,445.76)	(6,375,771.16)
Increase/(decrease) in deferred tax liabilities	10,044,982.20	(29,922,847.50)
Decrease in gross inventories	346,771,449.63	1,304,482,143.72
Increase in operating receivables	(335,783,892.17)	(1,602,921,987.98)
Decrease in operating payables	635,851,896.54	727,400,496.09
Increase in restricted monetary funds	(20,639,054.28)	(1,587,966.84)
Net cash flow from operating activities	7,392,424,081.75	5,527,921,046.44

b. *Net changes in cash and cash equivalents:*

Item	2023	2022
Cash and cash equivalents at the end of the year	833,603,529.89	925,012,854.49
Less: Cash and cash equivalents at the beginning of the year	925,012,854.49	617,306,798.75
Net (decrease)/increase in cash and cash equivalents	(91,409,324.60)	307,706,055.74

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Supplementary information for the cash flow statement (Continued)

(2) Information on acquisition or disposal of subsidiaries during the current year:

Information on disposal of subsidiaries:

	2023
Consideration for disposals	346,000,000.00
Cash and cash equivalents received during the year for disposing subsidiaries during the year	346,000,000.00
Including: Ninghu Factoring Company	346,000,000.00
Less: Cash and cash equivalents held by subsidiaries and other operating units	61,404,195.11
Net cash received from disposal of subsidiaries	284,595,804.89
Disposal of non-cash assets and liabilities of subsidiaries and other operating units	
– Current assets	840,979,114.79
– Non-current assets	165,749.80
– Current liabilities	557,046,465.27
– Non-current liabilities	–

(3) Details of cash and cash equivalents

Item	2023	2022
Cash and cash equivalents	833,603,529.89	925,012,854.49
Including: Cash on hand	65,617.50	69,744.33
Bank deposits available on demand	832,044,695.72	923,122,443.28
Other monetary funds available on demand	1,493,216.67	1,820,666.88
Closing balance of cash and cash equivalents	833,603,529.89	925,012,854.49

(4) Restricted monetary funds presented as cash and cash equivalents

Items	2023	2022	Rationale
Security deposits for certain mortgage loans	–	347,855.62	Frozen
Supervised advance from customers	–	270,634.27	Frozen
Total	–	618,489.89	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Supplementary information for the cash flow statement (Continued)

- (5) Cash at bank and on hand not classified as cash and cash equivalents

Items	2023	2022	Rationale
Security deposits for notes	<b>28,227,333.33</b>	7,300,000.00	Non-available for payments
Business freeze	<b>330,210.84</b>	–	Frozen

### 62. Leases

- (1) As a lessee

Item	2023	2022
Short-term lease expenses applied the practical expedient	<b>6,025,247.52</b>	3,822,647.19
Variable lease payments not included in the measurement of lease liabilities	<b>2,594,816.00</b>	2,929,304.00
Total cash outflow for leases	<b>17,944,995.44</b>	18,919,492.02

(a) *Short-term leases*

Some of the Group's subsidiaries lease houses and buildings for its office space for a term of less than one year. These leases are short-term, and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

- (2) As a lessor

*Operating lease*

Item	2023	2022
Lease income	<b>171,488,170.48</b>	93,456,755.05
Including: Income relating to variable lease payments not included in lease receipts	<b>42,893,672.58</b>	23,814,111.71

The Group mainly leases some houses and buildings in the service zone along the expressway, the lease term is subject to the actually signed contract. The lessee guarantees the residual value of the leased assets at the end of the lease term. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 62. Leases (Continued)

(2) As a lessor (Continued)

#### Operating lease (Continued)

The undiscounted lease receipts to be received after the balance sheet date are as follows:

Item	2023	2022
Within 1 year (inclusive)	<b>141,588,495.52</b>	79,885,756.52
Over 1 year but within 2 years (inclusive)	<b>112,103,097.06</b>	78,955,860.66
Over 2 years but within 3 years (inclusive)	<b>26,598,030.28</b>	42,620,557.86
Over 3 years but within 4 years (inclusive)	<b>24,093,320.47</b>	17,856,180.08
Over 4 years but within 5 years (inclusive)	<b>7,585,532.28</b>	11,179,718.50
Over 5 years	<b>12,502,674.68</b>	14,468,503.82
<b>Total</b>	<b>324,471,150.29</b>	244,966,577.44

## VI. CHANGE OF CONSOLIDATION SCOPE

### (1) Disposal of subsidiaries

Transactions or events resulting in loss of control over subsidiaries

Entity name	Consideration on the date of losing control	Shareholding being disposed on the date of losing control (%)	Disposal method on the date of losing control	Date of losing control	Basis for determining date of losing control	Difference between consideration received and the related share of net assets in consolidated financial statements	Proportion of remaining shareholding on the date of losing control	Carrying amount of remaining equity interests on the date of losing control in consolidated financial statements	Fair value of remaining equity interests on the date of losing control in consolidated financial statements	Gain or loss from remeasurement of remaining equity interests to fair value	Method and key assumptions for determining the fair value of remaining equity interests in consolidated financial statements	Investment income or loss/retained earnings transferred from other comprehensive income related to previous equity investments in subsidiaries
Ninghu Factoring Company	346,000,000.00	100	Cash consideration	31 July 2023	The date of receipt of the equity transfer payment as in the agreement	497,405.57	-	-	-	-	-	-

The Group has a gain of RMB497,405.57 on the loss of its control over Ninghu Factoring Company which has been included in investment income in the consolidated financial statements.

### (2) Other reasons for change of consolidation scope

Name of the subsidiary	Basis for determining formation or loss of control
Jiangsu Communications Holding Clean Energy Suqian Co., Ltd.	Newly established

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 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	
Jinagsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment Company")	Nanjing	Nanjing	Investment and services	RMB1,940,000,000.00	100	-	Set-up
Jinagsu 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	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 Energy	Nanjing	Nanjing	Clean energy power generation	RMB2,000,000,000.00	100	-	Business combination involving entities under common control
Guangjing Xicheng Company	Wuxi	Nanjing	Operation of expressway	RMB2,500,000,000.00	85	-	Set-up
Zhendan Company	Zhenjiang	Nanjing	Operation of expressway	RMB605,590,000.00	70	-	Set-up
Wufengshan Bridge	Zhenjiang, Yangzhou	Zhenjiang	Operation of expressway	RMB4,826,350,000.00	64.5	-	Set-up
Jiangsu Longtan Bridge Co., Ltd. ("Longtan Bridge")	Nanjing	Nanjing	Operation of expressway	RMB2,501,570,000.00	57.3	-	Set-up
Ninghu Properties (Kunshan) Co., Ltd. ("Kunshan Properties")	Kunshan	Kunshan	Real estate	RMB200,000,000.00	-	100	Set-up
Ninghu Properties (Suzhou) Co., Ltd. ("Suzhou Properties")	Suzhou	Suzhou	Real estate	RMB100,000,000.00	-	100	Set-up
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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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	
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
Jiangsu Communications Holding New Energy Technology Fengxian Co., Ltd. ("Fengxian New Energy")	Fengxian	Fengxian	Technology promotion and application services	RMB32,600,000.00	-	100	Business combination involving entities under common control
Agricultural Technology	Fengxian	Fengxian	Agriculture	RMB1,000,000.00	-	100	Business combination involving entities under common control
Jiangsu Communications Holding Clean Energy Jiangsu Co., Ltd. ("Jiangsu Clean Energy")	Nanjing	Nanjing	Clean energy power generation	RMB100,000,000.00	-	100	Business combination involving entities under common control
Liyang Youke	Liyang	Liyang	Clean energy power generation, technology promotion and application services	RMB10,000,000.00	-	90	Business combination involving entities under common control
Yancheng Yunshan	Yancheng	Yancheng	Clean energy power generation	RMB54,000,000.00	-	80	Business combination involving entities under common control
Rudong Company	Nantong	Nantong	Clean energy power generation	RMB1,391,000,000.00	-	72	Business combination involving entities under common control
Fengxian Renewable Energy	Nantong	Nantong	Clean energy power generation	RMB49,230,000.00	-	70	Business combination involving entities under common control
Jintan Heyi	Changzhou	Changzhou	Clean energy power generation	RMB20,000,000.00	-	70	Business combination involving entities under common control
Suqian Clean Energy	Suqian	Suqian	Clean energy power generation	RMB20,000,000.00	-	65	Set-up
Jiangsu Yichang Expressway Company Limited ("Yichang Company")	Yixing, Changxing	Yixing	Operation of expressway	RMB1,591,480,880.00	-	60	Set-up
Jiangsu Changyi Expressway Company Limited ("Changyi Company")	Changzhou, Yixing	Wuxi	Operation of expressway	RMB1,519,846,000.00	-	60	Set-up

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (Continued)

#### (2) Material non-wholly owned subsidiaries

	Proportion of ownership interest held by non-controlling interests	Profit or loss allocated to non-controlling interests during the year	Dividend declared to non-controlling shareholders during the year	Balance of non-controlling interests at the end of the year
Longtan Bridge	42.7%	216,501.77	–	2,261,324,858.01
Changyi Company	40.0%	(25,047,259.61)	–	516,015,456.89
Yichang Company	40.0%	(20,075,425.33)	–	562,782,632.37
Wufengshan Bridge	35.5%	109,912,019.43	–	1,719,986,419.97
Zhendan Company	30.0%	(14,999,950.18)	–	104,363,763.92
Rudong Company	28.0%	32,319,121.47	–	483,447,842.58
Guangjing Xicheng Company	15.0%	109,079,692.56	32,161,427.04	1,206,137,186.04

#### (3) Key financial information about material non-wholly owned subsidiaries

Significant financial information	Guangjing Xicheng Company		Zhendan Company		Wufengshan Bridge		Changyi Company	
	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	167,843,611.99	114,829,168.25	10,495,949.35	9,826,090.66	588,462,358.33	381,439,488.83	28,118,200.63	21,010,050.80
Non-current assets	15,905,443,376.86	15,185,784,587.47	1,584,745,645.87	1,664,287,986.09	11,689,327,920.75	12,008,855,632.76	3,549,003,835.55	3,650,803,272.86
Total assets	16,073,286,988.85	15,300,613,755.72	1,595,241,595.22	1,664,114,076.75	12,277,790,279.08	12,390,295,121.59	3,577,122,036.18	3,671,813,323.66
Current Liabilities	2,158,560,401.09	3,207,195,717.41	1,247,372,382.15	1,266,245,029.76	571,646,091.85	537,415,198.67	436,871,978.88	822,044,867.34
Non-current liabilities	4,776,588,693.34	3,650,393,895.75	–	–	6,861,156,909.40	7,317,495,246.24	1,850,122,500.00	1,497,022,750.00
Total liabilities	6,935,149,094.43	6,857,589,613.16	1,247,372,382.15	1,266,245,029.76	7,432,803,001.25	7,854,910,444.91	2,286,994,478.88	2,319,067,617.34
Operating income	2,641,292,787.32	1,967,808,282.23	99,650,808.58	76,542,127.73	980,823,600.25	395,502,278.38	142,534,942.04	99,109,995.28
Net profits/(losses) attributable to the Company	727,197,950.43	807,212,840.33	(49,999,833.92)	(51,271,008.75)	309,602,601.15	(166,570,942.72)	(62,618,149.02)	(83,235,443.79)
Total comprehensive income	954,645,950.43	875,657,840.33	(49,999,833.92)	(51,271,008.75)	309,602,601.15	(166,570,942.72)	(62,618,149.02)	(83,235,443.79)
Cash flows from operating activities	1,001,008,956.57	1,014,758,769.40	46,709,230.72	31,805,508.50	888,287,277.90	811,389,534.93	117,251,676.48	141,546,125.60

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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 <i>(Note)</i>		Rudong Company	
	2023	2022	2023	2022	2023	2022
Current assets	5,758,921.86	88,854,322.95	415,414,599.32	24,451,897.03	1,071,861,485.32	1,142,224,081.24
Non-current assets	3,681,403,110.06	3,758,692,967.05	6,676,385,083.89	4,839,909,802.40	4,059,282,089.00	4,310,327,914.56
Total assets	3,687,162,031.92	3,797,547,290.00	7,091,799,683.21	4,864,361,699.43	5,131,143,574.32	5,452,551,995.80
Current liabilities	532,654,366.06	822,711,060.81	236,133,642.07	147,603,559.16	542,336,900.63	838,333,418.24
Non-current liabilities	1,747,640,000.00	1,517,780,000.00	2,073,000,000.00	1,328,000,000.00	2,862,190,863.57	3,003,044,573.66
Total liabilities	2,280,294,366.06	2,340,491,060.81	2,309,133,642.07	1,475,603,559.16	3,404,527,764.20	3,841,377,991.90
Operating income	132,820,168.45	135,501,449.47	1,720,627,196.22	2,775,251,439.70	527,436,992.75	534,584,597.20
Net (losses)/profits attributable to the Company	(50,188,563.33)	(63,248,026.76)	457,900.87	559,018.43	115,441,806.22	109,799,869.75
Total comprehensive income	(50,188,563.33)	(63,248,026.76)	457,900.87	559,018.43	115,441,806.22	109,799,869.75
Cash flows from operating activities	94,331,963.11	265,758,419.20	76,530,976.85	43,850,842.13	159,833,964.04	607,359,678.94

*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 52.72% as at 31 December 2023 (31 December 2022: 53.93%).

