



Anhui Expressway Company Limited

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

Stock Code: 0995

2023 ANNUAL REPORT



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Important Notice

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

The Company's net profit as shown on the 2023 financial statements prepared in accordance with the PRC accounting standards was RMB1,624,943 thousand. The Company's profit as shown on the 2023 financial statements prepared in accordance with the Hong Kong accounting standards was RMB1,614,144 thousand. As the statutory reserve fund has reached over 50% of the total share capital of the Company, no appropriation is required this year. Consequently, the profit from year 2023 available for distribution to shareholders was RMB1,624,943 thousand and RMB1,614,144 thousand in accordance with the PRC accounting standards and the Hong Kong accounting standards respectively. Pursuant to the relevant PRC regulations, the lower of the two amounts shall be the basis of distribution. Therefore, the profit available for distribution to shareholders for the year 2023 was RMB1,614,144 thousand. The Company recommended the payment of a final dividend of RMB996,824.61 thousand on the basis of RMB6.01 for every 10 shares (tax included) based on the total issued share capital of 1,658,610,000 shares. In 2023, no transfers of share capital from capital reserves were made.

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

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

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

No



Important Notice

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

No

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

No

10. Major Risk Notice

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

11. Other

Unless otherwise specified, the amount in this report is denominated in RMB.

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

Section I Definitions

1. DEFINITIONS

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

Definition of common words

“the Company”	Means	Anhui Expressway Company Limited
“the Group”	Means	Collectively the Company, its subsidiaries and associated companies
“ATHC” or “Anhui Transportation Holding Group”	Means	Anhui Transportation Holding Group Company Limited (formerly known as Anhui Expressway Holding Group Company Limited and Anhui Expressway Holding Corporation)
“Articles of Association”	Means	the articles of association of the Company
“Board”	Means	the board of directors of the Company
“China Merchants Highway”	Means	China Merchants Highway Network Technology Holding Company Limited (formerly known as China Merchants Hua Jian Highway Investment Company Limited)
“Company Law”	Means	the Company Law of the People’s Republic of China
“reporting period” or “Reporting Period”	Means	the year ended 31 December 2023
“SSE”	Means	Shanghai Stock Exchange
“SEHK” or “Hong Kong Stock Exchange”	Means	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Means	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Corporate Governance Code”	Means	the Corporate Governance Code as set out in part 2 of Appendix C1 to the Listing Rules
“SFO”	Means	Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong)

Section I Definitions

“Supervisor(s)”	Means	supervisor(s) of the Company
“Supervisory Committee”	Means	the supervisory committee of the Company
“Xuanguang Company”	Means	Xuanguang Expressway Company Limited* (宣廣高速公路有限責任公司)
“Expressway Media”	Means	Anhui Expressway Media Company Limited* (安徽高速傳媒有限公司)
“Xin’an Financial”	Means	Anhui Xin’an Financial Group Company Limited* (安徽新安金融集團股份有限公司)
“Xin’an Capital”	Means	Anhui Xin’an Capital Operation Management Company Limited* (安徽新安資本運營管理有限公司)
“Xuancheng Transportation”	Means	Xuancheng Transportation Investment Group Company Limited* (宣城市交通投資集團有限公司) (formerly known as Xuancheng Transportation Investment Company Limited)
“Ningxuanhang Company”	Means	Anhui Ningxuanhang Expressway Investment Company Limited* (安徽寧宣杭高速公路投資有限公司)
“Guangci Company”	Means	Xuancheng City Guangci Expressway Limited Liability Company* (宣城市廣祠高速公路有限責任公司)
“Anqing Bridge Company”	Means	Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company* (安徽安慶長江公路大橋有限責任公司)
“Wantong MicroCredit”	Means	Hefei Wantong MicroCredit Company Limited* (合肥市皖通小額貸款有限公司)
“AEHK”	Means	Anhui Expressway (H.K.) Limited
“Transportation Holding Capital”	Means	Anhui Transportation Holding Capital Investment Management Company Limited
“Goldstone Investment”	Means	Goldstone Investment Limited* (金石投資有限公司)
“Conch Cement”	Means	Anhui Conch Cement Company Limited* (安徽海螺集團有限責任公司)
“China Merchants Fund”	Means	Anhui Transportation China Merchants Industrial Fund (Limited Partnership)* (安徽交控招商產業投資基金(有限合夥))
“China Merchants Fund Management Company”	Means	Anhui Transportation China Merchants Investment Private Fund Management Company Limited* (安徽交控招商私募基金管理有限公司)

Section I Definitions

“Goldstone Merger and Acquisition Fund”	Means	Anhui Transportation Goldstone Merger and Acquisition Fund (Limited Partnership)* (安徽交控金石併購基金合夥企業(有限合夥))
“Goldstone Equity Investment Fund” “Goldstone Fund Phase II”	Means	Anhui Transportation Goldstone Equity Investment Fund Partnership (Limited Partnership)* (安徽交控金石股權投資基金合夥企業(有限合夥))
“Goldstone Fund Management Company”	Means	Anhui Transportation Goldstone Private Fund Management Co., Ltd.* (安徽交控金石私募基金管理有限公司)
“Goldstone Runze”	Means	Goldstone Runze (Zibo) Investment Consultation Partnership(Limited Partnership)* (金石潤澤(淄博)投資諮詢合夥企業(有限合夥))
“Conch Goldstone Innovation Fund”	Means	Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership)* (安徽海螺金石創新發展投資基金合夥企業(有限合夥))
“Goldstone Emerging Industries Fund”	Means	Anhui Transportation Goldstone Emerging Industries private equity Fund Fund (Limited Partnership)* (安徽交控金石新興產業股權投資基金合夥企業(有限合夥))
“Information Industry Company”	Means	Anhui Transportation Information Industry Company Limited* (安徽交控信息產業有限公司)
“Guangxuan Company”	Means	Anhui Guangxuan Expressway Company Limited* (安徽省廣宣高速公路有限責任公司)
“Expressway Petrochemical”	Means	Anhui Expressway Petrochemical Co., Ltd.* (安徽省高速石化有限公司)
“ALEC”	Means	Anhui Anlian Expressway Co., Ltd.* (安徽安聯高速公路有限公司)
“AWQEC”	Means	Anhui Wangqian Expressway Co., Ltd.* (安徽望潛高速公路有限公司)
“AWEC”	Means	Anhui Wuyan Expressway Co., Ltd.* (安徽省蕪雁高速公路有限公司)

Section I Definitions

“ALGEC”	Means	Anhui Liguang Expressway Co., Ltd.* (安徽省溧廣高速公路有限公司)
“AYEC”	Means	Anhui Yangji Expressway Co., Ltd.* (安徽省揚績高速公路有限公司)
“Design Institute”	Means	Anhui Transport Consulting & Design Institute Co., Ltd.* (安徽省交通規劃設計研究總院股份有限公司)
“ATEGC”	Means	Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司)
“AENO”	Means	Anhui Expressway Network Operations Company Limited* (安徽省高速公路聯網運營有限公司)
“ATUCC”	Means	Anhui Transportation United Card Holding Co., Ltd.* (安徽交通一卡通控股有限公司)
“Yida Company”	Means	Anhui Province Yida Expressway Service Area Operating Management Company Limited* (安徽省驛達高速公路服務區經營管理有限公司)
“AHEC”	Means	Anhui Hezong Expressway Co., Ltd.* (安徽省合縱高速公路有限責任公司)
“AERC”	Means	Anhui Expressway Experiment Research Centre Co., Ltd.* (安徽省高速公路試驗檢測研究中心有限公司)
“ATMT”	Means	Anhui Transportation Material Technology Co., Ltd.* (安徽交控材料科技有限公司)
“ATCG”	Means	Anhui Transportation Construction Group Co., Ltd.* (安徽交控建設工程集團有限公司)

* for identification purpose only

Section II Corporate Profile and Main Financial Indicators

1. COMPANY INFORMATION

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

2. CONTACT PERSON AND CONTACT DETAILS

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

3. INTRODUCTION OF BASIC INFORMATION

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

Section II Corporate Profile and Main Financial Indicators

4. INFORMATION DISCLOSURE AND ADDRESSES FOR KEEPING REPORT

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

5. COMPANY STOCK INFORMATION

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

6. OTHER RELATED INFORMATION

PRC Auditor (domestic)	Name	Ernst & Young Hua Ming LLP
	Office Address	16th Floor, Ernst & Young Building, Oriental Plaza, 1 Chang'an Street, Dongcheng District, Beijing
	Signing Accountant Name	Zhao Guohao, Zhao Wenjiao
Hong Kong Auditor (overseas)	Name	Ernst & Young
	Office Address	27th Floor, Tower 1, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Signing Accountant Name	Ernst & Young
PRC Legal Adviser	Name	Anhui Huishang Lawyer's Office
	Office Address	9th floor, Building C, Zhongqiao Center, 1999 Qianshan Road, Shushan District, Hefei city
	Name	Grandall Law Firm (Hefei)
Hong Kong Legal Adviser	Office Address	12th floor, Landmark•Baiyue Center, 200 Huaining Road, Municipal District, Hefei city
	Name	Gallant
	Office Address	5th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong
Domestic share registrar	Name	China Securities Central Clearing and Registration Corporation, Shanghai Branch
	Office Address	36th Floor, China Insurance Mansion, 166, Lujiazui East Road, Shanghai
Overseas share registrar	Name	Hong Kong Registrars Limited
	Office Address	Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

Section II Corporate Profile and Main Financial Indicators

7. MAIN ACCOUNTING DATA AND FINANCIAL INDICATORS IN RECENT YEARS

Major accounting data and financial indicators for the past three years prepared according to Chinese accounting standards

(1) Main Accounting Data

Unit: yuan Currency: RMB

Main Accounting Data	2023	2022	Change of the current period over the same period of last year (%)	2021
Revenue	6,631,337,271.78	5,206,366,427.90	27.37	3,920,958,228.02
Net profit attributable to shareholders of the Company	1,659,928,716.34	1,445,017,073.40	14.87	1,514,167,905.95
Net profit after extraordinary items attributable to shareholders of the Company	1,735,620,350.12	1,424,748,352.88	21.82	1,362,706,570.12
Net cash flows from operating activities	2,653,472,269.21	1,937,699,977.46	36.94	2,097,060,846.01

	As at the end of 2023	As at the end of 2022	Change of the current period over the same period of last year (%)	As at the end of 2021
Net assets attributable to shareholders of the Company	12,656,911,593.98	11,924,812,353.80	6.14	11,389,109,507.83
Total assets	21,738,743,118.83	21,303,368,819.17	2.04	19,920,862,968.50

Section II Corporate Profile and Main Financial Indicators

(2) Main Financial Indicators

Financial indicators	2023	2022	Change of the current period over the same period of last year (%)	2021
Basic earnings per share (RMB/share)	1.0008	0.8712	14.87	0.9129
Diluted earnings per share (RMB/share)	1.0008	0.8712	14.87	0.9129
Basic earnings per share after extraordinary items (RMB/share)	1.0464	0.8590	21.82	0.8216
Returns on net assets (weighted average) (%)	13.51	12.48	1.03	12.58
Returns on net assets after extraordinary items (weighted average) (%)	14.12	12.30	1.82	11.32

Explanation of the Company's main accounting data and financial indicators for the three years up to the end of the Reporting Period