### 2. Interests in joint ventures or associates

Item	2023	2022
Joint ventures		
– Immaterial joint ventures	11,740,240.97	9,921,731.43
Associates		
– Material associates	9,926,209,042.94	9,249,960,422.45
– Immaterial associates	1,944,633,892.82	1,830,107,817.95
Sub-total	11,870,842,935.76	11,080,068,240.40
Less: Provision for impairment	–	–
Total	11,882,583,176.73	11,089,989,971.83

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in joint ventures or associates (Continued)

(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	Operation of expressway	26.66	-	Equity method	2,137,248,000	Yes
Suzhou Expressway Management	Suzhou	Suzhou	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	Operation of expressway	-	25.15	Equity method	3,976,453,400	Yes

(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		Zijin Trust		Yanjiang Company		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	741,684,287.45	707,114,884.59	3,056,015,563.90	1,476,465,048.04	10,364,134,547.05	362,789,396.91	5,039,358,029.35	8,748,986,272.98	19,201,192,427.75	11,295,355,602.52
Non-current assets	34,507,450,696.70	29,763,834,864.59	9,651,506,815.71	9,081,458,924.59	1,594,866,687.95	8,914,299,689.07	11,377,280,755.98	7,519,342,115.55	57,131,104,956.34	55,278,935,593.76
Total assets	35,249,134,984.15	30,470,949,749.18	12,707,522,379.61	10,557,923,972.63	11,959,001,235.00	9,277,089,085.98	16,416,638,785.33	16,268,328,388.53	76,332,297,384.09	66,574,291,196.28
Current liabilities	2,320,348,644.76	1,598,105,308.30	754,618,382.25	741,094,724.49	2,076,534,343.66	818,155,118.21	531,644,905.78	717,859,016.47	5,683,146,276.45	3,875,214,167.47
Non-current liabilities	15,800,473,606.90	15,009,485,477.89	3,483,972,817.04	2,655,380,575.11	767,484,373.04	109,171,632.06	5,768,401,299.48	5,383,177,664.28	25,820,332,096.46	23,157,215,349.34
Total liabilities	18,120,822,251.66	16,607,590,786.19	4,238,591,199.29	3,396,475,299.60	2,844,018,716.70	927,326,750.27	6,300,046,205.26	6,101,036,680.75	31,503,478,372.91	27,032,429,516.81
Net assets	17,128,312,732.49	13,863,358,962.99	8,468,931,180.32	7,161,448,673.03	9,114,982,518.30	8,349,762,335.71	10,116,592,580.07	10,167,291,707.78	44,828,819,011.18	39,541,861,679.47
Non-controlling interests	7,641,826,940.06	5,830,480,687.48	23,808,270.06	20,601,211.95	-	-	9,032,264.49	55,133,702.86	7,674,667,474.61	5,906,215,602.29
Equity attributable to shareholders of the Company	9,486,485,792.43	8,032,878,275.51	8,445,122,910.26	7,140,847,461.08	9,114,982,518.30	8,349,762,335.71	10,107,560,315.58	10,112,158,004.92	37,154,151,536.57	33,635,646,077.18
Group's share of net assets	2,529,097,112.26	2,141,565,348.25	2,205,794,409.07	2,127,727,679.98	1,836,031,767.93	1,683,240,702.52	2,848,814,671.33	2,790,955,609.35	9,419,737,960.59	8,743,489,340.10
Add: Goodwill derived from acquiring investments	53,174,434.00	53,174,434.00	27,211,243.38	27,211,243.38	412,912,323.97	412,912,323.97	13,173,081.00	13,173,081.00	506,471,082.35	506,471,082.35
Carrying amount of interests in associates	2,582,271,546.26	2,194,739,782.25	2,233,005,652.45	2,154,938,923.36	2,248,944,091.90	2,096,153,026.49	2,861,987,752.33	2,804,128,690.35	9,926,209,042.94	9,249,960,422.45
Operating income	6,927,090,366.31	5,419,557,377.64	1,898,628,681.42	1,618,491,055.55	1,726,846,764.31	1,677,831,403.67	6,590,772,359.26	5,481,648,360.35	17,143,338,171.30	14,197,528,197.21
Net profits attributable to the Company	1,176,690,745.54	844,293,213.62	556,109,019.61	365,200,909.91	971,976,635.71	838,461,256.66	209,634,282.50	1,526,189,946.80	2,914,410,683.36	3,569,623,639.89
Net profit from discontinued operations	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	314,228,078.94	(14,040,868.37)	-	-	2,028,691.34	(491,803.16)	-	-	316,256,770.28	(14,532,671.53)
Total comprehensive income	1,490,918,824.48	825,730,658.15	556,109,019.61	365,200,909.91	974,005,327.05	837,969,453.50	209,634,282.50	1,526,189,946.80	3,230,667,453.64	3,555,090,968.36
Dividends received from associates during the year	34,190,139.60	34,190,139.60	54,620,883.00	54,620,883.00	37,556,000.00	37,556,000.00	-	-	126,367,022.60	126,367,022.60

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in joint ventures or associates (Continued)

(3) Summarised financial information of immaterial joint ventures and associates:

	2023	2022
Joint ventures:		
Aggregate carrying amount of investments	<b>11,740,240.97</b>	9,921,731.43
Aggregate amount of share of		
– Net profit	<b>1,701,882.99</b>	1,634,052.15
– Other comprehensive income	–	–
– Total comprehensive income	<b>1,701,882.99</b>	1,634,052.15
Associates:		
Aggregate carrying amount of investments	<b>1,944,633,892.82</b>	1,830,107,817.95
Aggregate amount of share of		
– Net profit	<b>146,329,400.26</b>	184,128,985.13
– Other comprehensive income	<b>(991,076.41)</b>	–
– Total comprehensive income	<b>145,338,323.85</b>	184,128,985.13

## VIII. GOVERNMENT GRANTS

### Government grants recognized in profit or loss

Item	2023	2022
Additional deduction of VAT	<b>11,020,865.38</b>	12,905,574.02
Subsidy for reconstruction of highway provincial boundary toll station	<b>10,467,837.46</b>	10,467,837.46
Special funds for the development of the service industry	<b>3,320,000.00</b>	–
Subsidies for the interest on green bonds	<b>2,000,000.00</b>	1,901,500.00
Subsidy for construction of Ningchang Expressway	<b>1,625,648.98</b>	1,575,935.65
Post allowance	<b>803,249.14</b>	1,611,355.11
Anti-epidemic special supporting funds	<b>1,985.81</b>	2,000,000.00
Others	<b>1,277,200.00</b>	1,142,757.37
Total	<b>30,516,786.77</b>	31,604,959.61

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## IX. RISK RELATED TO FINANCIAL INSTRUMENTS

Risks from use of 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 and 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 XIII "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 in the balance sheet. Except for the financial guarantees given by the Group as set out in Note XIII, 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 XIII.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country/region in which the customers operate. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at the balance sheet date, 89.88% (2022: 89.10%) of total accounts receivable were due from the Group's five largest customers.

For details of accounts receivable, refer to Note V.4.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## IX. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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

Item	2023 Contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Bills payable	252,900,000.00	-	-	-	252,900,000.00	252,900,000.00
Accounts payable	2,694,620,290.31	-	-	-	2,694,620,290.31	2,694,620,290.31
Other payables	341,841,510.15	-	-	-	341,841,510.15	341,841,510.15
Short-term loans	1,034,548,199.67	-	-	-	1,034,548,199.67	1,003,987,152.92
Other current liabilities	1,901,153,452.05	-	-	-	1,901,153,452.05	1,898,631,291.00
Long-term loans (includes long-term loans due within one year)	1,495,472,995.27	3,714,308,930.34	5,718,529,761.05	14,076,787,751.54	25,005,099,438.20	20,345,104,214.22
Debentures payable (includes debentures payable due within one year)	2,298,391,068.49	6,387,032,246.58	1,825,318,575.34	-	10,510,741,890.41	10,110,096,401.38
Lease liabilities (includes lease liabilities due within one year)	8,345,776.72	6,061,093.29	4,935,747.66	13,477,704.36	32,820,322.03	26,152,900.74
Long-term payables (including long-term payables due within one year)	4,956,600.00	4,956,600.00	14,869,800.00	95,001,500.00	119,784,500.00	71,404,993.74
<b>Total</b>	<b>10,032,229,892.66</b>	<b>10,112,358,870.21</b>	<b>7,563,653,884.05</b>	<b>14,185,266,955.90</b>	<b>41,893,509,602.82</b>	<b>36,744,738,754.46</b>

Item	2022 Contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Bills payable	366,000,000.00	-	-	-	366,000,000.00	366,000,000.00
Accounts payable	2,813,441,518.75	-	-	-	2,813,441,518.75	2,813,441,518.75
Other payables	288,042,394.72	-	-	-	288,042,394.72	288,042,394.72
Short-term loans	2,498,464,735.86	-	-	-	2,498,464,735.86	2,434,124,067.61
Other current liabilities	5,375,213,770.81	-	-	-	5,375,213,770.81	5,334,649,066.00
Long-term loans (includes long-term loans due within one year)	2,450,256,702.52	827,049,100.96	4,213,283,833.85	17,502,290,151.21	24,992,879,788.54	17,727,595,901.24
Debentures payable (includes debentures payable due within one year)	566,463,260.27	2,297,283,835.62	8,210,546,794.52	-	11,074,293,890.41	10,099,586,632.01
Lease liabilities (includes lease liabilities due within one year)	14,228,772.09	9,771,472.00	8,254,099.35	6,990,705.42	39,245,048.86	28,211,724.76
Long-term payables (including long-term payables due within one year)	4,956,600.00	4,956,600.00	14,869,800.00	99,958,100.00	124,741,100.00	73,003,435.70
Other non-current liabilities (including other non-current liabilities due within one year)	4,819,420.85	-	-	-	4,819,420.85	4,451,000.00
<b>Total</b>	<b>14,381,887,175.87</b>	<b>3,139,061,008.58</b>	<b>12,446,954,527.72</b>	<b>17,609,238,956.63</b>	<b>47,577,141,668.80</b>	<b>39,169,105,740.79</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## IX. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Interest rate risk

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

(1) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

Item	2023		2022	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
– Cash at bank	0.25% – 1.49%	862,161,074.06	0.25% – 1.26%	932,863,514.69
– Factoring receivable	–	–	6.00% – 7.80%	973,773,182.66
– Long-term receivables (including long-term receivables due within one year)	3.65%	179,160,496.67	3.65%	173,904,575.09
Financial liabilities				
– Short-term loans	2.40% – 2.90%	480,355,055.92	1.50% – 4.35%	1,580,386,661.61
– Long-term loans (includes long-term loans due within one year)	2.60% – 3.65%	3,622,996,024.72	2.00% – 4.16%	3,693,930,116.25
– Debentures payable (includes Debentures payable due within one year)	2.49% – 3.98%	10,110,096,401.38	2.49% – 3.98%	10,099,586,632.01
– Lease liabilities (includes lease liabilities due within one year)	4.75%	26,152,900.74	4.75%	28,211,724.76
– Long-term payables (including long-term payables due within one year)	4.60%	71,404,993.74	4.60%	73,003,435.70
– Other current liabilities	2.30% – 2.43%	1,898,631,291.00	1.50% – 2.60%	5,334,649,066.00
– Other non-current liabilities (including other non-current liabilities due within one year)	4.55%	–	4.55%	4,451,000.00
Total		(15,168,315,096.77)		(18,733,677,363.89)

Variable rate instruments:

Item	2023		2022	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial liabilities				
– Short-term loans	Floating interest rate based on LPR benchmark interest rate	523,632,097.00	Floating interest rate based on LPR benchmark interest rate	853,737,406.00
– Long-term loans (includes long-term loans due within one year)	Floating interest rate based on LPR benchmark interest rate	16,722,108,189.50	Floating interest rate based on LPR benchmark interest rate	14,033,665,784.99
Total		17,245,740,286.50		14,887,403,190.99



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## IX. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Interest rate risk

#### (2) Sensitivity analysis

As at 31 December 2023, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's equity and net profit by RMB135,769,537.76 (2022: RMB117,940,406.02).

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

### 4. Other price risks

Other price risks include assets price risk and commodity price risk.

In order to avoid the risk of equity investment, the Group uses the stock capital to invest in some domestic listed companies with certain scale, competitive advantage and development potential through the securities market in accordance with the authorization of the board of directors of the Company. At the same time, the Group reasonably controls its investment scale and collectively studies on specific investment strategies based on the stock market and the management of target enterprises. On the other hand, the Group divides stock investment into other equity instrument investment in strict accordance with national laws and regulations and in combination with the Group's investment arrangement, and carries out targeted tracking management. For the stock investment divided into other equity instruments, the Group pay attention to the operation and development of the target company, and understand the operation and management of the company through attending its shareholders' meeting.

As at 31 December 2023, the value of held-for-trading financial assets and other non-current financial assets measured at fair value held by the Group was RMB6,575,964,369.75 (31 December 2022: RMB6,351,975,935.37), the value of other equity instruments was RMB6,822,989,652.00 (31 December 2022: RMB6,989,448,132.00). As at 31 December 2023, if the price of held-for-trading financial assets and other non-current financial assets measured at fair value held by the Group had increased or decreased by 1% and other variables remain unchanged, shareholders' equity or net profit of the Group would have been increased or decreased by RMB49,319,732.77 (31 December 2022: shareholders' equity or net profit of the Group would have been increased or decreased by RMB47,639,819.52); if the price of the other equity instruments had increased or decreased by 1% and other variables remain unchanged, shareholders' equity of the Group would have been increased or decreased by RMB51,172,422.39 (31 December 2022: shareholders' equity of the Group would have been increased or decreased by RMB52,420,860.99), no impact on net profit (31 December 2022: none).

The above sensitivity analysis assumes that the asset price changes on the balance sheet date, and the changed asset price is used to re-measure the other equity instruments held by the group and exposed to asset price risk on the balance sheet date. The above sensitivity analysis also assumes that the fair value of other equity instruments held by the group will change according to the correlation with relevant asset prices in the past, and will not be impaired due to the fluctuation of short-term asset prices. The analysis is performed on the same basis for the previous year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## X. FAIR VALUE DISCLOSURE

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

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

### 1. Fair value of assets and liabilities measured at fair value at the end of the year

Item	Note	31 December 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	26,586,404.72	3,637,000,000.00	-	3,663,586,404.72
Including: Fund investments		26,586,404.72	-	-	26,586,404.72
Stock investments		-	-	-	-
Financial products		-	3,637,000,000.00	-	3,637,000,000.00
Investments in other equity instruments	V.12	6,822,989,652.00	-	-	6,822,989,652.00
Other non-current financial assets	V.13	569,754,839.16	-	2,342,623,125.87	2,912,377,965.03
Including: Equity instruments		569,754,839.16	-	2,342,623,125.87	2,912,377,965.03
Total assets measured at fair value on a recurring basis		7,419,330,895.88	3,637,000,000.00	2,342,623,125.87	13,398,954,021.75

Item	Note	31 December 2022			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
Financial assets held for trading	V.2	30,620,148.26	3,444,000,000.00	-	3,474,620,148.26
Including: Fund investments		30,613,163.10	-	-	30,613,163.10
Stock investments		6,985.16	-	-	6,985.16
Financial products		-	3,444,000,000.00	-	3,444,000,000.00
Investments in other equity instruments	V.12	6,989,448,132.00	-	-	6,989,448,132.00
Other non-current financial assets	V.13	472,640,608.44	-	2,404,715,178.67	2,877,355,787.11
Including: Equity instruments		472,640,608.44	-	2,404,715,178.67	2,877,355,787.11
Total assets measured at fair value on a recurring basis		7,492,708,888.70	3,444,000,000.00	2,404,715,178.67	13,341,424,067.37

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## X. FAIR VALUE DISCLOSURE (CONTINUED)

### 2. Basis of determining the market price for 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.

### 3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 2

The fair value of the financial products measured at FVTPL are determined by discounted future cash flows method.

### 4. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3

Non-current financial assets in Level 3 fair value measurements on recurring basis mainly include private equity fund shares held by the group. The group adopts valuation technology for fair value measurement, which is mainly calculated and recognized by market method.