Applicable Not applicable

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

Summary of Results

For the year ended 31 December

Unit: '000 Currency: RMB

	2023	2022	2021	2020	2019
Revenue	6,631,337	5,206,366	4,029,476	2,714,269	4,640,431
Profit before income tax	2,263,826	1,977,818	2,116,190	1,245,972	1,550,142
Profit attributable to owners of the Company	1,657,726	1,445,457	1,511,965	916,104	1,089,855
Basic earnings per share (yuan)	0.9995	0.8715	0.9116	0.5523	0.6571

Section II Corporate Profile and Main Financial Indicators

Summary of assets and liabilities

As at 31 December

Unit: '000 Currency: RMB

	2023	2022	2021	2020	2019
Total assets	21,776,552	21,345,566	19,965,469	16,286,343	15,970,259
Total liabilities	7,631,261	7,808,394	7,985,646	4,334,693	4,360,855
Total net assets (deducting minority shareholders' interests)	12,688,049	11,958,153	11,424,654	11,314,457	10,778,299
Net assets per share (deducting minority shareholders' interests) (yuan)	7.6498	7.2097	6.8881	6.8217	6.4984

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

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

Applicable Not applicable

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

Unit: '000 currency: RMB

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount of current period	Amount of Previous period	Amount at the end of period	Amount at the beginning of the period
PRC Accounting Standards	1,659,929	1,445,017	12,656,911	11,924,812
Items and amount adjusted according to Hong Kong Accounting Standards:				
Valuation, depreciation/ amortization and related deferred taxes	-2,203	-2,203	31,138	33,341
Withdrawal of security fund	0.00	2,643	0.00	0.00
Hong Kong Accounting Standards	1,657,726	1,445,457	12,688,049	11,958,153

Section II Corporate Profile and Main Financial Indicators

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

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

9. MAIN FINANCIAL STATISTICS OF 2023 ON A QUARTERLY BASIS (IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

Unit: yuan Currency: RMB

	the first quarter (Jan.-Mar.)	the second quarter (Apr.-Jun.)	the third quarter (Jul.-Sep.)	the fourth quarter (Oct.-Dec.)
Revenue	1,145,086,806.22	1,178,752,131.10	2,020,221,328.75	2,287,277,005.71
Net profit attributable to shareholders of the Company	459,462,788.58	380,037,637.65	511,260,574.55	309,167,715.56
Net profit after extraordinary items attributable to shareholders of the Company	469,491,142.38	418,478,448.50	481,653,796.99	365,996,962.25
Net cash flows from operating activities	1,029,461,546.80	398,660,738.68	819,803,008.98	405,546,974.75

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

Applicable Not applicable

Section II Corporate Profile and Main Financial Indicators

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

Unit: yuan Currency: RMB

Extraordinary items	Amount of 2023	Note (if applicable)	Amount of 2022	Amount of 2021
Gains and losses from disposals of non-current assets	2,852,253.84	Compensation for land expropriation of Jinzhai Road Rapid Transformation project	8,652,365.46	-5,565,361.84
Government subsidies charged to the current gains/losses,(excluding those closely related to the Company's normal operations, subsidized continuously in accordance with the applicable standards and incompliance with the government policies or regulations)	13,023,944.16	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Head quarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the income amount of toll station construction funds subsidies and electromechanical system upgrading subsidies of Hening Expressway and Gaojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) received in 2010 amortised in the reporting period	18,038,464.44	7,258,769.76
Apart from effective hedging business related to the normal business of the Company, investment returns from trading financial assets, derivative financial assets, profit or loss from changes in the fair value of the trading financial liabilities, derivative financial liabilities, and the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments	-108,755,214.44	The main reason is that the Company recognized the fair value change loss of CICC Anhui Transportation Expressway Closed Infrastructure Securities Investment Fund.	613,562.50	42,723,724.58
Reversal of impairment reserves of receivables and contract assets subject to independent impairment test	0.00		927,959.72	12,035,023.84
Current net profit and loss of subsidiaries arising from business combination under the same control from the beginning of the period to the merger date	0.00		0.00	116,644,437.26
Other non-operating income and expenditure other than above	-7,319,053.35		938,033.17	-316,248.09
Subtract: Effect of income tax	-25,207,639.45		6,032,986.06	16,362,691.97
Effects of minority shareholders' interests (after tax)	701,203.44		2,868,678.71	4,956,317.71
Total	-75,691,633.78		20,268,720.52	151,461,335.83

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

Applicable Not applicable

Section II Corporate Profile and Main Financial Indicators

11. ITEMS IN FAIR-VALUE MEASUREMENT

Unit: yuan Currency: RMB

Items	Amount at the beginning of the period	Amount at the end of the period	Change	Amount affecting profit
Trading financial assets – structured deposits	0.00	0.00	0.00	788,194.44
Other non-current financial assets	711,599,384.62	678,660,142.75	-32,939,241.87	-109,543,408.88
Other equity instrument investments	115,508,872.92	4,849,704.70	-110,659,168.22	0.00
Total	827,108,257.54	683,509,847.45	-143,598,410.09	-108,755,214.44

12. OTHER

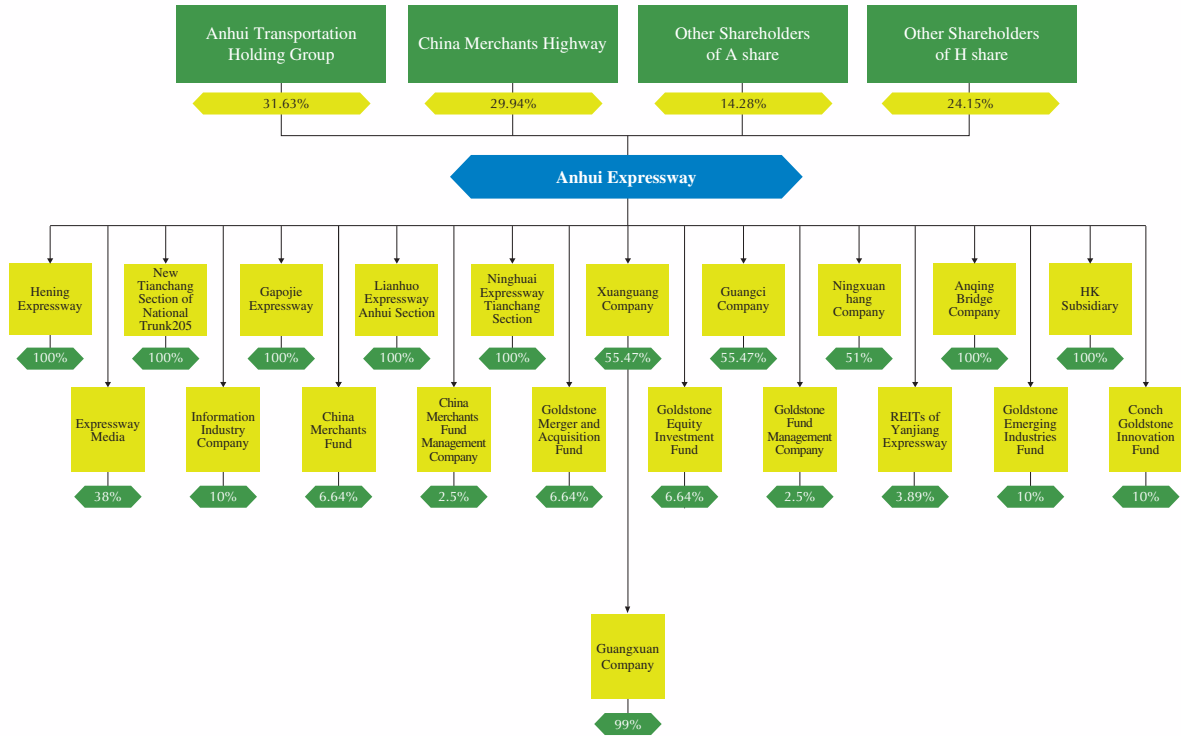
The Company was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People's Republic of China (the "PRC"). At present, the registered capital of the Company is RMB1,658,610,000.

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

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

Section II Corporate Profile and Main Financial Indicators

As of 31 December 2023, the structure of the Company, its subsidiaries and associated companies (the “Group”) is as follows:



Section III Management Discussion and Analysis

I. MANAGEMENT DISCUSSION AND ANALYSIS

During the reporting period, faced with a complex and difficult situation, the Company firmly implemented the relevant decision-making arrangements, confronted difficulties, worked hard, and strived for better performance to successfully complete the annual objectives and tasks, taking a new step towards high-quality development and achieving new achievements.

(I) Improvement in the quality and efficiency of toll management

The Company actively connected with mainstream navigation platforms and large-scale logistics and transportation companies, and carried out road network vehicle diversion. The Company comprehensively promoted the ETC gantry vehicle axle identification equipment, and piloted the automation of handling work orders with robots. The tunnel comprehensive control platform and the integrated operation management platform (phase I) were successfully completed, and network security was continuously strengthened. The “two systems” optimization and improvement construction project and the integration platform for AI inspection on expressways were selected as “2023 typical cases of digital transformation of expressways” by the China Communications and Transportation Association.

(II) Safe and smooth road network operation

The Company strengthened the comprehensive management of congestion, implemented targeted measures for the improvement of road network congestion, comprehensively investigated road sections with unreasonable speed limits, and achieved remarkable results in smooth traffic movement. During the Mid-Autumn Festival and National Day holidays, the road network congestion index in Anhui Province ranked the lowest among the six provinces and one city in East China. The Company deepened the road-police cooperation mechanism, with strong inter-provincial and intra-provincial road-police coordination to ensure smooth operation. The standardization of operation safety has achieved full coverage, and a comprehensive dual prevention system has been established.

(III) High-quality and efficient travel services

The “Wanmei Expressway” concept has been deeply promoted and the system has been reformed, and the “five carriers” have been precisely directed to effectively play the role of the road network travel service system. The intelligent operation command center of expressways has been completed and put into use, and the intelligent operation and service has reached a new level. The first “road clearing and rescue skills competition” was held, and the “Sunshine Rescue” action was solidly promoted. The rescue management system was fully applied, and the “Wanmei Rescue” model was recognized by the China Highway and Transportation Society. The Company won the “National Comprehensive Transportation Spring Festival Outstanding Team” award, and the “Wanmei Expressway” was selected as an “excellent case” of transportation enterprises.

Section III Management Discussion and Analysis

(IV) Solid and stable capital operation

The Company enhanced the quality of its core assets, with the PPP project for the reconstruction and expansion of Xuanguang Expressway progressing rapidly and the preliminary work for the reconstruction and expansion of Gaojie Expressway officially commencing. The Company strengthened its consolidated profitability by participating in the establishment of Conch Goldstone Innovation Fund and Goldstone Emerging Industries Fund and optimized its industrial layout by disposing of the equity interests in three companies, namely, Xin'an Financial, Xin'an Capital and Wantong MicroCredit, in an orderly manner so as to realize the divestment of its quasi-financial business.

(V) Continuous strengthening of internal control

The Company continued to standardize its procurement process and promote efficient compliance in industry collaboration. The Company launched the “Compliance Year for Institutional Construction” campaign, revised and improved 204 systems, handled multiple legal disputes, and was rated as an “Innovative Unit of Rule of Law in the Highway Industry in the Year 2023”. The Company also built a multi-dimensional risk control system, including tracking audits, legal reviews, contract reviews, and risk monitoring, promoted the special action of “in-depth investigation” for audit rectification, continuously optimized the comprehensive risk warning indicator system, and continuously improved its risk prevention and resolution capabilities.

(VI) Continuous gathering of innovative strength

The “USTC Silicon Valley • Wantong Smart Transportation Industrial Park” was officially launched and put into operation, with the Information Industry Company and other high-tech enterprises settling in, further strengthening the high-tech platform. The construction of intelligent expressways was accelerated. The Company formulated the first local standard for intelligent expressways in Anhui Province, promoted the construction of the “Z-shaped” safety control upgrade for the Hening Intelligent Expressway in the Yangtze River Delta, and built and operated the intelligent toll stations such as Quanjiao West and Xuancheng West. Achievements in technological innovation were fruitful, with 4 provincial maintenance local standards released and 2 scientific research projects winning first and second prizes in the Transportation Science and Technology Progress Awards of the Anhui Provincial Highway and Transportation Society.

Section III Management Discussion and Analysis

(VII) Analysis of the current development situation

The year 2024 is the 75th anniversary of the founding of the People's Republic of China and a crucial year for the implementation of the "14th Five-Year Plan". The Company will insist on taking a comprehensive, dialectical and long-term view of the current development situation, identifying the times and trends, the risks and opportunities, the advantages and disadvantages, and seizing the favorable opportunities to cope with the new challenges.

In understanding the times and trends, we must adhere to acting in accordance with the trend and taking advantage of it. Currently, the foundation for the continued economic recovery in China is still not solid, and the uncertainty of the macro environment has put multiple pressures on highway investment and operations. While enhancing awareness of potential risks, we must also deeply understand that the basic trend of China's stable and long-term economic growth remains unchanged. Our province is also in a crucial period of rapid development with strong potential. The effects of major strategic initiatives such as the integration of the Yangtze River Delta, the development of the Yangtze Economic Belt, the rise of central China, and the goal of becoming a country with great transport strength continue to emerge. Big changes bring big challenges and big opportunities. We must follow the trend of innovative development, take innovation as the greatest driving force, promote deep integration of emerging technologies with road network safety, travel services, etc., promote the construction of smart expressways and toll stations with high quality, and lead the upgrading of industry, operation, management and service with innovation, so as to seek impetus and gain benefits from innovation.

In facing difficulties and challenges, we must persevere and overcome them. In the long run, the Company's development is still subject to certain uncertainties. In terms of operation and management, affected by the continuous increase of policy relief and the promotion of differentiated tolls, the revenue of the main business is facing the challenge of sustainable development; affected by the frequent occurrence of bad weather and the operation of people with illness and vehicles with malfunction, the road network is facing the challenge of unforeseeable difficulties in ensuring safety and smoothness of the road network. In terms of investment and development, under the influence of factors such as the weak rebound of the real economy, there are risks of uncertainty in external investment. To cope with the difficulties and challenges, we must rely on high-quality development to solve the problems in development, and cope with external uncertainties with our own certainty. We need to strengthen our management awareness. We should firmly establish the business philosophy of "ensuring smooth traffic means stable revenue", gather the strength of all parties, take effective measures to deepen the comprehensive management of congestion, efficiently cope with severe weather and emergencies, and do our best to minimize road closures and detours, so as to achieve a "good start". We should also pay more attention to the quality of investments, expand investments with effective returns, and generate more profitable income and cash flow.

In terms of addressing shortcomings and weaknesses, we must adopt practical measures and seek practical results. Most of the Company's road sections have been in operation for a long time, and the road surface has entered an "aging period," making maintenance and safety tasks difficult and challenging. In the face of shortcomings and weaknesses, the Company will continue to take proactive and precise actions. The Company will solidly carry out actions of deepening and improving state-owned enterprise reforms, with the optimization of the assessment mechanism as the focus, and include road network congestion management, quality and efficiency management and maintenance, value creation, cost reduction and efficiency increase in the assessment; motivate the majority of cadres and employees to embody the spirit of taking on responsibilities and striving for success in their work.

Section III Management Discussion and Analysis

II. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

At present, the backbone of China's expressway network has been basically formed, the key urban clusters have a more developed expressway network, and a number of provinces (autonomous regions and municipalities) have already achieved the status of "expressways connecting to all counties (縣縣通高速)". As the main expressway corridors tends to be completed, in recent years, the task of expressway construction has been gradually shifted to remote areas, branch lines and connecting lines, with diminishing marginal effects on project construction investments. In the future, the focus of expressway construction and development will be on the connection of regional expressways, intelligent transportation and the industrialization of transportation information.

In terms of regional distribution, the trend of differentiated regional development is prominent. During the "14th Five-Year Plan" period, with the deepening of the coordinated regional development strategy and the new urbanization development strategy, the trend of economic and population concentration towards large cities, urban clusters, and metropolitan areas will become more apparent. The main expressway corridors and the traffic agglomeration effect of city clusters continue to strengthen, and the busyness of passenger and freight transportation between urban clusters and metropolitan areas continue to deepen. The demand for short and medium-distance transportation is significantly increasing, and the demand for intercity expressways is becoming more vigorous, which will lead to a rapid increase in traffic volume. In terms of demand quality, the need for high-quality travel is becoming more urgent. With the change of the main contradiction in society and the continuous improvement of people's living standards, the standards for transportation services demanded by passengers and drivers are also being raised, shifting from "being able to travel" to "traveling well", "traveling comfortably" and "traveling with peace of mind". People will pay more attention to the quality of service, efficiency and service experience. The demand for multi-level, diversified and personalized travel and the demand for small-volume, high-value and speedy freight transport are increasing. In terms of element protection, the rigid constraints on land use and ecological protection are tightening. In recent years, China has been increasing efforts to protect the environment, with stricter controls on ecological red lines and higher environmental protection requirements for expressway projects in the preliminary stages and during construction.

Section III Management Discussion and Analysis

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

Unit: '00,000,000 Currency: RMB

Stock code	Abbreviation	Total assets	Net assets	Asset liability ratio (%)	Revenue	Year-on-year growth of revenue (%)	Net profit	Year-on-year Growth of net profit (%)	Return on net assets (%)	Price earning ratio
600012.SH	Anhui Expressway	219.58	138.17	37.08	43.54	8.68	13.51	20.81	11.13	11.37
000429.SZ	GPED A	212.27	121.70	42.67	36.73	12.21	13.56	11.55	14.57	12.61
000548.SZ	Hunan Investment	37.38	19.19	48.67	3.04	28.06	0.68	187.83	3.60	43.62
000755.SZ	Shanxi Road Bridge	128.03	49.24	61.54	12.38	3.12	3.83	6.45	8.10	15.57
000828.SZ	Dongguan Development	287.62	157.10	45.38	34.47	36.46	7.48	3.42	6.93	10.99
000885.SZ	City Development Environment	281.07	82.70	70.58	47.53	13.38	8.78	3.77	12.69	6.70
000900.SZ	Modern Investment	577.39	140.38	75.69	63.89	-35.57	4.20	-1.70	3.49	13.37
001965.SZ	China Merchants Highway	1190.24	696.30	41.50	65.36	19.18	43.63	18.56	7.09	11.22
600020.SH	Zhongyuan Expressway	497.91	148.66	70.14	38.19	-39.94	9.12	126.31	6.64	18.88
600033.SH	Fujian Expressway	166.03	134.99	18.69	22.73	11.19	7.95	9.02	7.27	10.43
600035.SH	Chutian Expressway	188.54	91.29	51.58	22.53	2.75	8.05	25.44	10.35	7.33
600106.SH	Chongqing Road Bridge	68.46	47.71	30.31	0.85	-3.90	1.65	18.57	3.58	32.31
600269.SH	Ganyue Expressway	350.80	194.96	44.43	51.93	18.27	10.84	53.36	6.30	11.17
600350.SH	Shandong Expressway	1415.96	531.79	62.44	153.32	27.58	25.84	8.76	6.38	11.24
600368.SH	Wuzhou Traffic	96.27	61.20	36.43	11.69	6.24	5.50	19.58	9.25	7.88
600377.SH	Ninghu Expressway	794.70	403.98	49.17	116.26	22.33	40.37	35.34	12.28	11.74
600548.SH	Shenzhen Expressway	673.60	272.30	59.57	63.97	-4.06	15.39	-24.63	7.20	10.40
601107.SH	Sichuan Expressway	578.83	165.84	71.35	80.14	32.52	11.19	96.27	6.70	11.87
601188.SH	Longjiang Traffic	53.13	48.32	9.05	4.82	40.22	1.81	14.09	3.98	40.50
601518.SH	Jilin Expressway	65.93	52.30	20.67	9.32	12.86	3.92	23.71	8.39	11.16
Arithmetic mean		394.19	177.91	47.35	44.13	10.58	11.87	32.82	7.80	15.52
Media		250.33	136.58	47.03	37.46	12.54	8.41	18.57	7.15	11.31

Note: Source from Wind, and the information were as at 30 September 2023.

Section III Management Discussion and Analysis

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

The Company was incorporated in Anhui province, the People's Republic of China on 15 August 1996. It is the first highway company listed in Hong Kong and the only listed highway company in Anhui province. On 13 November 1996, 493.01 million H shares issued by the Company were listed on the Stock Exchange of Hong Kong Limited. On 7 January 2003, 250 million A-shares issued by the Company were listed on the Shanghai Stock Exchange. As of 31 December 2023, the total share capital of the Company is 1,658,610,000 shares with a par value of RMB1 per share.

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

The Company owns all or part of the toll road equity in Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section, Lianhuo Highway Anhui Section (G30 Lianhuo Expressway Anhui Section), Ningxuanhang Expressway, Anqing Yangtze River Expressway Bridge and Yuewu Expressway Anhui section etc., all of which are located in Anhui Province. As of 31 December 2023, the Company has 609 kilometers of operating highway with total assets of about RMB21,738,743 thousand. Moreover, the company also provides entrusted management services for Anhui Transportation Holding Group and other highway property rights entities in the province. As of now, the total mileage of highways managed by the company has reached 5,296 kilometers.

IV. ANALYSIS ON CORE COMPETENCY DURING THE REPORTING PERIOD

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

1. After nearly 28 years of development, the Company has gradually explored a mature highway management system, forming a series of advantages such as funding, capital structure, and governance system. It has the characteristics of low management costs, good service quality, and high operational efficiency.
2. The transportation infrastructure concession is the core business of the Group. Our operating region is located in Anhui province, having superior geographical location and the geographical advantages. Our road sections are major transit national trunks across Anhui regions. With the implementation of the Yangtze River Delta integration national strategy and the Yangtze River Economic Belt development strategy, the network economic efficiency of the roads managed by the Group shall become more apparent.

Section III Management Discussion and Analysis

3. The performance of the Group remains outstanding and stable, with high credit rating, low debt to assets ratio and strong solvency. At the same time, the operation of the Group is steady, and the outcomes of management on relations with investors are significant with a higher degree of concern in the capital market, resulting in a sound guarantee for future development by equity financing, continuous improvement in financing structure, and further expansion with the help of capital market.
4. Since its listing, the Company has shown a corporate image of openness and integrity to investors with information disclosure that is sufficient, fair and in compliance with relevant regulations, and has gained a good social response and influence in the PRC and overseas through active investor relationship management. Our persisting long-term high cash dividend ratio policy also gains favor and support from market and investors. The Company has a stable investor foundation and good market image in the domestic and overseas capital market. In 2023, the Company won the “Most Investment Value Award in 2023” for the first time in its history, and won the second place in the “Top Ten Comprehensive development Capabilities of Anhui Listed Companies in 2022”, “The 8th Times Financial Kumquat Award” and many other awards with important influence in the capital market.