### 5. Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements

(1) Reconciliation between carrying amount at the beginning of the year and that at the end of the year for items measured at recurring Level 3 fair value measurements

2023	Total gains for the year				Purchases, sales and settlements			Balance at the end of the year	Unrealised gains or losses for the year included in profit or loss for assets and liabilities held at the end of the year
	Balance at the beginning of the year	Transfer out of Level 3	Included in profit or loss <i>Note</i>	Included in other comprehensive income <i>Note</i>	Purchases	Sales	Settlements		
Assets									
Other non-current financial assets	2,404,715,178.67	-	62,024,007.10	-	5,019,238.15	59,961,291.16	69,174,006.89	2,342,623,125.87	(7,149,999.79)
Including: Equity instruments	2,404,715,178.67	-	62,024,007.10	-	5,019,238.15	59,961,291.16	69,174,006.89	2,342,623,125.87	(7,149,999.79)
Total	2,404,715,178.67	-	62,024,007.10	-	5,019,238.15	59,961,291.16	69,174,006.89	2,342,623,125.87	(7,149,999.79)

2022	Total gains for the year				Purchases, sales and settlements			Balance at the end of the year	Unrealised gains or losses for the year included in profit or loss for assets and liabilities held at the end of the year
	Balance at the beginning of the year	Transfer out of Level 3	Included in profit or loss <i>Note</i>	Included in other comprehensive income <i>Note</i>	Purchases	Sales	Settlements		
Assets									
Other non-current financial assets	3,004,141,868.26	460,658,016.00	24,267,260.70	-	104,223,693.42	93,769,989.58	173,489,638.13	2,404,715,178.67	(137,239,784.99)
Including: Equity instrument investments	3,004,141,868.26	460,658,016.00	24,267,260.70	-	104,223,693.42	93,769,989.58	173,489,638.13	2,404,715,178.67	(137,239,784.99)
Total	3,004,141,868.26	460,658,016.00	24,267,260.70	-	104,223,693.42	93,769,989.58	173,489,638.13	2,404,715,178.67	(137,239,784.99)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## X. FAIR VALUE DISCLOSURE (CONTINUED)

### 5. Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements (Continued)

- (1) Reconciliation between carrying amount at the beginning of the year and that at the end of the year for items measured at recurring Level 3 fair value measurements (Continued)

*Note:* The above gains or losses for the year included in profit or loss or other comprehensive income are as follows:

Item	2023	2022
Realised gains included in profit or loss for the year – Investment income	<b>69,174,006.89</b>	173,489,638.13
Unrealised gains included in profit or loss for the year – Gains from changes in fair value	<b>(7,149,999.79)</b>	(149,222,377.43)
Total	<b>62,024,007.10</b>	24,267,260.70
Gains included in other comprehensive income – Changes in fair value of investments in other equity instruments	-	-
Total	-	-

- (2) Sensitivity analysis on unobservable inputs for recurring fair value measurements categorised within Level 3

The Group determines the fair value of other non-current financial assets – investments in other equity instruments based on the net value of the partnership's share of the investment with reference to observable market prices, to which the liquidity discount is adjusted. The fair value measurement is negatively correlated with the liquidity discount. As of December 31, 2023, assuming other variables remain unchanged, the impact of a 1% decrease or increase in liquidity discount on the owner's equity of the Group is not significant.

### 6. Current changes in valuation techniques and the reasons for the changes

During 2023, there were no changes in valuation techniques for the recurring and non-recurring fair value measurements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## X. FAIR VALUE DISCLOSURE (CONTINUED)

### 7. Fair values of financial assets and liabilities not measured at fair value

All financial instruments are carried at amounts not materially different from their fair value as at 31 December 2023 and 2022 except as follows:

	2023		Fair value measurements in 2023 categorised into		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Long-term loans (includes long-term loans due within one year)	1,225,646,493.27	1,244,095,000.00	1,244,095,000.00	-	-
Debentures payable (includes Debentures payable due within one year)	10,110,096,401.38	10,178,766,100.00	10,178,766,100.00	-	-
<b>Total</b>	<b>11,335,742,894.65</b>	<b>11,422,861,100.00</b>	<b>11,422,861,100.00</b>	<b>-</b>	<b>-</b>

	2022		Fair value measurements in 2022 categorised into		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Long-term loans (includes long-term loans due within one year)	2,294,561,832.91	2,321,375,450.00	2,321,375,450.00	-	-
Debentures payable (includes Debentures payable due within one year)	10,099,586,632.01	10,165,215,400.00	10,165,215,400.00	-	-
<b>Total</b>	<b>12,394,148,464.92</b>	<b>12,486,590,850.00</b>	<b>12,486,590,850.00</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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 controlling party of the Company is the Company's parent company.

### 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.

Other joint ventures or associates with which the Group had related party transactions in the current or prior year are described below:

Entity name	Relationship with the Company
Longyuan Donghai Kuailu Company	Associates of the Group Associates of the Company

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Information on other related parties

Name of other related parties	Related party relationship
Jiangsu Tongxingbao Smart Transportation Science & Technology Co., Ltd. ("Tongxingbao Company")	Same ultimate shareholder
Jiangsu Expressway Energy Development Co., Ltd. ("Expressway Energy Development Company")	Same ultimate shareholder
Jiangsu Sutong Bridge Co., Ltd. ("Sutong Bridge Company")	Same ultimate shareholder
Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. ("Maintenance Technology Company")	Same ultimate shareholder
Jiangsu Huatong Engineering Technology Co., Ltd. ("Huatong Company") (formerly known as Jiangsu Huatong Engineering Testing Co., Ltd.)	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 Cuiplingshan Hotel ("Cuiplingshan Hotel")	Same ultimate shareholder
Jiangsu Communication Holding Talent Development Group Co., Ltd. ("Human Resources Company")	Same ultimate shareholder
Jiangsu Xitai Tunnel Company Limited ("Xitai Tunnel Company")	Same ultimate shareholder
Jiangsu Dongfang Road and Bridge Construction Maintenance Co., Ltd. ("Dongfang R&B Company")	Same ultimate shareholder
Jiangsu Expressway Operation and Management Centre ("Expressway Management Centre")	Same ultimate shareholder
Jiangsu Runyang Bridge Development Co., Ltd. ("Runyang Bridge Company")	Same ultimate shareholder
Jiangsu East Expressway Management Co., Ltd. ("East Expressway Company")	Same ultimate shareholder
Jiangsu Yunshan Capital Management Co., Ltd. ("Yunshan Capital")	Same ultimate shareholder
Jiangsu Suhuaiyan Expressway Management Co., Ltd. ("Suhuaiyan 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
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
Nantong Tiandian Xinxing Energy Co., Ltd. ("Nantong Tiandian")	Same ultimate shareholder
Jiangsu South Yanjiang Intercity Railway Co., Ltd. ("South Yanjiang Railway")	Same ultimate shareholder
Jiangsu Ningjingyan Expressway Co., Ltd. ("Ningjingyan Expressway Company")	Same ultimate shareholder
Jiangsu Communication Holding Digital Transportation Research Institute Co., Ltd. ("Digital Transportation Research Institute")	Same ultimate shareholder
Jiangsu Communication Holding Asset Management Co., Ltd. ("Asset Management Company")	Same ultimate shareholder
Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu")	Associate of the parent company
Bank of Nanjing Co., Ltd. ("Bank of Nanjing")	Associate of the parent company
Fuanda Fund Management Co., Ltd. ("Fuanda Company")	Associate of the parent company
Jiangsu Expressway Information Engineering Co., Ltd. ("Expressway Information Company")	Associate of the parent company

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties

The transactions below with related parties were conducted under normal commercial terms or agreements.

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

Purchase of goods/receipt of services/interest expense of loans

Name of related party	Nature of transaction	2023	2022
Sundian R&B Company*	Road maintenance fee	50,934,578.01	250,166,013.76
Sundian R&B Company	Road maintenance fee	10,195,134.01	–
Sundian R&B Company*	Special engineering projects	38,010,173.13	122,159,514.03
Sundian R&B Company	Special engineering projects	44,967,382.85	13,164,435.28
Sundian R&B Company	Greening and environmental improvement projects	2,985,422.87	4,636,084.48
Sundian R&B Company	Winter precaution emergency cooperation projects	12,909,893.45	7,474,052.00
Network Operation Company*	Maintenance and operating administration fees for toll collection system	33,675,307.64	24,221,244.00
Network Operation Company	Network system maintenance fee	2,007,229.00	2,414,764.00
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	31,990,858.83	34,006,506.59
Tongxingbao Company	Technical services fees	15,023,259.43	–
Maintenance Technology Company*	Road maintenance fee	21,452,665.60	26,845,151.16
Maintenance Technology Company*	Road maintenance fee	4,555,715.12	–
Expressway Information Company*	System maintenance fee	3,092,782.06	731,558.55
Expressway Information Company*	Spare parts commission management fee	248,744.37	3,038,839.76
Expressway Information Company*	Yangcheng Lake toll point relocation electromechanical engineering	4,527,817.68	2,637,138.49
Expressway Information Company*	Renewal and renovation projects	10,111,450.62	–
Huatong Company*	Engineering reinforcement and maintenance fee	–	1,834,337.40
Nanlin Hotel	Catering and accommodations	–	1,088.00
Micro Video Company*	Three major system construction and maintenance fees	2,174,590.10	5,250,048.50
Micro Video Company	Three major system construction and maintenance fees	4,477,210.63	–
Engineering Maintenance Company*	Periodic bridge inspection fee	–	868,992.86
Engineering Maintenance Company	Periodic bridge inspection fee	2,396,609.63	–
Engineering Testing Company	Road maintenance fee	8,276,199.97	2,599,120.62
Dongfang R&B Company*	Winter precaution emergency cooperation projects	–	11,116,679.00
Dongfang R&B Company	Road maintenance fee	–	2,122,379.00
Culture Media	Entrusted management fee	8,832,626.00	7,957,992.62
Culture Media	Advertising and promotion fee	8,644,570.78	–



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

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

Purchase of goods/receipt of services/interest expense of loans (Continued)

Name of related party	Nature of transaction	2023	2022
Cuipingshan Hotel*	Procurement and service fee	-	424,800.38
Cuipingshan Hotel	Procurement and service fee	<b>1,361,622.10</b>	-
JCH Commercial Operation Company*	Procurement and service fee	<b>5,976,904.12</b>	-
JCH Commercial Operation Company	Procurement and service fee	<b>9,652,084.53</b>	3,727,747.52
Communications Holding Nantong Tiandian	Procurement and service fee	<b>12,147,800.00</b>	4,326,460.08
Human Resources Company*	Procurement and service fee	-	3,984,501.55
Human Resources Company	Training fee	<b>16,310,761.75</b>	10,392,254.54
Luode Fund Company	Training fee	<b>241,593.96</b>	-
South Yanjiang Railway	Entrusted management fee	-	7,666,802.99
Digital Transportation Research Institute	Design fee	-	1,110,000.00
Asset Management Company	Cloud resources technical service fees	<b>9,028,149.70</b>	-
Expressway Energy Development Company	Entrusted management fee	<b>224,929.06</b>	-
Communications Holding Bank of Jiangsu	gasoline fee	<b>832,973.30</b>	-
Bank of Nanjing	Interest expenses of loans	<b>87,217,004.41</b>	129,109,846.09
Bank of Jiangsu	Underwriting fee	<b>17,435.62</b>	63,013.70
Bank of Nanjing	Underwriting fee	<b>31,186.56</b>	5,222.22
Bank of Jiangsu	Commission charges	<b>1,479.75</b>	292.00
Bank of Nanjing	Commission charges	<b>710.00</b>	2,447.31
Bank of Nanjing	Investment income from wealth management products	<b>12,025,993.18</b>	1,907,756.82
Husuzhe Expressway Group Finance Company	Interest expenses of loans	-	534,111.11
Dongfang R&B Company	Interest expenses of loans	<b>17,985,087.97</b>	35,565,058.56
Culture Media	Interest expenses of loans	-	510,888.89
Tongchang Real Estate	Interest expenses of loans	-	2,253,916.72
Yunshan Capital	Interest expenses of loans	-	1,554,666.67
Nanlin Hotel	Interest expenses of loans	-	258,083.33
		-	93,284.72

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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	2023	2022
Group Finance Company*	Interest income from deposits	<b>3,709,299.46</b>	4,847,390.00
Bank of Jiangsu	Interest income from deposits	<b>15,386.95</b>	11,040.16
Bank of Nanjing	Interest income from deposits	<b>281,377.40</b>	282,666.12
Kuailu Company	Toll road income	-	162,669.92
Kuailu Company	Income from sales of oil	<b>1,000,747.88</b>	368,875.97
Suxichang South Company	Income from sales of oil	<b>411,371.59</b>	134,039.49
Sundian R&B Company	Income from sales of oil	<b>2,064,805.28</b>	1,140,560.69
Luode Fund Company	Income from sales of oil	<b>6,290.59</b>	9,156.07
Suxichang South Company*	Entrusted management income	<b>48,145,710.43</b>	34,438,119.58
Yangtze Bridge Company*	Entrusted management income	<b>15,483,000.00</b>	14,262,200.00
Hutong Bridge Company*	Entrusted management income	<b>9,256,900.00</b>	8,210,800.00
Xitai Tunnel Company	Entrusted management income	<b>430,000.00</b>	420,000.00
Lianxu Expressway Company	Income from sales of electricity	<b>1,543,179.95</b>	1,340,735.65
East Expressway Company	Income from sales of electricity	<b>881,778.63</b>	852,472.23
Suhuaiyan Expressway Company	Income from sales of electricity	<b>1,148,213.56</b>	929,544.02
Ningsuxu Expressway Company	Income from sales of electricity	<b>1,421,269.73</b>	1,233,384.20
Yanjiang Company	Income from sales of electricity	<b>174,421.31</b>	165,957.38
Runyang Bridge Company	Income from sales of electricity	<b>294,776.17</b>	382,602.62
Hetai Expressway Company	Income from sales of electricity	<b>611,452.28</b>	314,645.68
JCH Commercial Operation Company	Income from sales of properties	-	176,004,575.09
Sutong Bridge Company	Income from technical services	<b>9,000.00</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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 2023	Lease income recognised in 2022
Expressway Energy Development Company*	Fixed assets	27,166,393.06	22,504,740.84
Taixing Hechang Oil Company*	Fixed assets	3,963,986.91	2,813,489.06
Railway Group Company	Fixed assets	3,973,640.00	3,973,640.00
Sundian R&B Company*	Fixed assets	-	1,690,000.00
Engineering Testing Company	Fixed assets	1,690,000.00	-
Kuailu Company	Fixed assets	1,183,275.00	950,000.00
Culture Media*	Fixed assets	38,531,915.55	23,359,345.98
Tongxingbao Company*	Fixed assets	-	157,513.38
Tongxingbao Company	Fixed assets	567,798.44	521,074.94
Three Gorges Nantong	Fixed assets	-	431,748.43
<b>Total</b>		<b>77,077,008.96</b>	<b>56,401,552.63</b>

As the lessee

Name of lessor	Type of assets leased	Simplified treatment of short-term leases and Rental expense for leases of low value assets							
		value assets		Rentals paid		Lease liabilities assumed Interest expense		Increased right of use assets	
		2023	2022	2023	2022	2023	2022	2023	2022
Suxichang South Company*	Plant & buildings	1,825,858.34	-	-	-	-	-	-	-
JCH Commercial Operation Company	Plant & buildings	2,634,775.26	-	4,138,777.81	7,282,950.42	399,305.80	616,279.99	-	-
Jinghu Company	Rights to use parking spaces	-	-	35,779.82	72,922.68	18,489.21	29,480.43	-	439,696.53
Lianxu Expressway Company	Plant & buildings	10,285.71	10,285.71	-	-	-	-	-	-
Lianxu Expressway Company	Rights to use roofs	-	-	36,823.60	74,823.60	19,636.48	31,309.73	-	466,980.20
Ningsuxu Expressway Company	Rights to use roofs	-	-	88,314.29	176,628.58	45,636.37	72,765.71	-	1,085,290.15
Suhaiyan Expressway Company	Rights to use roofs	-	-	97,862.86	48,931.43	25,285.29	26,335.98	-	615,296.65
Yanjiang Company	Rights to use roofs	-	-	16,200.00	8,100.00	4,185.67	4,359.60	-	101,854.84
Yangtze Bridge Company	Plant & buildings	-	-	952,380.95	952,380.95	43,495.28	95,134.67	-	-
East Expressway Company	Plant & buildings	-	-	-	-	-	-	738,420.48	-
Ningjingyan Expressway Company	Plant & buildings	-	-	-	-	-	-	3,723,814.04	-
Kuailu Company*	Transportation vehicles	23,580,168.80	11,780,398.09	-	-	-	-	-	-
Kuailu Company	Transportation vehicles	-	10,746,361.94	-	-	-	-	-	-
<b>Total</b>		<b>28,051,088.11</b>	<b>22,537,045.74</b>	<b>5,366,139.33</b>	<b>8,616,737.66</b>	<b>556,034.10</b>	<b>875,666.11</b>	<b>4,462,234.52</b>	<b>2,709,118.37</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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	USD1,238,805.10	20 January 1999	10 July 2028	N

(4) Funding from related party

2023:

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Note
Funds received				
Group Finance Company	(100,000,000.00)	26 August 2022	21 August 2023	Related party loans at 2.60% per annum
Group Finance Company	(120,000,000.00)	19 July 2022	30 May 2023	Related party loans at 2.65% per annum
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	(10,000,000.00)	11 August 2022	10 August 2023	Related party loans at 2.65% per annum
Group Finance Company	100,000,000.00	29 March 2023	28 March 2024	Related party loans at 2.40% per annum
Group Finance Company	200,000,000.00	10 August 2023	9 August 2024	Related party loans at 2.40% per annum
Group Finance Company	100,000,000.00	17 August 2023	16 August 2024	Related party loans at 2.40% 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	150,000,000.00	12 May 2023	11 May 2024	Related party loans at 2.90% per annum
Group Finance Company	100,000,000.00	15 May 2023	14 May 2024	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	(70,000,000.00)	1 December 2022	28 July 2023	Related party loans at 2.90% per annum
Group Finance Company	(30,000,000.00)	1 December 2022	24 August 2023	Related party loans at 2.90% per annum
Group Finance Company	(150,000,000.00)	12 May 2023	24 August 2023	Related party loans at 2.90% per annum
Group Finance Company	(20,000,000.00)	12 May 2023	28 August 2023	Related party loans at 2.90% per annum
Group Finance Company	(3,000,000.00)	24 August 2022	26 June 2023	Related party loans at 3.40% per annum
Group Finance Company	(3,000,000.00)	24 August 2022	20 December 2023	Related party loans at 3.40% per annum
Group Finance Company	(5,500,000.00)	23 August 2022	26 June 2023	Related party loans at 3.50% per annum
Group Finance Company	(5,500,000.00)	23 August 2022	20 December 2023	Related party loans at 3.50% per annum
Group Finance Company	(1,000,000.00)	23 August 2022	26 June 2023	Related party loans at 3.50% per annum
Group Finance Company	(1,000,000.00)	23 August 2022	20 December 2023	Related party loans at 3.50% per annum
Group Finance Company	(2,000,000.00)	24 August 2022	20 May 2023	Related party loans at 3.50% per annum
Group Finance Company	(2,000,000.00)	24 August 2022	20 November 2023	Related party loans at 3.50% per annum
Group Finance Company	1,660,000.00	23 October 2023	18 October 2032	Related party loans at 3.00% per annum
Group Finance Company	2,225,000.00	6 November 2023	18 October 2032	Related party loans at 3.00% per annum
Group Finance Company	2,265,000.00	29 November 2023	18 October 2032	Related party loans at 3.00% per annum
Group Finance Company	1,695,000.00	21 December 2023	18 October 2032	Related party loans at 3.00% per annum
Communications Holding	500,000,000.00	11 August 2023	27 June 2038	Related party loans at 2.89% per annum
Communications Holding	(250,000,000.00)	17 May 2013	15 May 2023	Related party loans at 5.30% per annum
Communications Holding	500,000,000.00	27 June 2023	26 June 2038	Related party loans at 2.89% per annum
Communications Holding	(500,000,000.00)	20 November 2018	19 October 2023	Related party loans at 4.43% per annum
Communications Holding	(300,000,000.00)	20 November 2018	20 October 2023	Related party loans at 4.43% per annum

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(4) Funding from related party (Continued)

2022:

Name of related party	Amount of funding <i>(Note)</i>	Inception date	Maturity date	Note
Funds received				
Group Finance Company	(30,000,000.00)	17 September 2021	16 September 2022	Related party loans at 3.30% per annum
Group Finance Company	(100,000,000.00)	17 March 2021	16 March 2022	Related party loans at 3.15% per annum
Group Finance Company	(100,000,000.00)	21 April 2021	20 April 2022	Related party loans at 3.15% per annum
Group Finance Company	(100,000,000.00)	15 June 2021	14 June 2022	Related party loans at 3.15% per annum
Group Finance Company	(100,000,000.00)	5 August 2021	4 August 2022	Related party loans at 3.15% per annum
Group Finance Company	(50,000,000.00)	30 August 2021	29 August 2022	Related party loans at 3.15% per annum
Group Finance Company	(150,000,000.00)	18 September 2021	17 September 2022	Related party loans at 3.55% per annum
Group Finance Company	(10,000,000.00)	13 April 2021	12 April 2022	Related party loans at 3.15% per annum
Group Finance Company	100,000,000.00	16 March 2022	16 March 2023	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	14 June 2023	Related party loans at 2.80% per annum
Group Finance Company	150,000,000.00	15 July 2022	14 July 2023	Related party loans at 2.65% per annum
Group Finance Company	150,000,000.00	19 July 2022	18 July 2023	Related party loans at 2.65% per annum
Group Finance Company	150,000,000.00	11 August 2022	10 August 2023	Related party loans at 2.65% per annum
Group Finance Company	100,000,000.00	26 August 2022	25 August 2023	Related party loans at 2.60% per annum
Group Finance Company	250,000,000.00	1 December 2022	30 November 2023	Related party loans at 2.90% per annum
Group Finance Company	(3,000,000.00)	25 December 2017	29 July 2022	Related party loans at 3.95% per annum
Group Finance Company	(2,685,000.00)	25 December 2017	29 July 2022	Related party loans at 3.95% per annum
Group Finance Company	(45,250,000.00)	26 September 2019	29 July 2022	Related party loans at 4.15% per annum
Group Finance Company	(71,671,060.00)	28 November 2016	29 July 2022	Related party loans at 3.95% per annum
Group Finance Company	(26,180,000.00)	22 May 2018	29 July 2022	Related party loans at 3.95% per annum
Group Finance Company	(200,000,000.00)	12 March 2021	29 July 2022	Related party loans at 4.10% per annum
Group Finance Company	(22,550,000.00)	4 June 2020	29 July 2022	Related party loans at 4.50% per annum
Group Finance Company	55,000,000.00	24 August 2022	20 June 2027	Related party loans at 3.50% per annum
Group Finance Company	24,000,000.00	24 August 2022	20 June 2028	Related party loans at 3.50% per annum
Group Finance Company	200,000,000.00	24 August 2022	10 August 2037	Related party loans at 3.50% per annum
Group Finance Company	48,000,000.00	24 August 2022	20 June 2028	Related party loans at 3.50% per annum
Communications Holding	(250,000,000.00)	5 December 2012	5 December 2022	Related party loans at 5.50% per annum
Communications Holding	496,170,000.00	14 September 2022	13 September 2039	Related party loans at 3.10% per annum
Tongchang Real Estate	(14,000,000.00)	19 July 2021	31 May 2022	Related party loans at 4.00% per annum
Tongchang Real Estate	(32,000,000.00)	27 April 2021	31 May 2022	Related party loans at 4.00% per annum
Tongchang Real Estate	(6,000,000.00)	19 July 2021	31 May 2022	Related party loans at 4.00% per annum
Culture Media	(30,000,000.00)	16 April 2020	29 July 2022	Related party loans at 4.00% per annum
Culture Media	(13,000,000.00)	17 April 2020	29 July 2022	Related party loans at 4.75% per annum
Culture Media	(50,000,000.00)	26 November 2019	29 July 2022	Related party loans at 4.40% per annum
Dongfang R&B Company	(20,000,000.00)	28 June 2020	29 July 2022	Related party loans at 4.40% per annum
Husuzhe Expressway	(23,000,000.00)	11 December 2020	29 July 2022	Related party loans at 4.00% per annum
Yunshan Capital	(13,000,000.00)	22 September 2017	29 July 2022	Related party loans at 4.75% per annum
Yunshan Capital	(6,000,000.00)	30 November 2017	29 July 2022	Related party loans at 4.75% per annum
Nanlin Hotel	(4,500,000.00)	11 February 2019	29 July 2022	Related party loans at 4.75% per annum
Nanlin Hotel	(5,000,000.00)	23 April 2019	29 July 2022	Related party loans at 4.75% per annum

*Note:* When the Group is the borrower, the positive amount represents borrowing from a related party while the negative amount represents repayment to a related party; When the Group is the lender, positive amount represents lending to a related party while the negative amount represents collecting the money from a related party.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Transactions with related parties (Continued)

(5) Remuneration of key management personnel

Item	2023	2022
Remuneration of key management personnel	<b>7,482,684.24</b>	7,109,827.39

(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	2023	2022
Deposits with banks (Note 1)	Group Finance Company	<b>297,803,298.83</b>	597,044,456.03
	Bank of Jiangsu	<b>321,554.74</b>	308,902.43
	Bank of Nanjing	<b>1,205,565.81</b>	2,180,913.87
	Sub-total	<b>299,330,419.38</b>	599,534,272.33
Accounts receivable (Note 2)	Expressway Energy Development Company (Note 3)	<b>6,818,749.00</b>	10,916,263.55
	Yangtze Bridge Company	<b>13,983,000.00</b>	14,262,200.00
	Hutong Bridge Company	<b>9,256,900.00</b>	8,210,800.00
	Kuailu Company	<b>1,289,067.88</b>	247,484.52
	Luode Fund Company	-	2,555.33
	Sundian R&B Company	<b>297,803.36</b>	102,458.02
	Culture Media	<b>16,930,122.02</b>	7,515,612.20
	Taixing Hechang Oil Company (Note 3)	<b>2,249,725.01</b>	1,951,495.70
	Engineering Testing Company	<b>1,690,000.00</b>	-
	Xitai Tunnel Company	<b>430,000.00</b>	420,000.00
	East Expressway Company	-	11,071.52
	Suhuaiyan Expressway Company	<b>9,545.89</b>	6,475.95
	Lianxu Expressway Company	<b>83,011.60</b>	43,337.93
	Ningsuxu Expressway Company	<b>98,781.50</b>	50,513.82
	Runyang Bridge Company	<b>17,620.10</b>	1.42
	Suxichang South Company	<b>43,683,599.34</b>	34,468,610.46
Tongxingbao Company	<b>15,323,085.80</b>	7,819,964.84	
Fuanda Company	-	483,634.08	
Sub-total	<b>112,161,011.50</b>	86,512,479.34	
Long-term receivables (including those due within one year) Prepayments	JCH Commercial Operation Company	<b>179,160,496.67</b>	173,904,575.09
	JCH Commercial Operation Company	<b>743,056.55</b>	-
	Tongxingbao Company	<b>63,755.49</b>	33,941.78
	Sub-total	<b>806,812.04</b>	33,941.78

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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	2023	2022
Other receivables	Luode Fund Company	5,598,493.35	16,598,493.35
	Sundian R&B Company	6,145.47	12,509.15
	Network Operation Company	324.00	324.00
	Tongxingbao Company	10,628.38	109,161.22
	Engineering Testing Company	-	123,082.21
	Expressway Information Company	28.00	329.00
	JCH Commercial Operation Company	289,705.00	289,705.00
	Nengtou Xincheng	7,350.00	295,849.06
	Sub-total	5,912,674.20	17,429,452.99
Dividends receivable	Longyuan Donghai	14,272,941.83	-
	Kuailu Company	4,989,960.00	4,989,960.00
	Sub-total	19,262,901.83	4,989,960.00

*Note 1:* A financial service agreement was signed and concluded between the Group and Group Finance Company, in which Group Finance Company would provide financial service to the Group such as deposit, credit and so on. The Company's subsidiaries, Guangjing Xicheng Company, Changyi Company, Yichang Company, Zhendan Expressway, Yangtze River Management and Longtan Bridge have also participated in this agreement. As at 31 December 2023, the Group has deposited RMB297,803,298.83 (31 December 2022: RMB597,044,456.03) in Group Finance Company in accordance with the financial service agreement.