V. MAJOR OPERATION STATUS DURING THE REPORTING PERIOD

During the Reporting Period, in accordance with PRC Accounting Standards, the Group achieved a total operating revenue of RMB6,631,337 thousand (2022: RMB5,206,366 thousand), representing an increase of 27.37% over the corresponding period of the previous year; total profit of RMB2,266,764 thousand (2022: RMB1,976,932 thousand), representing an increase of 14.66% over the corresponding period of the previous year; net profit attributable to shareholders of the Company of RMB1,659,929 thousand (2022: RMB1,445,017 thousand), representing an increase of 14.87% over the corresponding period of the previous year; basic earnings per share of RMB1.0008 (2022: RMB0.8712), representing an increase of 14.87% over the corresponding period of the previous year. The increase in operating revenue was mainly due to the increase of the construction service revenue for the Xuanguang renovation and expansion PPP project and the increase of the toll income of the Group during the Reporting Period.

During the Reporting Period, in accordance with the Hong Kong accounting standards, the Group achieved a total revenue of RMB6,631,337 thousand (2022: RMB5,206,366 thousand), representing an increase of 27.37% over the corresponding period of the previous year; The profit before income tax was RMB2,263,826 thousand (2022: 1,977,818 thousand), representing an increase of 14.46% compared to the same period last year; The profit attributable to equity owners of our company was RMB1,657,726 thousand (2022: RMB1,445,457 thousand), an increase of 14.69% compared to the same period last year; The basic earnings per share were RMB0.9995 (2022: 0.8715), an increase of 14.69% compared to the same period last year. The increase in operating revenue was mainly due to the increase of the construction service revenue for the Xuanguang renovation and expansion PPP project and the increase of the toll income of the Group during the Reporting Period.

Operations of toll highways

During the Reporting Period, the traffic flow of the Company's highways showed the characteristics of faster growth of passenger cars compared with trucks, resulting in the traffic flow growth of some highways higher than the toll growth. The Group achieved a toll income of RMB4,041,761 thousand in total (2022: RMB3,676,379 thousand), representing an increase of 9.94% over the corresponding period of the previous year.

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During the Reporting Period, with various policies and measures of exemption being implemented continuously, the total amount of exempted tolls was RMB693 million, of which: The amount of exemption for Green Channel was approximately RMB138 million with over 203 thousand vehicles being exempted; The amount of exemption on holidays was RMB250 million with around 5,820.6 thousand vehicles being exempted; The amount of ETC discounts for the year was approximately RMB287 million. Among them, the amount of preferential reduction and exemption of Anhui transportation card for trucks was RMB174 million, accounting for 61% of the total amount of preferential reduction and exemption of ETC; Other amounts of exemption amounted to approximately RMB18 million.

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

Details of the operation of toll highways in 2023 were as follows:

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		2023	2022	Change (%)	2023	2022	Change (%)
Hening Expressway	100%	45,890	32,653	40.54	1,426,608	1,197,057	19.18
New Tianchang Section of National Trunk 205	100%	7,010	5,771	21.47	87,480	71,583	22.21
Gaojie Expressway	100%	27,721	24,964	11.05	929,713	926,406	0.36
Xuanguang Expressway	55.47%	20,995	23,929	-12.26	425,426	544,333	-21.84
Lianhuo Expressway Anhui Section	100%	22,029	15,731	40.03	283,968	254,062	11.77
Ninghuai Expressway Tianchang Section	100%	45,442	35,183	29.16	126,184	113,021	11.65
Guangci Expressway	55.47%	2,8569	30,878	-7.48	100,069	117,258	-14.66
Ningxuanhang Expressway	51%	10,417	4,068	156.08	284,821	94,124	202.60
Anqing Yangtze River Expressway Bridge	100%	31,577	28,534	10.67	350,907	336,807	4.19
Yuewu Expressway Anhui Section	100%	9,455	7,942	19.05	149,502	133,370	12.09
Total		/	/	/	4,164,678	3,788,021	9.94

Section III Management Discussion and Analysis

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer per day(RMB)		
		2023	2022	2023	2022	Change(%)
Hening Expressway	100%	74:26	67:33	29,168	24,475	19.18
New Tianchang Section of National Trunk 205	100%	29:71	28:72	7,965	6,537	22.21
Gaojie Expressway	100%	61:39	55:45	23,156	23,074	0.36
Xuanguang Expressway	55.47%	73:27	66:34	13,825	17,754	-21.84
Lianhuo Expressway Anhui Section	100%	74:26	59:41	14,407	12,890	11.77
Ninghuai Expressway Tianchang Section	100%	84:16	76:24	24,676	22,118	11.65
Guangci Expressway	55.47%	73:27	65:35	18,870	22,947	-14.66
Ningxuanhang Expressway	51%	76:24	73:27	6,670	2,204	202.60
Anqing Yangtze River Expressway Bridge	100%	68:32	63:37	160,232	153,793	4.19
Yuewu Expressway Anhui Section	100%	66:34	62:38	8,904	7,943	12.09

Notes:

1. The above traffic volume does not include the data of small passenger cars in non-ETC lanes on major holidays, except for the New Tianchang Section of National Trunk 205;
2. The toll income data above are tax included, of which the data of Anqing Yangtze River Expressway Bridge during the Reporting Period include the portion of government financial subsidies of RMB39,207 thousand;
3. The traffic data mentioned above are provided by Anhui Expressway Network Operations Company Limited.

Hening Expressway

During the Reporting Period, the annual toll increased by 19.18% year-on-year. The reconstruction and expansion works of Heliuye Expressway connected to it was completed in late 2022, and the traffic conditions of the Anhui section of G40 Hushan Expressway was improved, which had a positive impact on the increase of tolls on Hening Expressway. In addition, due to the reconstruction and expansion works on the parallel Chuzhou-Bengbu section of the G36 Ningluo Expressway, some vehicles chose to pass through Hening Expressway.

New Tianchang Section of National Trunk 205

During the Reporting Period, the annual toll increased 22.21 percent year-on-year. At the end of August 2022, height limit frames were set up on the parallel County Road X 101, and trucks chose to travel through National Trunk 205, and the traffic of trucks increased significantly.

Section III Management Discussion and Analysis

Gaojie Expressway

During the Reporting Period, the annual toll increased by 0.36 percent year-on-year. The maintenance work on Taihu-Qianshan Section of National Trunk G105 and Qianshan Outer Ring Section of National Trunk G318 were completed at the end of October and the end of December 2023 respectively (truck detoured during the construction period), resulting in reflux of truck traffic. With the opening of Wuyue Expressway on 28 October 2023, the entire Yuewu East Extension line has opened to traffic, with certain diversion effect on traffic entering Anhui Province from Hubei Province.

Xuanguang Expressway and Guangci Expressway

During the Reporting Period, the annual toll fees for Xuanguang Expressway and Guangci Expressway decreased by 21.84% and 14.66% respectively year-on-year. The reconstruction and expansion work on Xuanguang Expressway and the better travel condition of the parallel National Trunk G318 after upgrading and renovation diverted traffic from these sections.

Anhui Section of Lianhuo Expressway

During the Reporting Period, the annual toll increased by 11.77% year-on-year. As one of the main channels connecting the east and west, the Anhui section of Lianhuo Expressway saw a significant year-on-year increase in traffic volume and toll revenue.

Tianchang Section of Ninghuai Expressway

During the Reporting Period, the annual toll increased by 11.65% year-on-year. This section is a part of the G25 Changshen Expressway of the National Expressway Network. After the Chutian Expressway opened and connected to it at the end of 2022, the road network was further improved, which is conducive to traffic growth.

Ningxuanhang Expressway

During the Reporting Period, the annual toll increased by 202.60% year-on-year. The Jiangsu section of the Ningxuanhang Expressway was opened and put into operation in September 2022, and the Zhejiang section of the Ningxuanhang Expressway was opened and put into operation in December of the same year. After the entire section was connected, inter provincial regional transportation became more convenient, and the traffic volume increased significantly.

Anqing Yangtze River Highway Bridge

During the Reporting Period, the annual toll increased by 4.19% year-on-year (including government purchase service fees). The Chizhou Yangtze River Bridge on the G0321 Deshang Expressway has a diversion effect on the section; The expansion and renovation of the upstream Xuanguang Expressway and Ningwu Expressway also had a certain impact on this section.

Anhui Section of Yuewu Expressway

During the Reporting Period, the annual toll increased by 12.09% year-on-year. The expansion and reconstruction of the upstream Xuanguang Expressway and Ningwu Expressway had a certain impact on this section. With the opening of the Wuyue Expressway on 28 October 2023, the Yuewu East Extension Line has been fully connected. Vehicles travelling between Jiangsu, Zhejiang, and Hubei have chosen to travel through the Yuewu section, resulting in a year-on-year increase of 82.39% in toll fees in November and December 2023.

Section III Management Discussion and Analysis

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

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

Unit: yuan Currency: RMB

Item	Amount for the reporting period	Amount for the same period last year	Change (%)
Operating revenue	6,631,337,271.78	5,206,366,427.90	27.37
Operating cost	4,008,478,455.80	2,954,908,113.88	35.65
Administration cost	182,539,669.76	164,245,692.57	11.14
Finance cost	105,496,082.85	144,266,040.81	-26.87
Net cash flows from operating activities	2,653,472,269.21	1,937,699,977.46	36.94
Net cash flows from investing activities	-3,117,563,639.90	-2,477,041,910.04	25.86
Net cash flows from financing activities	-1,477,377,526.42	83,272,264.97	N/A

Reason for the change of operating revenue: due to the increase of the construction service revenue for the Xuanguang Expressway renovation and expansion PPP project and the increase of the toll income of the Group during the Reporting Period;

Reason for the change of operating cost: due to the increase of the construction service cost for the Xuanguang Expressway renovation and expansion PPP project during the Reporting Period Expressway;

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

Reason for the change of finance cost: due to the conversion of shareholder loans to capital reserves of Ningxuanhang Company, the decrease in LPR interest rates and the increase of the Company's deposit interest income;

Reason for the change in net cash flow from operating activities; due to the increase in toll revenue of the Group during the Reporting Period;

Reasons for the change in net cash flow from investment activities: mainly due to the increase in capital expenditures for the expansion and renovation of Xuanguang Expressway during the Reporting Period;

Reason for the change in net cash flow from financing activities: due to the decrease in borrowings compared to the same period of last year.

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

Applicable Not applicable

Section III Management Discussion and Analysis

2. Analysis on Revenue and Costs

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

Unit: yuan Currency: RMB

Principal business in terms of industries						
In terms of industries	Operating revenue	Operating cost	Gross profit rate (%)	Change in operating revenue (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year)
Toll highway business	4,093,594,051.33	1,507,343,282.14	63.18	10.05	-0.36	A increase of 3.85 percent point
Construction period revenue/cost	2,475,490,856.09	2,475,490,856.09	0.00	74.63	74.63	N/A
Principal business in terms of products						
In terms of products	Operating revenue	Operating cost	Gross profit rate (%)	Change in operating revenue (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year)
Hening Expressway	1,403,967,096.73	446,238,571.78	68.22	19.06	-3.88	A increase of 7.59 percent point
Gaojie Expressway	915,144,542.73	182,412,541.68	80.07	0.54	-3.88	An increase of 0.92 percent point
Lianhuo Expressway Anhui Section	278,147,473.28	145,707,831.05	47.61	11.79	14.56	A decrease of 1.27 percent point
Ninghuai Expressway Tianchang Section	125,085,365.61	36,301,218.84	70.98	11.71	-24.83	An increase of 14.11 percent point
New Tianchang Section of National Trunk 205	83,314,732.80	37,424,384.41	55.08	22.21	-1.97	An increase of 11.08 percent point
Xuanguang Expressway	413,035,138.32	141,580,016.59	65.72	-21.84	0.53	A decrease of 7.63 percent point
Guangci Expressway	98,869,023.14	19,007,388.65	80.78	-14.44	-10.92	A decrease of 0.76 percent point
Ningxuanhang Expressway	288,704,765.44	285,610,310.58	1.07	190.00	3.91	A increase of 177.16 percent point
Anqing Bridge	340,686,294.13	69,784,139.45	79.52	4.19	9.48	A decrease of 0.99 percent point
Yuewu Expressway Anhui section	146,639,619.15	143,276,879.11	2.29	11.96	-0.73	An increase of 12.49 percent point
Construction period revenue/cost	2,475,490,856.09	2,475,490,856.09	0.00	N/A	N/A	N/A

Section III Management Discussion and Analysis

Principal businesses in terms of regions

In terms of regions	Operating revenue	Operating cost	Gross profit rate (%)	Change in operating revenue (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year)
Anhui Province	6,569,084,907.42	3,982,834,138.23	39.37	27.87	35.92	A decrease of 3.59 percent point

(2) Analysis of production and sales

Applicable Not applicable

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

Applicable Not applicable

(4) Cost analysis statement

Unit: yuan Currency: RMB

In terms of industries

Industry	Cost structure items	Amount of current period	Percentage of amount of current period over the total cost (%)	Amount of the same period of the previous year	Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period compared with the same period over the last year (%)
Toll highways business	Depreciation and amortization	914,492,268.34	22.81	937,507,444.36	31.73	-2.45
	Roads repairing expenses	194,707,398.00	4.86	193,705,133.76	6.56	0.52
	Other costs	423,787,933.37	10.57	406,141,241.05	13.74	4.34
	Subtotal	1,532,987,599.71	38.24	1,537,353,819.17	52.03	-0.28
Construction period cost	N/A	2,475,490,856.09	61.76	1,417,554,294.72	47.97	74.63

Section III Management Discussion and Analysis

Industry	Cost structure items	Amount of current period	In terms of products		Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period compared with the same period over the last year (%)
			Percentage of amount of current period over the total cost (%)	Amount of the same period of the previous year		
Toll highways business	Depreciation and amortization	914,492,268.34	22.81	937,507,444.36	31.73	-2.45
	Roads repairing expenses	194,707,398.00	4.86	193,705,133.76	6.56	0.52
	Other costs	423,787,933.37	10.57	406,141,241.05	13.74	4.34
	Subtotal	1,532,987,599.71	38.24	1,537,353,819.17	52.03	-0.28
Construction period cost	N/A	2,475,490,856.09	61.76	1,417,554,294.72	47.97	74.63

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

Applicable Not applicable

(6) Major changes or adjustments in the Company's business, products or services during the Reporting Period

Applicable Not applicable

(7) Major customers and major suppliers

A. Main sales customers of the Company

Applicable Not applicable

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

Applicable Not applicable

B. Major suppliers of the Company

Applicable Not applicable

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

Applicable Not applicable

Section III Management Discussion and Analysis

3. Expenses

Finance costs

The Group's finance costs for the year 2023 were RMB105,496,082.85 (2022: RMB144,266,040.81), representing a decrease of 26.87% as compared to the same period last year. The decrease was mainly because the conversion of shareholder loans to capital reserves of Ningxuanhang Company, the decrease in LPR interest rates and the increase of the Company's deposit interest income.

Gain from fair value changes

Gain from fair value changes of the Group for the year 2023 was RMB-108,755,214.44 (2022: RMB613,562.50). The decrease in gain from fair value changes was mainly caused by decrease in the fair value of funds held during the Reporting Period.

Income tax

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

In 2023, the Group's income tax expenses were RMB588,393,391.68, representing an increase of 4.52% (2022: RMB562,927,963.06). The increase in income tax expense was due to the increase in profit of the Company during the Reporting Period.

Value-Added Tax

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

Section III Management Discussion and Analysis

4. Research input

(1) Research input statement

Applicable Not applicable

(2) Research personnel

Applicable Not applicable

(3) Explanation of Situation

Applicable Not applicable

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

Applicable Not applicable

5. Cash flows

In 2023, the Group's net cash inflows from operating activities were RMB2,653,472,269.21 (2022: RMB1,937,699,977.46), representing an increase of 36.94% as compared with last year. The increase was mainly due to the increase in toll income compared with last year;

In 2023, the Group's net cash flows from investing activities were RMB-3,117,563,639.90 (2022: RMB-2,477,041,910.04), representing an increase of 25.86% as compared with last year, this is mainly due to the increase in capital expenditures for the expansion and renovation of Xuanguang Expressway during the Reporting Period;

In 2023, the Group's net cash flows from financing activities were RMB-1,477,377,526.42 (2022: 83,272,264.97), this is mainly due to a decrease in borrowings compared to the same period of last year.

Section III Management Discussion and Analysis

During the Reporting Period, the aggregated sum of external loans obtained by the Group was RMB480 million. At the end of the Reporting Period, there were still outstanding bank loans of RMB6,477 million, all of them were long-term loans with annual interest rates ranging from 1.2% to 4.55% which mainly comprised the financial institution long-term loan of RMB3,058 million for the construction of Ningxuanhang Expressway, the long-term bank loan of RMB300 million for the road widening construction work of Hening Expressway, the long-term bank loan of RMB1,969 million for the acquisition of equity and debt of Anqing Bridge Company and the long-term bank loan of RMB1,150 million for the project for the reconstruction and expansion of Xuanguang Expressway.

The Group was awarded with AAA-grade good credit ratings. As at 31 December 2023, the total credit facilities granted was RMB29,018 million, and the facilities not yet utilized amounted to RMB22,113 million.

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

Applicable Not applicable

(III) Analysis of assets and liabilities

1. Assets and Liabilities

Unit: yuan Currency: RMB

Item	Amount at the end of the period	Amount as a percentage of the total assets at the end of the period (%)	Amount at the end of last period	Amount as a percentage of the total assets at the end of last period (%)	Change in the
					amount at the end of the period as compared to the amount at the end of the previous period (%)
Monetary Fund	3,947,533,293.99	18.16	4,731,499,274.61	22.21	-16.57
Other receivables	125,113,864.37	0.58	472,071,525.95	2.22	-73.50
Investment in other equity instruments	4,849,704.70	0.02	115,508,872.92	0.54	-95.80
Construction in process	128,222,663.27	0.59	260,280,674.61	1.22	-50.74
tax payable	56,690,932.06	0.26	43,013,435.60	0.20	31.80

Section III Management Discussion and Analysis

Other explanations

The decrease in monetary funds was mainly due to the distribution of dividends and the allocation of funds for Xuanguang Expressway reconstruction and expansion PPP project during the Reporting Period;

The increase in other receivables was mainly due to Guangxuan Company's receipt of government subsidies from Xuancheng City Transportation Bureau during the Reporting Period;

The decrease in investment in other equity instruments was mainly due to the transfer of share capital in Xin'an Finance and Xin'an Capital by the Company during the Reporting Period;

The decrease in construction in progress was mainly due to the transfer from sporadic projects to fixed assets during the Reporting Period.

The increase in tax payable was mainly due to the increase in the outstanding balance of income taxes payable at the end of the Reporting Period.

2. Overseas assets

(1) *Asset scale*

Among them: overseas assets of RMB2,117,845.32 yuan, accounting for 0.01% of the total assets.

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

Applicable Not applicable

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

Applicable Not applicable

4. Other Explanation

Applicable Not applicable

Section III Management Discussion and Analysis

(IV) Analysis of operation information of the industry

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

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

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

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

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

Section III Management Discussion and Analysis

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

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

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

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

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

Section III Management Discussion and Analysis

(V) Investment Analysis

Overall analysis of external equity investment

In 2023, the Company complied with the development trend of the highway industry, seize major strategic opportunities such as “Yangtze River Delta integration”, continued to optimize and expand the main highway business, and steadily made progress in foreign investment. Xuanguang Expressway reconstruction and expansion PPP project was steadily advanced, and the Company’s asset scale further improved; The Company actively participated in the establishment of Goldstone Emerging Industries Fund and Conch Goldstone Innovation Fund, further enhancing the overall investment level and profitability of the Company. development strategy.

(1) Material equity investment

Unit: yuan Currency: RMB

Name of invested company	Main business	Whether the target is mainly investment business	Investment mode	Amount of investment	Shareholding ratio	Whether to consolidate the table	Report account (if applicable)	Source of funds	Partner (if applicable)	Investment period (if any)	Progress as of the balance sheet date	Estimated income (if any)	Current profit and loss impact	Whether lawsuit is involved	Disclosure date (if any)	Disclosure index (if any)
		Xuanguang Company	Expressway enterprises; The business scope covers expressway construction, management, and operation. Currently, it mainly constructs, manages, and operates Xuanguang Expressway	yes	capital increase	529,110,000.00	55.47%	yes	Long-term equity investment	Self-owned funds	Xuancheng traffic investment	long-term	The capital increase has been completed			no
total	/	/	/	529,110,000.00	/	/	/	/	/	/	/	/	/	/	/	/

(2) Significant non-equity investments

- a. Xuanguang Expressway reconstruction and expansion PPP project started construction in February 2022. During the Reporting Period, the completed investment amount was RMB2.475 billion, with a cumulative actual investment amount of RMB3.893 billion.
- b. In September 2023, the Company jointly signed the partnership agreement for Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) with Conch Cement, Goldstone Investment and other partners to invest RMB500 million in equity to establish Conch Goldstone Innovation Fund. Please refer to Section VI “Major Events” of this report for details. During the Reporting Period, the Company has paid an investment of RMB50 million to Conch Goldstone Innovation Fund.
- c. In November 2023, the Company jointly signed the partnership agreement for Anhui Transportation Goldstone Emerging Industries private equity Fund Fund (Limited Partnership) with Transportation Holding Capital, Goldstone Investment and Goldstone Runze, investing RMB200 million in equity with its own funds to establish an emerging industry fund. Please refer to Section VI “Major Events” of this report for details. During the Reporting Period, the Company has paid an investment of RMB10 million to Goldstone Emerging Industries Fund.

Section III Management Discussion and Analysis

(3) Financial assets measured at fair value

Unit: yuan Currency: RMB

Item	Opening balance	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value recognized in equity	Current impairment of the provision	Current purchase amount	Current sale/redemption amount	Other changes	Ending balance
Trading financial assets-structured deposits	0.00	788,194.44	0.00	0.00	100,000,000.00	100,788,194.44	0.00	0.00
Investment in other equity instruments								
- Xin'an Financial	57,443,039.61	0.00	-59,067,814.57	0.00	0.00	66,760,000.00	0.00	0.00
- Xin'an Capital	39,110,529.94	0.00	-63,272,185.43	0.00	0.00	10,900,000.00	0.00	0.00
- Wantong MicroCredit	15,000,000.00	0.00	-2,792,800.00	0.00	0.00	12,207,200.00	0.00	0.00
- China Merchants Fund Management Company	1,105,617.50	0.00	1,052,382.26	0.00	0.00	0.00	0.00	1,427,382.26
- Goldstone Fund Management Company	2,849,685.87	0.00	3,047,322.44	0.00	0.00	0.00	0.00	3,422,322.44
Other non-current financial assets - fund investments								
- China Merchants Fund	103,820,042.89	4,450,871.42	0.00	0.00	19,925,000.00	3,320,833.33	0.00	124,875,080.98
- Goldstone Merger and Acquisition Fund	128,943,542.37	9,028,768.72	0.00	0.00	0.00	33,208,333.00	0.00	104,763,978.09
- Goldstone Equity Investment Fund	70,424,699.36	-2,847,835.62	0.00	0.00	33,208,333.34	0.00	0.00	100,785,197.08
- Conch Goldstone Innovation Fund	0.00	25,786.60	0.00	0.00	50,000,000.00	0.00	0.00	50,025,786.60
- Goldstone Emerging Industries Fund	0.00	0.00	0.00	0.00	10,000,000.00	0.00	0.00	10,000,000.00
CICC Anhui Traffic Control Expressway Closed Infrastructure Securities Investment Fund	408,411,100.00	-120,201,000.00	0.00	0.00	0.00	0.00	0.00	288,210,100.00
Total	827,108,257.54	-108,755,214.44	-121,033,095.30	0.00	213,133,333.34	227,184,560.77	0.00	683,509,847.45

In 2023, the Company confirmed and received equity dividends of RMB236,950,900, including RMB147,595,600 from Xuanguang Company, RMB39,528,300 from Guangci Company, RMB7,288,900 from Expressway Media, RMB191,600 from Information Industry Company and RMB42,346,500 from CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund.