*Note 2:* As at 31 December 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 RMB187,767,130.93 (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 31 December 2023, the carrying amount with Expressway Energy Development Company and Taixing Hechang Oil Company were lease receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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	2023	2022
Accounts payable <i>(Note)</i>	Sundian R&B Company	16,686,896.75	128,136,021.54
	Expressway Information Company	7,584,572.25	8,357,624.10
	Network Operation Company	2,359,252.57	2,348,127.00
	Tongxingbao Company	4,467,445.92	2,198,085.96
	Kuailu Company	3,784,280.96	7,860,954.80
	Micro Video Company	3,471,893.65	1,860,510.26
	Maintenance Technology Company	17,505,404.72	10,745,361.56
	Huatong Company	3,903,977.83	7,270,296.84
	Culture Media	7,071,824.00	2,021,800.00
	Engineering Testing Company	4,841,110.98	377,377.00
	Communications Holding	-	522,207.94
	Human Resources Company	2,887,003.00	621,048.00
	Cuipingshan Hotel	258,280.00	-
	Engineering Maintenance Company	968,537.50	904,292.00
	Bank of Nanjing	1,000,000.00	1,490,000.00
	JCH Commercial Operation Company	4,221,719.60	279,364.28
	Luode Fund Company	1,666,802.99	7,666,802.99
Digital Transportation Research Institute	3,208,600.00	-	
	Sub-total	85,887,602.72	182,659,874.27
Advance payments received	Kuailu Company	458,689.67	458,689.67
	Sundian R&B Company	80,000.00	80,000.00
	Yanjiang Company	1,742,110.45	1,738,949.66
	Yangtze Bridge Company	601,551.00	601,551.00
	Tongxingbao Company	1,235.00	-
	Micro Video Company	1,825.00	-
	Sub-total	2,885,411.12	2,879,190.33



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. 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	2023	2022
Other payables	Communications Holding	-	8,511,094.34
	Tongxingbao Company	26,670.00	74,150.00
	Network Operation Company	1,440.00	1,620.00
	Sundian R&B Company	8,412,928.39	19,964,294.25
	Luode Fund Company	10,000,000.00	10,000,000.00
	Huatong Company	175,756.30	-
	Dongfang R&B Company	350,258.10	376,181.40
	Expressway Information Company	419,926.44	283,428.96
	East Expressway Company	367,803.57	367,803.57
	Expressway Management Centre	2.52	2.52
	Human Resources Company	200,000.00	200,000.00
	Micro Video Company	21,978.45	102,364.66
	Culture Media	-	35,585.85
	Expressway Energy Development Company	3,200.00	-
	Kuailu Company	100,000.00	-
	JCH Commercial Operation Company	1,050,531.67	-
	Sub-total	21,130,495.44	39,916,525.55
Short-term loans Long-term loans (including long-term loans due within one year)	Group Finance Company	480,355,055.92	1,100,932,707.78
	Group Finance Company	312,167,448.47	327,349,708.33
	Communications Holding	3,221,841,767.13	3,287,709,999.15
	Sub-total	3,534,009,215.60	3,615,059,707.48

*Note:* As at 31 December 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 RMB3,439,561.68 (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.

#### (3) Other unsettled items

Item	Name of related party	2023	2022
Financial assets held for trading	Bank of Nanjing	300,000,000.00	300,000,000.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 7. Directors' emoluments

2023:

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Premium (Note 2)	Post-employment benefits (Including enterprise annuity etc., for details, see Note 3)	Total
<b>Executive directors</b>					
Chen Yunjiang	357,800.00	88,294.96	457,700.00	121,119.16	1,024,914.12
Wang Feng	325,000.00	93,149.98	606,100.00	115,523.16	1,139,773.14
Yao Yongjia	320,800.00	103,739.98	472,800.00	114,611.16	1,011,951.14
<b>Non-executive directors</b>					
Chen Yanli (resigned in March 2023, see Note 4)	-	-	-	-	-
Wang Yingjian	-	-	-	-	-
Wu Xinhua	-	-	-	-	-
Ma Zhongli	360,977.94	-	-	-	360,977.94
Li Xiaoyan	-	-	-	-	-
Xu Haiel (appointed in March 2023, see Note 4)	-	-	-	-	-
<b>Independent non-executive directors</b>					
Zhou Shudong	107,894.72	-	-	-	107,894.72
Liu Xiaoxing	107,894.72	-	-	-	107,894.72
Xu Guanghua	107,894.72	-	-	-	107,894.72
Yu Mingyuan	107,894.72	-	-	-	107,894.72
Ge Yang	107,894.72	-	-	-	107,894.72
<b>Supervisors</b>					
Yang Shiwei	-	-	-	-	-
Pan Ye	-	-	-	-	-
Lu Zhengfeng	211,250.00	93,949.98	361,465.00	92,627.16	759,292.14
Kong Yuanyi	185,250.00	92,229.98	318,437.00	86,435.16	682,352.14
Wan Liye	-	-	-	-	-
<b>Total</b>	<b>2,300,551.54</b>	<b>471,364.88</b>	<b>2,216,502.00</b>	<b>530,315.80</b>	<b>5,518,734.22</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 7. Directors' emoluments (Continued)

2022:

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Premium (Note 2)	Post-employment benefits (including enterprise annuity etc., for details, see Note 3)	Total
<b>Executive directors</b>					
Chen Yunjiang (appointed in June 2022)	243,800.00	65,446.65	121,900.00	100,840.23	531,986.88
Wang Feng (appointed in June 2022)	325,000.00	85,482.36	492,150.00	97,395.72	1,000,028.08
Yao Yongjia	318,150.00	91,836.36	519,700.00	107,811.72	1,037,498.08
Cheng Xiaoguang (resigned in May 2022)	81,250.00	18,442.59	436,375.00	29,158.41	565,226.00
<b>Non-executive directors</b>					
Chen Yanli	-	-	-	-	-
Wang Yingjian	-	-	-	-	-
Wu Xinhua	-	-	-	-	-
Ma Zhongli	365,160.59	-	-	-	365,160.59
Li Xiaoyan	-	-	-	-	-
<b>Independent non-executive directors</b>					
Zhou Shudong	107,894.72	-	-	-	107,894.72
Liu Xiaoxing	107,894.72	-	-	-	107,894.72
Xu Guanghua	107,894.72	-	-	-	107,894.72
Yu Mingyuan	107,894.72	-	-	-	107,894.72
Ge Yang (appointed in June 2022)	53,947.36	-	-	-	53,947.36
Lin Hui (resigned in May 2022)	53,947.36	-	-	-	53,947.36
<b>Supervisors</b>					
Yang Shiwei	-	-	-	-	-
Pan Ye	-	-	-	-	-
Lu Zhengfeng	211,250.00	87,982.36	347,815.00	87,051.72	734,099.08
Kong Yuanyi	182,000.00	86,950.36	299,656.00	80,211.72	648,818.08
Wan Liye	-	-	-	-	-
Ding Guozhen (resigned in November 2022)	-	-	-	-	-
<b>Total</b>	<b>2,266,084.19</b>	<b>436,140.68</b>	<b>2,217,596.00</b>	<b>502,469.52</b>	<b>5,422,290.39</b>

*Note 1:* Other benefits include housing funds, non-monetary welfare, as well as medical insurance, work injury insurance and maternity insurance provided by the Company according to government's requirement.

*Note 2:* The premium are determined by reference to the individual performance of the directors or supervisors.

*Note 3:* Post-employment benefits include annuity payment, pension insurance and unemployment insurance provided by the Company.

*Note 4:* Mr. Chen Yanli resigned as a non-executive director on March 24, 2023; Mr. Xu Haibei was appointed as a non-executive director on March 24, 2023.

None of the directors or supervisors waived or agreed to waive any emoluments during both years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 8. Five individuals with the highest emoluments

Three (prior year: two) of the five individuals with the highest emoluments in the Group are directors of the Company whose emoluments are included in note of directors' emoluments. The emoluments of the remaining two (prior year: three) individuals are listed as follows:

	Accumulative amount for the current year	Accumulative amount for the prior year
Salaries and other benefits	1,561,779.96	2,331,464.79
Post-employment benefits	205,366.32	260,006.40
<b>Total</b>	<b>1,767,146.28</b>	<b>2,591,471.19</b>

Their emoluments were within the following bands:

	Current year	Prior year
Less than RMB1,000,000	2	3

## XII. CAPITAL MANAGEMENT

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

The Group uses the asset-liability ratio to manage its capital structure. This ratio is calculated as total liabilities divided by total assets. The Group's strategy is the same for the years ending 2023 and 2022. The Group's asset-liability ratio for 2023 and 2022 is 48.02% and 51.63%, respectively.

## XIII. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

(1) Capital commitments

	2023	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	<b>12,864,617,641.14</b>	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 31 December 2023, the outstanding guarantees amounted to approximately RMB111,530,272.21 (31 December 2022: RMB131,898,198.22).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XIV. SUBSEQUENT EVENTS

### 1. Profit appropriations after the balance sheet date

	Amount
Dividends proposed	2,367,741,325.00

The Board of Directors proposed on 28 March 2024, the appropriation of a cash dividend of RMB0.47 per share (2023: RMB0.46 per share) to the Company's ordinary shareholders, totalling RMB2,367,741,325.00 (2023: RMB2,317,363,850.00). The proposal is subject to approval by the shareholders' general meeting. Such cash dividends are not recognised as a liability at the balance sheet date.

### 2. Acquisition of subsidiaries

According to the Board of Directors meeting held on 26 January 2024, the Group agreed to purchase 65% of the equity interest in Suxichang South Express Company directly held by Communication Holding by means of cash payment by the Company. According to the appraisal report issued by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd., an asset appraisal agency jointly entrusted by Communications Holdings, Wuxi Transportation Industry Group Co., Ltd. and Changzhou Expressway Investment Development Co., Ltd. (Huaya Zhengxin Review [2024] No. B12-0007), the transaction was evaluated using the income approach, and the market value of the 65% equity interest in Suxichang South Expressway Company held by Communication Holding was RMB5,200,650,000.00 as of 31 October 2023, which was used as the transaction price and signed the "Equity Transfer Agreement" with Communications Holdings on the same day.

## XV. 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, 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 and assets

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. Financial expenses, investment income, gains or losses from changes in fair value, partial general and administrative expenses, partial non-operating income and tax expenses are not allocated to individual segments.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

#### (1) Segment results and assets (Continued)

Information regarding the Group's reportable segments set out below is the measure of segment profit and segment assets reviewed by the chief operating decision maker or is otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment profit and segment assets:

	Shanghai-Nanjing Expressway		Guangjing Expressway and Xicheng Expressway		Xi yi Expressway and Wuxi Huantaihu Expressway		Changyi Expressway		Yichang Expressway	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Segment operating income	5,250,917,468.62	4,280,907,517.39	919,468,144.09	682,210,156.22	636,796,958.33	463,237,872.83	142,534,942.04	99,109,995.28	128,634,487.42	132,267,584.77
Operating cost	2,457,595,230.50	1,814,473,079.60	296,983,753.42	322,185,776.08	412,395,272.20	271,910,990.88	119,933,158.39	88,565,029.13	101,870,090.43	112,855,821.84
Including: Amortisation of toll roads operation rights	682,831,711.13	533,916,112.87	96,955,868.01	74,213,825.86	198,130,016.41	139,011,681.30	100,290,262.10	72,765,116.14	67,480,346.31	86,143,650.68
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-
Segment operating profit	2,793,322,258.12	2,466,434,437.79	622,504,390.67	360,024,380.14	224,403,686.13	191,326,881.95	22,601,783.65	10,544,966.15	26,764,396.99	19,411,762.93
Reconciling items:										
Less: Taxes and surcharges	28,997,083.71	23,578,755.87	4,913,279.09	3,827,469.46	3,275,519.40	2,598,948.14	29,772.32	(17,736.32)	35,630.94	34,307.74
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-
General and administrative expenses	71,693,749.49	65,056,511.96	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-
Add: Other income	8,464,824.96	8,464,824.96	2,003,012.50	2,003,012.50	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-	-	-
Credit losses	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	6,801,396.80	-	-	-	-	-
Gains from asset disposals	8,600,000.00	1,134,700.00	-	29,159,344.30	-	-	-	-	-	-
Operating profit	2,709,696,249.88	2,387,398,694.92	619,594,124.08	387,359,267.48	227,929,563.53	188,727,933.81	22,572,011.33	10,562,702.47	26,728,766.05	19,377,455.19
Non-operating income	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-
Profit before taxation	2,709,696,249.88	2,387,398,694.92	619,594,124.08	387,359,267.48	227,929,563.53	188,727,933.81	22,572,011.33	10,562,702.47	26,728,766.05	19,377,455.19
Income tax	-	-	-	-	-	-	-	-	-	-
Net profit for the year	2,709,696,249.88	2,387,398,694.92	619,594,124.08	387,359,267.48	227,929,563.53	188,727,933.81	22,572,011.33	10,562,702.47	26,728,766.05	19,377,455.19
Total segment assets	7,194,132,368.23	7,959,302,297.51	623,876,072.35	734,412,265.37	1,253,428,087.14	1,467,784,060.20	3,549,003,835.55	3,650,602,587.96	3,681,403,110.06	3,758,692,967.05
Supplementary information:										
Depreciation and amortisation expenses	809,367,807.40	630,956,820.08	117,502,319.82	97,111,454.37	208,662,257.85	149,740,381.30	104,945,584.04	77,427,887.98	75,945,456.98	94,584,637.14
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	7,194,132,368.23	7,959,302,297.51	623,876,072.35	734,412,265.37	1,253,428,087.14	1,467,784,060.20	3,549,003,835.55	3,650,602,587.96	3,681,403,110.06	3,758,692,967.05
Capital expenditure	70,545,698.81	178,589,945.15	800,909,074.60	38,841,485.03	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

(1) Segment results and assets (Continued)

	Ningchang Expressway and Zhenli Expressway		Zhendan Expressway		Wufengshan Bridge		Longtan Bridge		Ancillary services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Segment operating income	1,370,361,422.90	1,198,241,242.41	96,694,697.58	74,639,746.98	965,536,428.19	392,402,407.19	-	-	1,848,968,269.15
Operating cost	508,726,419.55	493,152,695.24	75,051,012.28	64,249,867.51	353,442,132.37	203,588,566.57	-	-	1,888,309,928.10	1,288,604,543.24
Including: Amortisation of toll roads operation rights	308,940,909.69	300,257,812.23	42,270,876.55	30,781,954.52	277,493,309.03	126,296,685.29	-	-	-	-
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	1,486,443,755.84	919,163,094.69
Segment operating profit/(loss)	861,635,003.35	705,088,547.17	21,643,685.30	10,389,889.47	612,094,295.82	188,813,840.62	-	-	(39,341,658.95)	(164,481,205.83)
Reconciling items:										
Less: Taxes and surcharges	-	-	374,910.45	364,735.02	22,950.34	17,749.33	385,912.50	371,792.50	1,641,895.93	1,482,619.13
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-
General and administrative expenses	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-
Add: Other income	1,625,648.98	1,575,935.65	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Gains/losses from changes in fair value	-	-	-	-	-	-	-	-	-	-
Credit losses	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-	-	-
Gains and losses from asset disposals	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss)	863,260,652.33	706,664,482.82	21,268,774.85	10,025,154.45	612,071,345.48	188,796,091.29	(385,912.50)	(371,792.50)	(40,983,554.88)	(165,963,824.96)
Non-operating income	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-
Profit/(loss) before taxation	863,260,652.33	706,664,482.82	21,268,774.85	10,025,154.45	612,071,345.48	188,796,091.29	(385,912.50)	(371,792.50)	(40,983,554.88)	(165,963,824.96)
Income tax	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the year	863,260,652.33	706,664,482.82	21,268,774.85	10,025,154.45	612,071,345.48	188,796,091.29	(385,912.50)	(371,792.50)	(40,983,554.88)	(165,963,824.96)
Supplementary information:										
Depreciation and amortisation expenses	337,452,857.63	322,020,488.26	63,129,637.88	51,574,454.04	318,582,784.38	167,134,584.20	-	-	66,872,218.72	71,815,942.70
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	4,016,208,718.69	4,310,627,055.85	1,583,398,057.16	1,652,349,607.44	11,679,270,441.65	11,997,490,700.62	6,502,083,768.16	4,781,456,571.94	341,331,087.52	418,748,097.86
Capital expenditure	-	-	71,489.30	2,396,897.09	2,336,156.91	10,153,988.58	1,720,627,196.22	2,775,261,439.70	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