Section III Management Discussion and Analysis

Securities investment situation

Applicable Not applicable

Explanation on securities investment situation

Applicable Not applicable

Private fund investment situation

Applicable Not applicable

Investment in derivatives

Applicable Not applicable

(4) Specific progress of major asset restructuring and integration during the Reporting Period

Applicable Not applicable

(VI) Sale of substantial assets and equity interest

Applicable Not applicable

Section III Management Discussion and Analysis

(VII) Analysis of principal subsidiaries and associates

Unit: '0,000 Currency: RMB

Name of company	Equity capital the Group possesses	Registered Capital	31 December 2023		2023		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	11,176	412,086	280,732	289,249	17,976	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	30,000	391,656	4,130	29,132	-18,106	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	5,680	25,966	25,297	9,887	6,088	The construction, management and operation of Guangci Expressway
AEHK	100%	181.7	185	176	0	4	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin
Anqing Bridge Company	100%	15,000	294,289	152,915	48,795	15,419	Construction, management and operation of Anqing Yangtze River Expressway Bridge and Yuewu Expressway
Expressway Media	38%	5,000	51,456	38,733	15,598	4,228	Design, making, publication of and agency for domestic advertisements
China Merchants Fund	6.64%	300,000	191,467	188,018	8,751	6,704	Investment in energy conservation and environmental protection in transportation services
China Merchants Private Equity Fund Management Co., Ltd.	2.50%	3,000	5,952	5,710	1,678	1,287	Daily management and investment consultation of China Merchants Industrial Fund under Traffic Control
Goldstone Merger and Acquisition Fund	6.64%	300,000	197,486	157,737	25,907	15,039	Equity investment, asset management, enterprise management consulting
Goldstone Private Fund Management Co., Ltd.	2.50%	3,000	14,302	13,689	3,204	2,290	Daily management and investment consultation of China Merchants Industrial Fund under Traffic Control
Goldstone Equity Investment Fund	6.64%	150,000	154,903	151,747	6,295	3,118	Daily management and investment consultation of Jinshi Merger and Acquisition Fund
Conch Goldstone Innovation Fund	10%	500,000	50,025	50,025	125	-64	Equity investment, asset management, enterprise management consulting
Anhui Transportation Information Industry Company	10%	6,000	22,242	8,036	17,618	9.1	Construction, operation and service of traffic toll collection system; Computer software development; Information system integration services

(VIII) Information on Structured Entities controlled by the Company

Applicable Not applicable

Section III Management Discussion and Analysis

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry landscape and development trend

1. Competition landscape of the industry

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

(1) *Relatively high barrier of entry for the industry*

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

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

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

2. Development trends of the industry

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

Section III Management Discussion and Analysis

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

(II) Development strategy of the Company

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

(III) Business plan

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

Annual business plan

Based on the expectation of a stable and positive operating environment, the Group sets an overall toll revenue target of about RMB4,269 million in 2024 (after-tax) (actual amount in 2023: RMB4,042 million). Total operating costs for this year is expected to be slightly higher than the previous year.

Plan and Measures:

(i) ***Firmly holding onto the responsibilities of our core business and making our operational management platform more refined and effective.***

We will strengthen the analysis and judgment of the toll situation of the road network, continue to improve the flow of vehicles, coordinate development and safety, gather resources from all parties, adhere to technological empowerment, and enhance the ability of road network to ensure safety and smoothness. We will deepen comprehensive congestion management, continue to optimize the “one policy for one spot” congestion management plan, focus on improving maintenance quality and efficiency, carry out special actions to improve road maintenance quality, promote the normalization of road environment quality improvement, enhance the aesthetics of the roads in Anhui and enhance the influence of the “Wanmei Expressway” brand. We will also establish a standard system for travel services on the main road network, establish a long-term service mechanism, continue to promote 100 work methods, and optimize and improve service quality. We will adhere to the orientation of meeting the needs of the masses, further expand the scope of services, and strive to create a smooth, safe, comfortable and beautiful travel environment.

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(ii) *Focusing on value creation and making our capital operation platform stronger, better and bigger*

We will do a good job in raising funds for the Xuanguang Expressway reconstruction and expansion project, and strive for the commencement of the Gaojie Expressway reconstruction and expansion project. We will actively develop the road-related economy, revitalize the road resources such as land and real estate, and promote the integration of the expressway infrastructure networks with the travel service networks and the information networks. We will strengthen investor relations management, enrich investor communication channels, and increase communication with small and medium-sized shareholders; enhance the quality of ESG information disclosure, and standardize the release of results to show the capital market the Company's good performance achievements.

(iii) *Inspiring development vitality and promoting the deepening and improvement of the reform of state-owned enterprise*

We will improve the level of corporate governance, conscientiously implement the decision-making requirements of the "Three Importance and One Large" and dynamically optimize the list of matters discussed by the Party Committee and authorized by the Board. We will deepen the three system reforms, improve the performance assessment indicators and scoring rules for the management team, and enhance the effectiveness of the management team's term system and contractual management. We will optimize the management system and mechanism, refine the responsibilities of various positions and enhance the ability of functional departments to coordinate planning, innovate and improve efficiency and implement lean management.

(iv) *Strengthening innovation empowerment and increasing efforts to develop new productive forces*

We will promote the construction of intelligent expressways, complete the Heining intelligent expressway safety control intelligent enhancement project and put into operation. We will strengthen the "digital operation" breakthrough, complete the construction of the integrated operation management platform (phase II), and gradually realize the unified authentication and unified portal of each operation information system. We will upgrade and improve the functions of the intelligent operation command center, improve the road network operation and control capabilities; steadily construct an integrated expressway road network data resource system, and actively develop various types of application scenarios, turning technological innovation "key variables" into the "greatest increment" to promote high-quality development.

Section III Management Discussion and Analysis

(IV) Possible risks

Policy risk

1. *Industry policy risk*

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

2. *Risk of franchise expiration*

According to the Regulations on the Administration of Toll Roads, the time limit for toll roads shall be examined and approved by the people's governments in provinces, autonomous regions and municipalities in accordance with the relevant standards.

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

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

Section III Management Discussion and Analysis

Market risk

1. *Risk of macroeconomic fluctuations*

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

Under the current situation, the international political and economic environment is still complex, with the occurrence of various geopolitical conflicts. Whilst the domestic economy has seen a significant trend of recovery, it is still facing downward pressures. During the “14th Five-Year Plan” period, the national economy will shift from the stage of high-speed growth to the stage of high-quality development, the economic structure will be further optimized, the reform of the transportation industry and the increasing market competition, the construction cost will continue to push up, and the rigid constraints of resources, environment and other development factors will be strengthened, which may have adverse effects on the Company.

2. *Risk of road network change*

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

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

Section III Management Discussion and Analysis

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

(V) Other

Applicable Not applicable

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

Applicable Not applicable

VIII. NAMES OF THE DIRECTORS DURING THE REPORTING PERIOD

Names	Independent directors or not	Notes
Xiang Xiaolong	No	Appointed on 17 August 2020
Chen Jiping	No	Appointed on 16 July 2021
Yang Xudong	No	Appointed on 17 August 2020
Du Jian	No	Appointed on 17 August 2020
Liu Hao	Yes	Appointed on 17 August 2020
Zhang Jianping	Yes	Appointed on 17 August 2020
Fang Fang	Yes	Appointed on 17 August 2020
Yang Xiaoguang	No	Resigned on 28 September 2023
Tao Wensheng	No	Resigned on 28 September 2023

IX. FIXED ASSETS

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

X. CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

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

Section III Management Discussion and Analysis

XI. RESERVES

The figure and the details of any significant change in the reserves of the Company during the Reporting Period are set out in Note 26 to Section IX “Independent Auditor’s Report and Consolidated Financial Statements”. The Company’s retained earnings as at 31 December 2023 calculated in accordance with HKFRS amounted to RMB10,473,278 thousand (2022: RMB9,865,178 thousand), and the Company’s undistributed profits as at 31 December 2023 calculated in accordance with the PRC Accounting Standards amounted to RMB10,942,265 thousand (2022: RMB10,323,407 thousand).

XII. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Reporting Period, the Group obtained loans with a total amount of RMB480 million (2022: RMB1,993 million) from banks, and by the end of the Reporting Period, the bank loan balance was RMB6,477 million (2022: RMB6,644 million), all of them were long-term loans.

At the end of the Reporting Period, RMB300 million (2022: RMB380 million) of bank loans were at a fixed interest rate at an annual interest rate range of 1.2% (2022: 1.2%); The rest of the loans are at a floating rate with an annual interest rate range of 2.9% to 4.45% (2022: 3.05% to 4.90%).

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

At the end of the Reporting Period, the Group had a number of long-term payables, of which the interest-bearing portion was charged at a rate of 4.9% (2022: 4.75% to 4.90%), as detailed in the Independent Auditor’s Report and Note 28 to the Consolidated Financial Statements in Section IX. Such long-term payables have no specified repayment period.

As at 31 Dec 2023, the debt-to-capital ratio (net debt (total borrowings minus cash and cash equivalents) divided by total capital) was 28.33% (2022: 22.08%) (according to HKAS).

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

The Group’s strategy for 2023 remained unchanged compared to 2022, with a sustained capital-to-debt ratio of less than 30% and a good credit rating.

Section III Management Discussion and Analysis

XIII. CHARGE OF ASSETS AND CONTINGENT LIABILITIES

On 31 December 2023, the bank loan in the approximate amount of RMB300 million was secured by a pledge of the Group's toll revenue after the completion of the proposed Hening Expressway Reconstruction and Extension Project of Hening Expressway (2022: RMB380 million).

The bank loan in the approximate amount of RMB730 million was secured by a pledge of the Group's share of toll revenue Liqiao to Xuancheng section of Ningxuanhang Expressway (Anhui section) (2022: RMB764 million).

The bank loan in the approximate amount of RMB1,759 million was secured by a pledge of the Group's share of toll revenue Xuancheng to Ningguo section of Ningxuanhang Expressway (Anhui section) (2022: RMB1,734 million).

The bank loan in the approximate amount of RMB569 million was secured by a pledge of the Group's share of toll revenue Ningguo to Qianqiuguan section of Ningxuanhang Expressway (Anhui section) (2022: RMB566 million).

The Group had no contingent liabilities as at 31 December 2023 (2022: none).

XIV. RISKS OF CURRENCY AND INTEREST RATE

As the Group's revenue and expenses are mainly denominated in RMB, it is not expected that the Group's operating activities will lead to material currency risk. During the Reporting Period, the Group did not use any financial instrument for hedging purpose.

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

XV. STAFF MEMBERS

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

XVI. PRINCIPAL CUSTOMERS AND SUPPLIERS

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

Section III Management Discussion and Analysis

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

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

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

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

XIX. CHARITABLE DONATIONS

During the year ended 31 December 2023, charitable donations made by the Group were less than HK\$10,000.

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

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

XXI. MANAGEMENT CONTRACTS

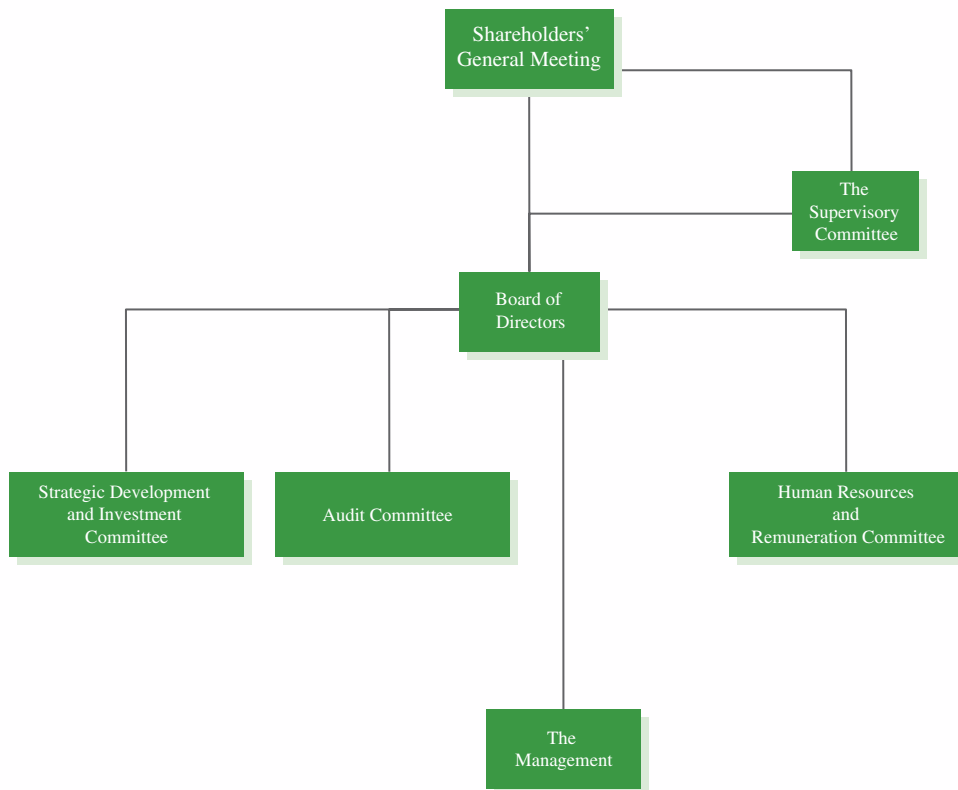
Save as disclosed in Section IV "Corporate Governance", no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into by the Group or existed during the year.

Section IV Corporate Governance

I. INFORMATION ON CORPORATE GOVERNANCE

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

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



Section IV Corporate Governance

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

During the Reporting Period, in order to further improve the corporate governance structure and enhance the level of corporate governance, in accordance with the requirements of laws, regulations, and normative documents such as the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》), the Measures for the Administration of Independent Directors of Listed Companies* (《上市公司獨立董事管理辦法》), and the Listing Rules of the Shanghai Stock Exchange (Revised in August 2023) (《上海證券交易所股票上市規則(2023年8月修訂)》), based on the actual situation, the Company proposed to revise the Articles of Association and its attachments, namely the Rules of Procedures of General Meeting, the Rules of Procedures of the Board of Directors, and the Rules of Procedures of the Supervisory Committee, revised the terms of reference of the three professional committees of the Board of Directors, and formulated the Independent Director Work System. The proposed amendments to the Articles of Association and its attachments, as well as the Independent Director Work System, have been reviewed and approved by the board of directors and supervisory committee meetings. They will officially come into effect after being reviewed and approved at a general meeting of shareholders; During the Reporting Period, based on the evaluation of authorized matters by the Board of Directors in 2023 and in combination with the “Three Major and One Large” decision-making matters list, the Company also revised the list of matters delegated to the General Manager under the “Board of Directors Authorization Management Measures”* (《董事會授權管理辦法》).

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

(I) Shareholders and General Meeting of Shareholders

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

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

Section IV Corporate Governance

(II) Directors and Board of Directors

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

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

Currently, the Board of Directors of the Company consists of 7 directors, and the current session of the Board is the ninth session of the Board of Directors of the Company, including 2 executive directors, 2 non-executive directors and 3 independent directors.

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

Section IV Corporate Governance

(III) Supervisors and the Supervisory Committee

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

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

(IV) Information disclosure

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

During the reporting period, the Company strictly followed the principles of truthfulness, accuracy, completeness, timeliness and fairness to ensure that all shareholders enjoyed equal access to relevant information of the Company, and continuously improved the pertinence, effectiveness and transparency of information disclosure of the Company. The Company strictly implemented the Information Disclosure Management System, published announcements simultaneously on the domestic stock exchange and the Hong Kong Stock Exchange in accordance with statutory disclosure requirements, and completed the disclosure of 4 periodic reports, 59 ad hoc announcements of A shares, 49 ad hoc announcements of H shares and related information. It objectively and detailedly discloses the Company's performance and financial information, dividend distribution, related party transactions, shareholders' meeting, the operation of the Board and the Supervisory Committee.

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

Section IV Corporate Governance

(V) Management of inside information

During the reporting period, the Company strictly complied with the requirements of the Information Disclosure Management System, the Insider Management Registration System and the Management Measures for the Company's Reception of Specific Research and Interviews and Other Related Activities to keep financial and other information confidential. The relevant personnel, matters, time and use of the Company's insider information are registered and filed in detail, and the relevant personnel are required to make commitments and promptly remind to fulfill the obligation of information confidentiality in order to prevent information leakage and insider trading. During the reporting period, in accordance with the China Securities Regulatory Commission's "Guidelines for the Supervision of Listed Companies No. 5- Registration and Management System for Insider Information of Listed Companies" and other relevant regulations, the Company submitted a "Memorandum on the Progress of Major Transaction" and an "Insider Information Registration Form" to the Shanghai Stock Exchange, and disclosed the "Announcement on the Self Inspection Report on the Trading of Stocks by Insider Information of this Trading" (Lin 2023-046). After self-inspection, it is not found in 2023 that holders of the Company's insider information used insider information to buy and sell the Company's shares before the disclosure of material sensitive information affecting the Company's share price.

(VI) Occupation of funds and related transactions

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

(VII) Return mechanism for investors

The Company has formulated a positive and stable dividend policy in the Articles of Association. Since its listing, the Company has continuously distributed cash dividends for 27 consecutive years. The Company has distributed a cumulative cash dividend of approximately RMB8.415 billion and a cumulative dividend per share of RMB5.1075, enabling the shareholders of the Company to receive good returns from the development of the enterprise.

This year, the Company proposed to distribute a cash dividend of RMB0.601 per share, representing a dividend payout ratio of 60.05%.

Section IV Corporate Governance

(VIII) Internal audit and internal control management

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

During the reporting period, the Company earnestly carried out special audits, continuous internal control evaluation and defect rectification to ensure the integrity and effectiveness of the internal control system. In order to meet the regulatory requirements, the Company adjusted and updated the internal control manual in 2023 based on the actual situation, widely collected the opinions and preferences of management personnel at all levels on the risks in the Company's operations in the form of risk survey questionnaires, and conducted annual risk assessments. The Company continuously collects risk change information in daily operation, and regularly summarizes the discovered risk change information (including new risks) or risk events. It analyzes various risk response measures and monitoring and handling of risk events on a quarterly basis, and prepares quarterly risk investigation reports. The Company optimized its risk warning indicator system, strengthened source control, and took proactive measures to address predictable risk issues. In 2023, the Company's risk management and control was in good condition.

(IX) About social responsibility

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

During the reporting period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company and assumed multi-dimensional social responsibilities, including the corresponding responsibilities for stakeholders such as shareholders, employees, consumers and the community environment. For details, please refer to the Company's 2023 Environmental, Social and Governance Report, the full text of which has been published on the websites of the Shanghai Stock Exchange, the Stock Exchange and the Company.

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

Applicable Not applicable

Section IV Corporate Governance

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

Applicable Not applicable

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

Applicable Not applicable

III. BRIEF INTRODUCTION TO THE GENERAL MEETING OF SHAREHOLDERS

Session	Date of meeting	Query index of the designated website where the resolution is published	Disclosure date of the publication of the resolution	Resolutions of the meeting
2022 Annual General Meeting	2023-06-09	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2023-06-10	For details of the meeting resolution, please refer to the Announcement on the Resolution of the 2022 Annual General Meeting of Shareholders (Lin 2023-021) published by the Company on the Shanghai Stock Exchange website on 10 June 2023.

Section IV Corporate Governance

Session	Date of meeting	Query index of the designated website where the resolution is published	Disclosure date of the publication of the resolution	Resolutions of the meeting
First Extraordinary General Meeting of Shareholders in 2023	2023-11-09	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2023-11-10	For details of the meeting resolution, please refer to the Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 (Lin 2023-053) published by the Company on the Shanghai Stock Exchange website on 10 November 2023.
First General Meeting of A share in 2023	2023-11-09	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2023-11-10	For details of the meeting resolution, please refer to the Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 (Lin 2023-053) published by the Company on the Shanghai Stock Exchange website on 10 November 2023.
First General Meeting of H share in 2023	2023-11-09	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	2023-11-10	For details of the meeting resolution, please refer to the Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 (Lin 2023-053) published by the Company on the Shanghai Stock Exchange website on 10 November 2023.

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

Applicable Not applicable

Description of the General Meeting of Shareholders

- On 9 June, 2023, the Company held the 2022 annual general meeting of shareholders. The meeting was convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the board of directors. The directors, supervisors and secretary of the Board attended the meeting, and other senior management, lawyers and accountants were also present at the meeting. The meeting adopted a combination of on-site voting and online voting. The convening, holding and voting of the meeting were in compliance with the relevant requirements of the Company Law and the Articles of Association. A total of 39 shareholders and proxies attended the meeting, holding a total of 1,207,042,064 shares with voting rights, representing 72.78% of the total voting shares of the Company. A total of seven motions were reviewed at this meeting, among which motions 4, 6 and 7 counted votes separately for small and medium-sized investors, and Anhui Transportation Holding Group, a connected shareholder, abstained from voting in motion 6. Motions 1 to 7 were duly passed as ordinary resolutions by a majority of votes. No proposal was added or changed at the meeting.