(1) Segment results and assets (Continued)

	Real estate development		Sales of electricity		Advertising and others		Unallocated items and Consolidation offset		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Segment operating income	474,897,940.35	674,078,627.89	642,167,322.18	651,675,244.34	218,956,218.54	142,321,994.98	2,496,053,906.65	3,340,387,380.03	15,192,010,226.04
Operating cost	360,797,542.62	435,356,228.58	341,443,168.15	328,148,600.23	168,083,189.77	77,970,753.96	2,496,053,906.65	3,340,387,380.03	9,580,684,804.43	8,841,449,322.89
Including: Amortisation of toll roads operation rights	-	-	-	-	-	-	-	-	1,774,393,299.23	1,363,386,838.89
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	1,486,443,755.84	919,163,094.69
Operating profit	114,100,397.73	238,722,399.31	300,724,154.03	323,526,644.11	50,873,028.77	64,351,241.02	-	-	5,611,325,421.61	4,414,153,784.83
Reconciling items:										
Less: Taxes and surcharges	10,400,536.02	134,073,641.65	1,720,528.63	823,640.04	1,579,992.75	1,771,692.61	-	-	53,378,012.08	168,927,615.17
Selling and distribution expenses	10,026,993.87	14,435,134.42	-	-	-	66,604.82	-	-	10,026,993.87	14,501,739.24
General and administrative expenses	-	-	-	-	-	-	211,812,484.01	228,452,058.22	283,506,233.50	293,508,570.18
Financial expenses	-	-	-	-	-	-	1,126,370,193.34	1,094,226,669.03	1,126,370,193.34	1,094,226,669.03
Add: Other income	169,418.12	141,387.43	-	-	-	-	18,575,241.30	19,797,836.23	30,838,145.86	31,982,996.77
Investment income	-	-	-	-	-	-	1,464,582,102.32	1,867,961,513.05	1,464,582,102.32	1,867,961,513.05
Gains or losses from changes in fair value	-	-	-	-	-	-	85,937,472.55	(142,950,442.33)	85,937,472.55	(142,950,442.33)
Credit losses	-	-	-	-	-	-	(20,431,539.23)	(5,354,679.05)	(20,431,539.23)	(5,354,679.05)
Impairment losses	-	-	-	-	-	-	(21,396,226.04)	-	(14,594,829.24)	-
Gains from asset disposals	-	-	-	(4,562,248.88)	(4,804,236.61)	-	9,608,473.22	(8.74)	13,404,236.61	25,731,786.68
Operating profit	93,842,285.96	90,355,010.67	299,003,625.40	318,140,755.19	44,488,799.41	62,512,943.59	198,692,846.77	416,775,491.91	5,697,779,577.69	4,620,360,366.33
Non-operating income	-	-	-	-	-	-	13,957,656.30	10,630,200.48	13,957,656.30	10,630,200.48
Non-operating expenses	-	-	-	-	-	-	39,462,620.21	49,967,992.41	39,462,620.21	49,967,992.41
Profit before taxation	93,842,285.96	90,355,010.67	299,003,625.40	318,140,755.19	44,488,799.41	62,512,943.59	173,187,882.86	377,437,699.98	5,672,274,613.78	4,581,022,574.40
Income tax	-	-	-	-	-	-	1,062,649,445.98	833,033,706.01	1,062,649,445.98	833,033,706.01
Profit/(loss) before taxation	93,842,285.96	90,355,010.67	299,003,625.40	318,140,755.19	44,488,799.41	62,512,943.59	(889,461,563.12)	(455,596,006.03)	4,609,625,167.80	3,747,988,868.39
Total segment assets	2,216,794,254.73	2,564,181,184.87	4,563,760,692.25	4,738,959,726.71	832,147,102.62	1,348,382,163.25	30,624,606,348.25	29,075,355,787.44	78,661,443,944.36	78,458,345,074.07
Supplementary information:										
Depreciation and amortisation expenses	43,219,738.29	7,080,050.79	301,792,995.16	614,620,584.46	5,784,930.28	99,890,010.05	79,088,668.20	(335,485,077.77)	2,532,347,256.63	2,048,472,217.60
Interest income	-	-	-	-	-	-	28,986,561.47	23,262,551.07	28,986,561.47	23,262,551.07
Interest expenses	-	-	-	-	-	-	1,076,088,753.42	1,098,642,030.08	1,076,088,753.42	1,098,642,030.08
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	846,679,037.20	1,086,915,705.37	846,679,037.20	1,086,915,705.37
Non-current assets other than long-term equity investments	1,325,723,795.60	1,433,398,944.55	4,628,983,226.71	4,808,144,537.69	2,783,887,555.86	2,889,575,840.90	8,679,358,047.93	8,119,964,827.25	58,042,088,172.61	57,982,550,362.19
Capital expenditure	924,869.47	30,494,568.09	112,661,505.68	12,703,293.78	759,936.48	583,759.28	-	7,650,687.78	2,708,835,927.47	3,057,266,064.48



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XV. OTHER SIGNIFICANT ITEMS (CONTINUED)

### 1. Segment reporting (Continued)

(2) Geographical information

All income and non-current assets of the Group are located in Jiangsu Province.

(3) Major customers

There is no significant reliance on specific customers.

### 2. Defined contribution plans

According to the pension, unemployment insurance plans set up by the government institutions or assigned with financial institutions, the Group monthly pays to the plans for the staff at 16% and 0.5% of the average basic salary of staff in prior year respectively. The Group participates in annuity plans operated and managed by independent third parties and contributes monthly at 8% of the average monthly basic salary of the previous year to the banking institutions designated by such plans. Apart from the above monthly payment, the Group bears no longer further payment obligation. Corresponding expenses are recorded in the profits and losses of current period or the cost of the related assets.

The Group shall pay RMB121,989,467.32, RMB66,932,241.53 and RMB3,881,386.70 to the pension insurance plan, the annuity plan and the unemployment insurance plan, respectively (2022: RMB111,251,420.62, RMB64,428,943.53 and RMB3,537,560.48). The Group's plan contributions for pension, annuity and unemployment insurance as at 31 December 2023 have been fully paid.

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

### 1. Financial assets held for trading

Item	Note	2023	2022
Financial assets at fair value through profit or loss		2,130,000,000.00	2,450,006,985.16
Including: Financial products	(1)	2,130,000,000.00	2,450,000,000.00
Others	(2)	-	6,985.16
Total		2,130,000,000.00	2,450,006,985.16

(1) Financial products

The Company 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 Company 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 stock investment. The Company classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Accounts receivable

(1) Accounts receivable by customer type are as follows:

Type	2023	2022
Amounts due from related party	302,167,918.21	254,080,327.59
Amounts due from third party	134,639,288.06	157,142,674.30
Sub-total	436,807,206.27	411,223,001.89
Less: Provision for bad and doubtful debts	2,476,636.56	596,358.26
Total	434,330,569.71	410,626,643.63

(2) The ageing analysis of accounts receivable is as follows:

Ageing	2023	2022
Within 1 year (inclusive)	428,902,172.28	403,619,682.90
Over 1 year but within 2 years (inclusive)	416,626.72	3,279,472.73
Over 2 years but within 3 years (inclusive)	3,219,718.11	4,323,846.26
Over 3 years	4,268,689.16	-
Sub-total	436,807,206.27	411,223,001.89
Less: Provision for bad and doubtful debts	2,476,636.56	596,358.26
Total	434,330,569.71	410,626,643.63

The ageing is counted starting from the date when accounts receivable are recognised.

(3) Accounts receivable by provisioning method

Category	2023					2022				
	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Individual assessment	1,710,232.43	0.39	1,710,232.43	100.00	-	-	-	-	-	-
Collective assessment	435,096,973.84	99.61	766,404.13	0.18	434,330,569.71	411,223,001.89	100	596,358.26	0.15	410,626,643.63
Total	436,807,206.27	100.00	2,476,636.56	0.57	434,330,569.71	411,223,001.89	100	596,358.26	0.15	410,626,643.63

As at December 31 2023, the Company had no significant individually bad debt provisioned accounts receivable (December 31 2022: None).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Accounts receivable (Continued)

- (4) Movements of provisions for bad and doubtful debts

	Individual assessment	2023 Collective assessment	Total	Individual assessment	2022 Collective assessment	Total
Balance at the beginning of the year	-	596,358.26	596,358.26	-	129,013.48	129,013.48
Additions during the year	1,710,232.43	170,045.87	1,880,278.30	-	467,344.78	467,344.78
Recoveries or reversals during the year	-	-	-	-	-	-
Balance at the end of the year	1,710,232.43	766,404.13	2,476,636.56	-	596,358.26	596,358.26

- (5) Five largest accounts receivable by debtor at the end of the year:

The five largest accounts receivable of the Company amounted to RMB295,032,384.36, accounting for 67.54% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB0.

- (6) Derecognition of accounts receivable due to transfer of financial assets:

The Company has no accounts receivable derecognition due to transfer to financial assets this year (2022: none).

- (7) Assets and liabilities recognised due to the continuing involvement of accounts receivable transferred:

The Company does not transfer receivables this year and continues to involve in the formation of assets and liabilities (2022: none).

### 3. Other receivables

	Note	2023	2022
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	10,176,948.36	5,693,024.50
Total		15,166,908.36	10,682,984.50

- (1) Dividends receivable

Investee	2023	2022
Kuailu Company	4,989,960.00	4,989,960.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 3. Other receivables (Continued)

(2) Others

(a) Others by customer type:

Customer type	2023	2022
Amounts due from related party	<b>5,083,826.30</b>	457,570.21
Amounts due from third party	<b>21,005,478.96</b>	21,147,811.19
Sub-total	<b>26,089,305.26</b>	21,605,381.40
Less: Provision for bad and doubtful debts	<b>15,912,356.90</b>	15,912,356.90
<b>Total</b>	<b>10,176,948.36</b>	5,693,024.50

(b) The ageing analysis is as follows:

Ageing	2023	2022
Within 1 year (inclusive)	<b>6,730,355.10</b>	2,332,031.80
Over 1 year but within 2 years (inclusive)	<b>718,630.17</b>	2,524,514.02
Over 2 years but within 3 years (inclusive)	<b>1,062,378.19</b>	220,489.06
Over 3 years	<b>17,577,941.80</b>	16,528,346.52
Sub-total	<b>26,089,305.26</b>	21,605,381.40
Less: Provision for bad and doubtful debts	<b>15,912,356.90</b>	15,912,356.90
<b>Total</b>	<b>10,176,948.36</b>	5,693,024.50

(c) Others by provisioning method

Category	2023					2022				
	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Book value Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Individual assessment	15,812,140.02	60.61	15,812,140.02	100.00	-	15,812,140.02	73.19	15,812,140.02	100.00	-
Collective assessment	10,277,165.24	39.39	100,216.88	0.98	10,176,948.36	5,793,241.38	26.81	100,216.88	1.73	5,693,024.50
<b>Total</b>	<b>26,089,305.26</b>	<b>100.00</b>	<b>15,912,356.90</b>	<b>60.99</b>	<b>10,176,948.36</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 year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 3. Other receivables (Continued)

(2) Others (Continued)

(d) Movements of provision for bad and doubtful debts

Provision for bad and doubtful debts	2023				2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired (%)	Stage 3 Lifetime ECL - Credit impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired (%)	Stage 3 Lifetime ECL - Credit impaired	Total
Balance at the beginning of the year	100,216.88	-	15,812,140.02	15,912,356.90	100,216.88	-	15,812,140.02	15,912,356.90
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reverse to stage 2	-	-	-	-	-	-	-	-
Reverse to stage 1	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-
Recoveries or reversals during the year	-	-	-	-	-	-	-	-
Written-off during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	100,216.88	-	15,812,140.02	15,912,356.90	100,216.88	-	15,812,140.02	15,912,356.90

(e) Others categorised by nature

Nature of other receivables	2023	2022
Amounts of investment clearance	15,812,140.02	15,812,140.02
Guarantee fee receivables	5,076,437.92	-
Petty cash	2,677,953.66	2,759,474.60
Others	2,522,773.66	3,033,766.78
Sub-total	26,089,305.26	21,605,381.40
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
Tota	10,176,948.36	5,693,024.50

(f) Five largest others-by debtor at the end of the year

Debtor	Nature of the receivable	Balance at the end of the year	Ageing	Percentage of ending balance of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Yixing Highway Administration Department	Amounts of investment clearance	15,812,140.02	Over 3 years	60.61	15,812,140.02
Yunshan Green Energy	Guarantee fee receivables	5,076,437.92	Within 1 year	19.46	-
Suzhou Changlu Agricultural and Sideline Products Distribution Co., Ltd.	Deposits	232,063.68	1-3 years	0.89	-
Suzhou Power Supply Company of State Grid Jiangsu Province Electric Power Co., Ltd.	Electricity	193,600.00	Within 1 year	0.74	-
Wuxi China Resources Gas Co., Ltd.	Natural gas deposit	135,000.00	Over 3 years	0.52	-
Total		21,449,241.62		82.22	15,812,140.02

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 4. Other current assets

Item	2023	2022
Subsidiary transactions	<b>3,531,404,800.09</b>	2,810,455,992.39
Enterprise income tax in advance	<b>6,600,078.91</b>	27,526,057.39
Others	<b>1,640,731.19</b>	619,998.03
<b>Total</b>	<b>3,539,645,610.19</b>	2,838,602,047.81

### 5. Long-term equity investments

Item	2023			2022		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investments in subsidiaries	<b>13,410,448,670.05</b>	-	<b>13,410,448,670.05</b>	12,697,898,670.05	-	12,697,898,670.05
Investments in associates	<b>8,135,283,529.41</b>	-	<b>8,135,283,529.41</b>	7,451,254,731.71	-	7,451,254,731.71
Less: Provisions	-	-	-	-	-	-
<b>Total</b>	<b>21,545,732,199.46</b>	-	<b>21,545,732,199.46</b>	20,149,153,401.76	-	20,149,153,401.76

(1) Investments in subsidiaries:

Subsidiary	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Provision made during the year	Impairment at the end of the year
Wufengshan Bridge	3,112,980,000.00	-	-	3,112,980,000.00	-	-
Longtan Bridge	1,827,260,000.00	693,450,000.00	-	2,520,710,000.00	-	-
Ninghu Investment Company	2,154,434,377.98	-	-	2,154,434,377.98	-	-
Guangjing Xicheng Company	2,125,000,000.00	-	-	2,125,000,000.00	-	-
Yunshan Green Energy	2,029,082,181.20	19,100,000.00	-	2,048,182,181.20	-	-
Ninghu Properties Company	500,000,000.00	-	-	500,000,000.00	-	-
Zhendan Company	423,910,000.00	-	-	423,910,000.00	-	-
Hanwei Company	374,499,800.00	-	-	374,499,800.00	-	-
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	-	-
Ninghu International Company	732,310.87	-	-	732,310.87	-	-
<b>Total</b>	<b>12,697,898,670.05</b>	<b>712,550,000.00</b>	<b>-</b>	<b>13,410,448,670.05</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 5. Long-term equity investments (Continued)

#### (2) Investments in associates

Investee	Balance at the beginning of the year	Movements during the year							Balance at the end of the year	Balance of provision for impairment at the end of the year
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movement	Declared distribution of cash dividends or profits	Provision for impairment		
Associates										
Yangtze Bridge Company	2,194,739,782.25	-	-	313,705,752.76	83,773,205.85	24,242,945.00	(34,190,139.60)	-	2,582,271,546.26	-
Suzhou Expressway Management	2,154,938,923.37	-	-	132,687,612.08	-	-	(54,620,883.00)	-	2,233,005,652.45	-
Zijin Trust	2,096,153,026.49	-	-	194,395,327.14	405,738.27	-	(42,010,000.00)	-	2,248,944,091.90	-
Group Finance Company	708,708,011.31	-	-	35,671,726.23	-	-	(12,500,000.00)	-	731,879,737.54	-
Sundian R&B Company	148,903,649.23	-	-	32,604,500.75	-	-	-	-	181,508,149.98	-
Culture Media	77,626,203.86	-	-	5,094,811.94	(991,076.41)	-	-	-	81,729,939.39	-
Network Operation Company	29,994,283.94	-	-	3,341,207.71	-	-	-	-	33,335,491.65	-
Kualu Company	29,006,148.31	-	-	378,969.41	-	-	-	-	29,385,117.72	-
Yuexin Ninghu Company	11,184,702.95	-	-	2,039,099.57	-	-	-	-	13,223,802.52	-
<b>Total</b>	<b>7,451,254,731.71</b>	<b>-</b>	<b>-</b>	<b>719,919,007.59</b>	<b>83,187,867.71</b>	<b>24,242,945.00</b>	<b>(143,321,022.60)</b>	<b>-</b>	<b>8,135,283,529.41</b>	<b>-</b>

### 6. Investments in other equity instruments

Item	Balance at the beginning of the year	Movements during the year						Dividend income recognised for the year	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reason for being designated
		Increase in capital	Decrease in capital	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Others	Balance at the end of the year				
Bank of Jiangsu (Note 1)	5,256,708,192.00	-	-	-	(432,650,880.00)	-	4,824,057,312.00	353,836,311.36	600,833,043.60	-	Non-tradable investment in equity instruments

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 7. Fixed assets

#### (1) Fixed assets

Item	Plant & buildings	Safety equipment	Toll and ancillary equipment	Communication and surveillance equipment	Machinery & equipment	Electronic equipment	Motor vehicles	Office & other equipment	Total
<b>Cost</b>									
Balance at the beginning of the year	1,525,025,312.23	713,851,072.27	365,252,425.76	346,972,850.54	413,691,322.46	56,566,886.49	44,457,048.91	35,294,002.42	3,501,110,921.08
Additions during the year	29,617,537.85	1,302,393.83	4,815,097.40	34,851,723.50	14,984,131.53	10,839,419.96	4,562,672.71	2,709,050.67	103,682,027.45
– Purchases	2,072,234.11	653,032.72	984,803.45	6,342,606.87	12,768,215.03	10,016,737.96	4,562,672.71	2,709,050.67	40,109,353.52
– Transfers from construction in progress	27,545,303.74	649,361.11	3,830,293.95	28,509,116.63	2,215,916.50	822,682.00	–	–	63,572,673.93
Decrease during the year	7,956,925.75	296,445.10	5,193,763.75	22,380,210.31	21,940,358.79	4,389,519.92	8,105,131.63	712,512.97	70,974,868.22
– Disposals or written-offs during the year	6,714,775.41	296,443.80	5,082,131.30	13,859,618.36	21,914,158.79	4,034,792.22	8,012,153.15	712,512.97	60,626,586.00
– Other transfer out-settlement adjustment	1,242,150.34	1.30	111,632.45	8,520,591.95	26,200.00	354,727.70	92,978.48	–	10,348,282.22
Balance at the end of the year	1,546,685,924.33	714,857,021.00	364,873,759.41	359,444,363.73	406,735,095.20	63,016,786.53	40,914,589.99	37,290,540.12	3,533,818,080.31
<b>Accumulated depreciation</b>									
Balance at the beginning of the year	821,098,239.03	638,093,736.30	212,142,368.93	224,195,021.64	279,326,883.08	39,229,828.36	35,168,572.32	21,799,391.78	2,271,054,041.44
Charge for the year	99,273,559.59	14,208,944.19	32,944,306.56	25,122,957.02	23,448,662.96	6,403,445.32	1,875,652.26	5,128,458.37	208,405,986.27
Disposals or written-offs during the year	5,871,266.01	202,206.90	4,773,354.98	12,444,540.81	21,136,042.52	3,650,183.91	7,730,108.14	678,663.28	56,486,366.55
Balance at the end of the year	914,500,532.61	652,100,473.59	240,313,320.51	236,873,437.85	281,639,503.52	41,983,089.77	29,314,116.44	26,249,186.87	2,422,973,661.16
<b>Provision for impairment</b>									
Balance at the beginning of the year	–	–	–	–	–	–	–	–	–
Charge for the year	–	–	–	–	–	–	–	–	–
Balance at the end of the year	–	–	–	–	–	–	–	–	–
<b>Carrying amounts</b>									
At the end of the year	632,185,391.72	62,756,547.41	124,560,438.90	122,570,925.88	125,095,591.68	21,033,696.76	11,600,473.55	11,041,353.25	1,110,844,419.15
At the beginning of the year	703,927,073.20	75,757,335.97	153,110,056.83	122,777,828.90	134,364,439.38	17,337,058.13	9,288,476.59	13,494,610.64	1,230,056,879.64

As at 31 December 2023, the Group has no fixed assets as collateral for the Group's liabilities (31 December 2022: none).

As at 31 December 2023, the Group has no temporarily idle fixed assets (31 December 2022: none).

#### (2) Fixed assets leased out under operating leases

Item	2023	2022
Plant & buildings	<b>81,977,365.18</b>	92,685,591.55

#### (3) Fixed assets pending certificates of ownership

As at 31 December 2023, the book value of the Group's fixed assets without certificates of ownership is RMB265,839,806.37 (31 December 2022: RMB269,039,566.85), the above assets were incorporated into communication facilities, therefore cannot obtain certification at present.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 8. Intangible assets

(1) Intangible assets

Item	Toll road operation rights-in operation	Land use rights	Software	Total
<b>Cost</b>				
Balance at the beginning of the year	24,401,489,853.35	1,725,422,592.87	62,136,349.92	26,189,048,796.14
Additions during the year	3,963,148.44	-	-	3,963,148.44
- Settlement adjustment	3,963,148.44	-	-	3,963,148.44
Balance at the end of the year	24,405,453,001.79	1,725,422,592.87	62,136,349.92	26,193,011,944.58
<b>Accumulated amortisation</b>				
Balance at the beginning of the year	13,012,657,026.04	1,463,883,760.93	57,308,973.33	14,533,849,760.30
Additions during the year	991,772,620.82	63,861,062.64	2,148,695.48	1,057,782,378.94
- Charge for the year	991,772,620.82	63,861,062.64	2,148,695.48	1,057,782,378.94
Balance at the end of the year	14,004,429,646.86	1,527,744,823.57	59,457,668.81	15,591,632,139.24
<b>Carrying amounts</b>				
At the end of the year	10,401,023,354.93	197,677,769.30	2,678,681.11	10,601,379,805.34
At the beginning of the year	11,388,832,827.31	261,538,831.94	4,827,376.59	11,655,199,035.84

(2) Land use rights pending certificates of ownership

As at 31 December 2023, the Group has no land use rights without certificates of ownership (31 December 2022: none).

### 9. Other non-current assets

Item	2023			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
Transactions with subsidiaries	1,443,042,008.22	-	1,443,042,008.22	2,053,042,008.21	-	2,053,042,008.21
<b>Total</b>	<b>1,452,755,638.22</b>	<b>-</b>	<b>1,452,755,638.22</b>	<b>2,062,755,638.21</b>	<b>-</b>	<b>2,062,755,638.21</b>

### 10. Short-term loans

(1) Short-term loans by category:

Category	2023	2022
Credit loans	923,916,264.00	1,704,448,586.00

(2) Past due short-term loans:

As at 31 December 2023, there are no short-term loans overdue but not yet repaid (31 December 2022: none).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 11. Accounts payable

Details of accounts payable are as follows:

Item	2023	2022
Subsidiary	<b>143,188.32</b>	1,597,903.89
Amounts due to other related party	<b>54,503,760.44</b>	132,952,791.94
Amounts due to third party	<b>762,881,341.88</b>	448,128,927.70
Total	<b>817,528,290.64</b>	582,679,623.53

At the end of 31 December 2023, the Company has no significant accounts payable with ageing of more than one year (31 December 2022: none).

### 12. Non-current liabilities due within one year

Item	2023	2022
Long-term loans due within one year (Note XVI.14)	<b>114,097,842.00</b>	15,177,108.15
Bonds payable due within one year (Note XVI.15)	<b>2,125,889,862.33</b>	127,249,150.67
Total	<b>2,239,987,704.33</b>	142,426,258.82

### 13. Other current liabilities

Item	2023	2022
Super short-term bonds	<b>1,898,631,291.00</b>	5,334,649,066.00

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 13. Other current liabilities (Continued)

The movements of super short-term bonds:

Name of bond	Face value	Coupon rate	Issuance date	Maturity period	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Repayment during the year	Balance at the end of the year	Default (Y/N)
Super short-term bonds payable											
22 Ninghu Gao SCP039	100	1.59%	2022 September 20	107	1,000,000,000.00	1,004,443,287.00	-	217,808.89	1,004,661,095.89	-	N
22 Ninghu Gao SCP040	100	1.61%	2022 September 30	90	500,000,000.00	501,874,658.00	-	110,273.51	501,984,931.51	-	N
22 Ninghu Gao SCP041	100	1.61%	2022 September 30	90	400,000,000.00	401,499,726.00	-	88,219.21	401,587,945.21	-	N
22 Ninghu Gao SCP042	100	1.61%	2022 September 30	90	400,000,000.00	401,499,726.00	-	88,219.21	401,587,945.21	-	N
22 Ninghu Gao SCP043	100	1.78%	2022 November 9	92	800,000,000.00	802,028,713.00	-	1,560,547.27	803,589,260.27	-	N
22 Ninghu Gao SCP044	100	2.17%	2022 November 30	92	770,000,000.00	771,419,121.00	-	2,792,462.56	774,211,583.56	-	N
22 Ninghu Gao SCP045	100	2.40%	2022 December 9	123	750,000,000.00	750,986,301.00	-	5,079,452.42	756,065,753.42	-	N
22 Ninghu Gao SCP046	100	2.60%	2022 December 13	121	700,000,000.00	700,897,534.00	-	5,135,890.66	706,033,424.66	-	N
23 Ninghu Gao SCP001	100	2.30%	2023 January 3	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-	N
23 Ninghu Gao SCP002	100	2.30%	2023 January 3	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-	N
23 Ninghu Gao SCP003	100	2.30%	2023 January 3	93	500,000,000.00	-	500,000,000.00	2,930,136.99	502,930,136.99	-	N
23 Ninghu Gao SCP004	100	2.30%	2023 January 3	93	600,000,000.00	-	600,000,000.00	3,516,164.38	603,516,164.38	-	N
23 Ninghu Gao SCP005	100	2.15%	2023 February 6	94	400,000,000.00	-	400,000,000.00	2,214,794.52	402,214,794.52	-	N
23 Ninghu Gao SCP006	100	2.15%	2024 February 6	94	400,000,000.00	-	400,000,000.00	2,214,794.52	402,214,794.52	-	N
23 Ninghu Gao SCP007	100	2.36%	2023 February 28	86	400,000,000.00	-	400,000,000.00	2,218,142.08	402,218,142.08	-	N
23 Ninghu Gao SCP008	100	2.36%	2024 February 28	86	370,000,000.00	-	370,000,000.00	2,051,781.42	372,051,781.42	-	N
23 Ninghu Gao SCP009	100	2.18%	2023 March 31	95	1,050,000,000.00	-	1,050,000,000.00	5,941,393.44	1,055,941,393.44	-	N
23 Ninghu Gao SCP010	100	2.18%	2023 March 31	94	500,000,000.00	-	500,000,000.00	2,799,453.55	502,799,453.55	-	N
23 Ninghu Gao SCP011	100	2.18%	2023 April 3	94	400,000,000.00	-	400,000,000.00	2,239,562.84	402,239,562.84	-	N
23 Ninghu Gao SCP012	100	2.18%	2023 April 3	93	400,000,000.00	-	400,000,000.00	2,239,562.84	402,239,562.84	-	N
23 Ninghu Gao SCP013	100	2.23%	2023 April 11	93	1,000,000,000.00	-	1,000,000,000.00	5,666,393.44	1,005,666,393.44	-	N
23 Ninghu Gao SCP014	100	2.23%	2023 April 11	93	400,000,000.00	-	400,000,000.00	2,266,557.38	402,266,557.38	-	N
23 Ninghu Gao SCP015	100	2.22%	2023 May 9	93	350,000,000.00	-	350,000,000.00	1,974,344.26	351,974,344.26	-	N
23 Ninghu Gao SCP016	100	2.07%	2023 May 23	107	300,000,000.00	-	300,000,000.00	1,577,950.82	301,577,950.82	-	N
23 Ninghu Gao SCP017	100	2.03%	2023 July 4	107	610,000,000.00	-	610,000,000.00	3,620,166.67	613,620,166.67	-	N
23 Ninghu Gao SCP018	100	2.03%	2023 July 4	107	620,000,000.00	-	620,000,000.00	3,679,513.66	623,679,513.66	-	N
23 Ninghu Gao SCP019	100	2.08%	2023 July 11	100	310,000,000.00	-	310,000,000.00	1,761,748.63	311,761,748.63	-	N
23 Ninghu Gao SCP020	100	2.04%	2023 August 8	100	350,000,000.00	-	350,000,000.00	1,950,819.67	351,950,819.67	-	N
23 Ninghu Gao SCP021	100	2.30%	2023 October 17	93	540,000,000.00	-	540,000,000.00	2,587,500.00	-	542,587,500.00	N
23 Ninghu Gao SCP022	100	2.30%	2023 October 17	93	500,000,000.00	-	500,000,000.00	2,395,833.00	-	502,395,833.00	N
23 Ninghu Gao SCP023	100	2.30%	2023 October 17	93	500,000,000.00	-	500,000,000.00	2,395,833.00	-	502,395,833.00	N
23 Ninghu Gao SCP024	100	2.43%	2023 November 8	89	350,000,000.00	-	350,000,000.00	1,252,125.00	-	351,252,125.00	N
Total					17,370,000,000.00	5,334,649,066.00	12,050,000,000.00	81,599,774.60	15,567,617,549.60	1,898,631,291.00	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 14. Long-term loans

(1) Long-term loans by category

Items	2023	2022
Guaranteed loans	<b>8,774,085.59</b>	10,353,339.10
Unsecured loans	<b>4,332,013,025.02</b>	2,001,321,551.75
Less: Long-term loans due within one year ( <i>Note XVI. 12</i> )	<b>114,097,842.00</b>	15,177,108.15
Total	<b>4,226,689,268.61</b>	1,996,497,782.70

As of 31 December 2023, Long-term loans mainly include:

- (a) Guaranteed loans mainly include a long-term loan obtained by the Company from Spanish government with a total principal of USD1,238,805.10, which is equivalent to RMB8,774,085.59 at the end of the year. The principal of long-term loans due within one year is USD247,761.02, which is equivalent to RMB1,754,816.98 at the end of the year, and the maturity date of the last loans is 10 July 2028.
- (b) Unsecured loans mainly include loans obtained by the Company from Jiangsu Communications Holding Company Limited with a total principal of RMB1,495,670,000.00 and an interest of RMB2,562,992.02; obtained loans from Bank of Communications with a total principal of RMB1,000,000,000.00 and an interest of RMB347,222.00; obtained loans from China Merchants Bank with a total principal of RMB392,000,000.00 and an interest of RMB311,422.00; obtained loans from China Construction Bank with a total principal of RMB800,000,000.00 and an interest of RMB632,500.00; obtained loans from Bank of China with a total principal of RMB640,000,000.00 and an interest of RMB488,889.00. The principal of long-term loans due within one year is RMB109,754,816.98 and the interest payable due within one year is RMB4,343,025.02. The maturity date of the remaining unsecured loans is from 1 September 2025 to 31 December 2031.

As of 31 December 2023, the annual interest rate of Guaranteed loans is 2%, and the annual interest rate range of unsecured loans is 2.40% – 2.60%.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 15. Debentures payable

Item	2023	2022
Medium term notes	<b>5,551,467,096.84</b>	5,544,625,794.05
Corporate bonds	<b>4,559,957,606.94</b>	4,557,280,135.52
Less: Debentures payable due within one year (Note XVI.12)	<b>2,125,889,862.33</b>	127,249,150.67
<b>Total</b>	<b>7,985,534,841.45</b>	9,974,656,778.90

Movements of debentures payables:

Debentures Name	Debentures												Default (Y/N)	
	Face value (RMB)	Coupon rate	Issuance date	Maturity period	Interest rate	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Premium and according to face value	Repayment during the year	Balance at the end of the year		Including: Debentures payable due within one year
20 Ninghu Gao MTN001	100.00	3.98%	21 August 2020	5 years	3.98%	2,000,000,000.00	2,019,904,386.39	-	79,600,000.00	3,344,522.11	79,600,000.00	2,023,248,908.50	29,004,931.51	N
21 Ninghu Gao MTN001	100.00	3.45%	15 June 2021	3 years	3.45%	1,000,000,000.00	1,017,222,570.16	-	34,500,000.00	1,018,881.60	34,500,000.00	1,018,241,451.76	1,018,241,451.76	N
21 Ninghu Gao MTN002	100.00	3.30%	25 October 2021	3 years	3.30%	500,000,000.00	502,054,307.15	-	16,500,000.00	505,869.61	16,500,000.00	502,560,176.76	502,560,176.76	N
21 Ninghu Gao MTN003	100.00	3.13%	22 November 2021	3 years	3.13%	500,000,000.00	500,665,513.09	-	15,650,000.00	501,515.19	15,650,000.00	501,167,028.28	501,167,028.28	N
22 Ninghu Gao MTN001 (SOI-TECH innovation note)	100.00	2.49%	13 September 2022	3 years	2.49%	700,000,000.00	703,259,209.62	-	17,430,000.00	687,381.83	17,430,000.00	703,946,591.45	5,157,369.65	N
22 Ninghu Gao MTN002	100.00	2.49%	10 October 2022	3 years	2.49%	300,000,000.00	300,843,869.80	-	7,470,000.00	294,051.76	7,470,000.00	301,137,921.56	1,678,191.78	N
22 Ninghu Gao MTN003	100.00	2.55%	31 October 2022	3 years	2.55%	500,000,000.00	500,675,937.84	-	12,750,000.00	489,080.69	12,750,000.00	501,165,018.53	2,095,890.41	N
21 Ninghu G1	100.00	3.70%	2 February 2021	3+2 years	3.70%	1,000,000,000.00	1,031,704,880.64	-	37,000,000.00	577,428.97	37,000,000.00	1,032,282,309.61	33,756,164.44	N
21 Ninghu G2	100.00	3.08%	24 November 2021	3+2 years	3.08%	800,000,000.00	800,664,397.82	-	24,640,000.00	466,437.30	24,640,000.00	801,130,835.12	2,565,280.28	N
22 Ninghu G1	100.00	2.90%	20 April 2022	3 years	2.90%	1,000,000,000.00	1,020,339,726.02	-	29,000,000.00	-	29,000,000.00	1,020,339,726.02	20,339,726.02	N
22 Ninghu G2	100.00	2.55%	23 August 2022	3 years	2.55%	500,000,000.00	503,250,797.61	-	12,750,000.00	462,245.24	12,750,000.00	503,713,042.85	4,576,027.40	N
G22 Ninghu 1	100.00	2.58%	24 October 2022	3 years	2.58%	700,000,000.00	701,442,920.14	-	18,060,000.00	684,983.97	18,060,000.00	700,363,779.23	3,414,082.19	N
22 Ninghu G3	100.00	2.95%	29 November 2022	3 years	2.95%	500,000,000.00	499,877,413.29	-	14,750,000.00	486,365.94	14,750,000.00	502,127,914.11	1,333,561.65	N
<b>Total</b>						10,000,000,000.00	10,101,905,929.57	-	320,100,000.00	9,518,774.21	320,100,000.00	10,111,424,703.78	2,125,889,862.33	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 16. Operating income and operating costs

(1) Operating income and operating costs

Item	Note	2023		2022	
		Income	Cost	Income	Cost
Principal activities		8,426,030,265.74	4,671,480,760.83	6,574,216,958.54	3,415,846,811.81
Other operating activities		135,183,003.85	115,937,396.10	122,197,253.83	104,800,389.22
Total		8,561,213,269.59	4,787,418,156.93	6,696,414,212.37	3,520,647,201.03
Including: revenue from contracts with customers	XVI.16(2)	8,490,661,255.62	4,619,391,144.16	6,663,090,101.35	3,359,897,709.53
Rental income		70,552,013.97	168,027,012.77	33,324,111.02	160,749,491.50

(2) Disaggregation of operating income and operating costs

Type of contract	2023		2022	
	Income	Cost	Income	Cost
By type of business				
Toll road income	6,621,278,911.52	2,810,310,164.99	5,479,148,759.80	2,161,236,087.14
Ancillary services income	1,734,199,340.25	1,693,143,583.06	1,061,744,087.72	1,093,861,233.17
Advertising and others income	135,183,003.85	115,937,396.11	122,197,253.83	104,800,389.22
Total	8,490,661,255.62	4,619,391,144.16	6,663,090,101.35	3,359,897,709.53
By timing of transferring goods or services				
Revenue recognized at a point in time	8,355,478,251.77	4,503,453,748.05	6,540,892,847.52	3,255,097,320.31
Revenue recognized over time	135,183,003.85	115,937,396.11	122,197,253.83	104,800,389.22
Total	8,490,661,255.62	4,619,391,144.16	6,663,090,101.35	3,359,897,709.53

### 17. Financial expenses

Item	2023	2022
Interest expenses from loans and payables	479,697,955.14	423,982,102.30
Less: Interest income from deposits and receivables	14,382,491.17	16,956,547.66
Net exchange losses	71,416,281.45	2,806,116.78
Bond issuance fee and commission charges for other loans	1,234,432.88	2,307,834.16
Other financial expenses	649,563.05	2,321,249.40
Total	538,615,741.35	414,460,754.98

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 18. Investment income

Item	2023	2022
Income from long-term equity investments accounted for using equity method	<b>719,919,007.59</b>	564,663,110.58
Income from long-term equity investments accounted for using cost method	<b>182,248,086.58</b>	105,045,402.05
Income from investments in other equity instruments during the holding period	<b>353,836,311.36</b>	386,593,920.00
Investment income from financial assets held for trading during the holding period	<b>52,630,820.30</b>	100,604,570.80
Investment income from disposal of financial assets held for trading	<b>14,615.30</b>	60,096.46
Interest income from loans	<b>60,739,647.09</b>	73,134,741.72
Total	<b>1,369,388,488.22</b>	1,230,101,841.61

### 19. Income tax expenses

Item	Note	2023	2022
Current tax expense for the year based on tax law and regulations		<b>809,121,683.26</b>	724,543,846.96
Changes in deferred tax	(1)	<b>(8,321,726.78)</b>	9,188,600.25
Tax filing differences for prior year		<b>(89,597.03)</b>	(504,286.95)
Total		<b>800,710,359.45</b>	733,228,160.26

(1) The analysis of changes in deferred tax is set out below:

Item	2023	2022
Origination and reversal of temporary differences	<b>(8,321,726.78)</b>	9,188,600.25

(2) Reconciliation between income tax expenses and accounting profit:

Item	2023	2022
Profits before taxation	<b>4,363,813,249.14</b>	3,753,808,991.44
Expected income tax expenses at tax rate of 25%	<b>1,090,953,312.29</b>	938,452,247.86
Tax filing differences for prior year	<b>(89,597.03)</b>	(504,286.95)
Effect of non-taxable income	<b>(314,000,851.39)</b>	(223,874,237.71)
Effect of non-deductible costs, expense and losses	<b>23,847,495.58</b>	19,154,437.06
Income tax expenses	<b>800,710,359.45</b>	733,228,160.26

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVII. EXTRAORDINARY GAINS AND LOSSES IN 2023 (CONTINUED)

Item	Amount	Note
(1) Disposal of non-current assets	13,901,642.18	Note 1
(2) Government grants recognised in profit or loss (except for those which are closely related to the company's normal operations, which the company is entitled to under established standards in accordance with government policies and which have a continuing impact on the profits and losses of the company)	18,423,300.33	Note 1
(3) For a company which is not a financial institution, gains and losses arising from changes in the fair value of financial assets and financial liabilities held by the company, and those arising from the disposal of financial assets and financial liabilities, other than those held for effective hedging related to normal operations	237,288,430.54	Note 1
(4) Custody fees received for entrusted operations	69,455,673.77	Note 1
(5) Other non-operating income and expenses besides items above	(25,504,963.91)	Note 1
Sub-total	313,564,082.91	
(6) Tax effect	(57,631,222.37)	
(7) Effect on non-controlling interests after taxation	(17,404,910.88)	
Total	238,527,949.66	

Note 1: Extraordinary gain and loss items listed above are presented in the amount before taxation.

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 1 – Extraordinary Gains and Losses (Revised in 2023), an amount of RMB12,043,773.11 in the government grants presented by the Group as extraordinary gains and losses in 2022 should be redefined as ordinary gains and losses, resulting in a decrease of RMB12,043,773.11 in the subtotal of extraordinary gains and losses in 2022, and a decrease of RMB8,807,490.93 in the Group's total extraordinary gains and losses in 2022 after deducting the effects on tax and non-controlling interests.

## XVIII. 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	13.39	0.8760	0.8760
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	12.67	0.8287	0.8287



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVIII. RETURN ON NET ASSETS AND EARNINGS PER SHARE (CONTINUED)

### 1. Calculation of earnings per share

- (1) Basic earnings per share

For the calculation of basic earnings per share, refer to Note V.58.

- (2) Basic earnings per share excluding extraordinary gains and losses

Basic earnings per share excluding extraordinary gains and losses is calculated by dividing consolidated net profit excluding extraordinary gains and losses attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Company	<b>4,413,271,587.29</b>	3,724,115,165.87
Extraordinary gains and losses attributable to ordinary shareholders of the Company	<b>238,527,949.66</b>	300,286,285.99
Consolidated net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	<b>4,174,743,637.63</b>	3,423,828,879.88
Weighted average number of ordinary shares outstanding of the Company	<b>5,037,747,500.00</b>	5,037,747,500.00
Basic earnings per share excluding extraordinary gains and losses ( <i>RMB/share</i> )	<b>0.8287</b>	0.6796

- (3) Diluted earnings per share

For calculation of the diluted earnings per share, refer to Note V.58.

- (4) Diluted earnings per share excluding extraordinary gains and losses

During the reporting period, the Company does not have dilutive potential ordinary shares. Diluted earnings per share excluding extraordinary gains and losses is the same as basic earnings per share excluding extraordinary gains and losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## XVIII. RETURN ON NET ASSETS AND EARNINGS PER SHARE

### 2. Calculation of weighted average return on net assets

(1) Weighted average return on net assets

Weighted average return on net assets is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Company	<b>4,413,271,587.29</b>	3,724,115,165.87
Weighted average amount of consolidated net assets of the Company	<b>32,951,631,352.56</b>	33,156,536,783.37
Weighted average return on net assets (%)	<b>13.39</b>	11.23

The calculation of the weighted average amount of consolidated net assets is as follows:

	2023	2022
Consolidated net assets at the beginning of the year attributable to the Company's ordinary equity shareholders	<b>31,940,807,710.11</b>	32,042,387,869.42
Effect of consolidated net profit attributable to ordinary shareholders of the Company	<b>2,206,635,793.65</b>	1,862,057,582.93
Effects on changes in fair value of investments in other equity instruments and changes in special reserve	<b>(37,130,226.20)</b>	410,773,256.02
Effects on cash dividends paid	<b>(1,158,681,925.00)</b>	(1,158,681,925.00)
Weighted average amount of consolidated net assets at the ending of the year attributable to the Company's ordinary equity shareholders	<b>32,951,631,352.56</b>	33,156,536,783.37

(2) Weighted average return on net assets excluding extraordinary gains and losses

Weighted average return on net assets excluding extraordinary gains and losses is calculated by dividing consolidated net profit excluding extraordinary gains and losses attributable to ordinary shareholders of the Company by the weighted average amount of consolidated net assets:

	2023	2022
Consolidated net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	<b>4,174,743,637.63</b>	3,423,828,879.88
Weighted average amount of consolidated net assets attributable to the Company's ordinary equity shareholders	<b>32,951,631,352.56</b>	33,156,536,783.37
Weighted average return on net assets excluding extraordinary gains and losses (%)	<b>12.67</b>	10.33



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