Section IV Corporate Governance

2. On November 9, 2023, the Company held the first extraordinary general meeting of 2023, the First General Meeting of A share in 2023, and the First General Meeting of H share in 2023. The meetings were convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the board of directors. The directors, supervisors and secretary of the Board attended the meetings, and other senior management, lawyers and accountants were also present at the meetings. The convening, holding and voting of the meetings were in compliance with the relevant requirements of the Company Law and the Articles of Association.
 - (1) A total of 129 shareholders and proxies attended the first extraordinary general meeting of 2023, holding a total of 1,294,964,055 voting shares, accounting for 78.07% of the total voting shares of the Company. The meeting reviewed 44 proposals (including 22 sub proposals), among which proposals 1-24 were separately counted for small and medium-sized investors. The meeting adopted a combination of on-site voting and online voting to vote. Related shareholder Anhui Transportation Holding Group abstained from voting on related party transaction proposals 2-15 and 17-23, while related shareholder China Merchants Highway abstained from voting on related party transaction proposals 21 and 22. Except for Proposal 22 which was not passed, Proposals 1-20 (including sub proposals), 23, and 24 have all received more than two-thirds of the total number of valid voting shares held by shareholders or shareholder representatives attending the meeting, and have been officially passed as special resolutions; Proposal 21 has been approved as an ordinary resolution by more than half of the total number of valid voting shares held by the attending shareholders or shareholder representatives. There are no proposals added or changed during the meeting.
 - (2) A total of 128 shareholders and proxies attended the First General Meeting of A share in 2023, holding a total of 983,967,215 voting shares, accounting for 84.42% of the total A-share voting shares of the Company. The meeting reviewed 26 proposals (including 22 sub proposals), all of which were separately counted for small and medium-sized investors. The meeting adopted a combination of on-site and online voting methods for voting. Anhui Transportation Holding Group, a related shareholder, abstained from voting on related party transaction proposals 1 – 5. All proposals at the meeting have been approved by more than two-thirds of the total number of valid voting shares held by attending shareholders or shareholder representatives, and have been officially passed as a special resolution. There are no proposals added or changed during the meeting.
 - (3) The number of shareholders and proxies attending the First General Meeting of H share in 2023 is one, holding a total of 307,448,440 voting shares, accounting for 62.36% of the total voting shares of the company's H-shares. The meeting reviewed 26 proposals (including 22 sub proposals). All proposals of the meeting were not passed. There are no proposals added or changed during the meeting.

Section IV Corporate Governance

IV. INFORMATION ABOUT THE DIRECTORS, SUPERVISORS AND SENIOR MANAGERS

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

Name	Position	Gender	Age	Term of office commencement date	Term of office expiry date	Total pre-tax remuneration received from the Company during the reporting period RMB0,000	Whether to receive remuneration from related parties of the Company
Xiang Xiaolong	Chairman	Male	60	2020-08-17	Until the appointment of the new session of the board of directors	0	Yes
Chen Jiping	Director	Male	53	2021-07-16	Until the appointment of the new session of the board of directors	55.35	No
Yang Xudong	Director	Male	51	2020-08-17	Until the appointment of the new session of the board of directors	0	Yes
Du Jian	Director	Male	53	2020-08-17	Until the appointment of the new session of the board of directors	0	Yes
Liu Hao	Independent director	Male	46	2020-08-17	Until the appointment of the new session of the board of directors	8.00	No
Zhang Jianping	Independent director	Male	56	2020-08-17	Until the appointment of the new session of the board of directors	8.00	No
Fang Fang	Independent director	Female	50	2020-08-17	Until the appointment of the new session of the board of directors	12.00	No
Cheng Xijie	Chairman of the Supervisory Board	Male	60	2021-05-21	Until the appointment of the new session of the board of directors	55.80	No
Li Huairu	Employee representative supervisor	Female	53	2022-01-05	Until the appointment of the new session of the board of directors	55.35	No
Jiang Yue	Supervisor	Male	42	2020-08-17	Until the appointment of the new session of the board of directors	0	Yes
Wang Xiaowen	General manager	Male	54	2023-09-28	Until the appointment of the new session of the board of directors	6.30	No
Ling Lang	Deputy General Manager	Male	52	2022-08-11	Until the appointment of the new session of the board of directors	54.36	No
Wu Changming	Deputy General Manager	Male	53	2022-01-12	Until the appointment of the new session of the board of directors	55.35	No
	Secretary of the Board of Directors			2022-06-30	Until the appointment of the new session of the board of directors		No

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Name	Position	Gender	Age	Term of office		Total pre-tax remuneration received from the Company during the reporting period RMB0,000	Whether to receive remuneration from related parties of the Company
				commencement date	Term of office expiry date		
Wu Jianmin	Chief engineer	Male	55	2023-11-21	Until the appointment of the new session of the board of directors	2.10	No
Zhang Jinlin	Deputy General Manager	Male	57	2023-11-21	Until the appointment of the new session of the board of directors	4.20	No
Huang Yu	Chief Financial Officer	Male	48	2021-01-22	Until the appointment of the new session of the board of directors	54.87	No
Zhang Xianxiang	General Counsel	Male	50	2021-04-28	Until the appointment of the new session of the board of directors	55.84	No
Yang Xiaoguang	Vice Chairman (Outgoing)	Male	61	2020-08-17	2023-09-28	0	Yes
Tao Wensheng	Director (Outgoing)	Male	54	2021-07-16	2023-09-28	60.35	No
	General manager (Outgoing)			2021-06-11	2023-09-28		No
Deng Ping	Deputy General Manager (Outgoing)	Female	54	2020-08-17	2023-11-21	55.35	No
Totally	/	/	/	/	/	543.22	/

Note:

- None of the directors, supervisors and senior management of the Company held or traded any securities of the Company during the Reporting Period;
- The term of office of the 9th Board of Directors and Supervisory Committee of the Company was originally scheduled to expire during the reporting period. In view of the active preparation for the replacement of the board of directors and supervisory board, in order to ensure the continuity of the Company's related work, the election of the tenth board of directors and supervisory Committee of the company will be postponed, and the terms of office of each specialized committee and senior management personnel of the board of directors will also be correspondingly extended.

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Name	Main work experience
Xiang Xiaolong	Born in 1964, Master of Business Administration, Anhui Institute of Business Administration. He served as secretary and deputy director of Anhui Provincial Supply and Marketing Cooperative Office, deputy general manager of Anhui Agricultural Materials Company, director of Anhui Provincial Supply and Marketing Cooperative Office, assistant mayor of Anqing Municipal Government, director of Municipal Development and Reform Commission, Secretary-General of Municipal Government, director of Municipal Administrative Service Center, deputy mayor of Anqing Municipal Government, standing committee member and deputy mayor of Anqing Municipal Committee. Deputy Director and Member of the Party Committee of the State-owned Assets Supervision and Administration Commission of the Anhui Provincial Government, Deputy Director and Deputy Secretary of the Party Committee of the State-owned Assets Supervision and Administration Commission of the Anhui Provincial Government. He is currently the party secretary and chairman of Anhui Transportation Holding Group Co., Ltd. He served as the chairman of the Company from 4 February 2020.
Chen Jiping	Born in 1971, Master of Business Administration, Senior Engineer. He served as Deputy Director of Personnel Department, Director of Office and Director of Operation Management Department of Anhui Transportation Investment Group Co., Ltd., Member of the Party Committee and Deputy General Manager of Anhui Communications Control Operation Management Co., Ltd. He served as a member of the Party Committee and a deputy general manager of the Company from August 2016 to June 2020, a deputy secretary of the Party Committee of the Company from June 2020 (during which, he served as an employee representative supervisor of the company from 17 August 2020 to 17 June 2021), and a deputy secretary of the party committee and an executive director of the company from July 2021.
Yang Xudong	Born in 1973, doctoral candidate, senior engineer. He has been the project manager of the domestic project department of China Merchants International Co., Ltd., the assistant to the general manager and the general manager of the investment and development department of China Merchants Highway Network Technology Holdings Co., Ltd., a member of the party committee and the deputy general manager. He is currently the deputy party secretary, director and general manager of China Merchants Highway Network Technology Holdings Co. He is also a director of Guangxi Wuzhou Transportation Co., Ltd. and Zhejiang Huhangyong Expressway Co., Ltd. He has been a director of the Company since 17 August 2017.
Du Jian	Born in 1971, doctoral candidate, senior engineer. He was the president of Sino-Canadian Beijing Tongshang Jiatai Consulting Co., Ltd., the deputy general manager of Lujie Company of China Highway Engineering Consulting and Supervision Corporation, and the general manager of Strategic Development Department of China Merchants Highway Network Technology Holding Co., Ltd. He was also a director of Shandong Highway Co., Ltd. He is currently the deputy party secretary and CEO of China Merchants Xinzhi Technology Co., Ltd. He is also the chairman of China Merchants Huaruan Information Co., Ltd. He has been a director of the Company since 20 May 2016.

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Name	Main work experience
Liu Hao	Born in 1978, Doctor of Accounting. He is currently a professor and doctoral supervisor of the School of Accounting of Shanghai University of Finance and Economics, an advisory member of the Fourth Advisory Committee on Enterprise Accounting Standards of the Ministry of Finance. He is also an independent director of Shanghai Zhaomin New Material Technology Co., Ltd., Hubei Huitian New Material Co., Ltd. and Shanghai Zhizhen New Energy Co. He has been an independent director of the Company since 17 August 2017.
Zhang Jianping	Born in 1968, postgraduate degree, master of law. He was the chief staff member of Anhui Supply and Marketing Cooperative Union, the partner lawyer of Hefei Jun'an Law Firm and the partner lawyer of Anhui Century Tianyuan Law Firm. He is currently the chief lawyer of Anhui Zhuotai Law Firm. He has been an independent director of the Company since 17 August 2020 and an independent director of Anhui Natural Gas Development Co., Ltd. since April 2022.
Fang Fang	Born in 1974, she holds a postgraduate degree and a master's degree in MBA. She was the managing director of Tybourne Capital Management and a partner and fund manager of Far Eastern Capital Management Co., Ltd. She has been a partner and fund manager of Tairen Capital since June 2018. She has been an independent director of the Company since 17 August 2020.
Cheng Xijie	Born in 1964, with a university degree from the Central Party School. He has successively served as deputy secretary and deputy director of the Party Group of the Public Security Bureau of Yuexi County, Anhui Province, chief procurator of the Procuratorate of Yuexi County, Anhui Province, member of the Standing Committee of the Party Committee and Secretary of the County Discipline Inspection Commission of Yuexi County, member of the Standing Committee of the Discipline Inspection Commission of Anqing City, Anhui Province (head of county level), deputy secretary of the Anqing Discipline Inspection Commission, and deputy secretary of the Discipline Inspection Committee of Anhui Transportation Holding Group Co., Ltd. He has been the chairman of the supervisory committee of the Company since May 2021.
Li Huairu	Born in 1971, Master, Senior Accountant. She was the director, director and party committee member of the Finance Department of Anhui Xunjie Logistics Co., Ltd., the Party Committee member, finance manager, director and chief accountant of Anhui Huanyu Highway Construction and Development Co., Ltd., and the deputy director of the Finance Department of Anhui Transportation Investment Group Co. From March 2015 to December 2021, she served as Deputy Director of Finance Department of Anhui Transportation Holding Group Co., Ltd. Member of the Party Committee and Secretary of the Discipline Inspection Committee of the Company since December 2021. She was appointed as an employee representative supervisor of the Company on 5 January 2022.

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Name	Main work experience
Jiang Yue	<p>Born in 1982, Master of Management, Chinese Certified Public Accountant (non-practicing), American Chartered Financial Analyst, Financial Risk Manager. He has been working in China Merchants Highway Network Technology Holdings Co., Ltd. since July 2009, and served as the project manager of Equity Management Department I and Enterprise Management Department, concurrently serving as supervisor of Henan Zhongyuan Expressway Co., Ltd., supervisor of Heilongjiang Transportation Development Co., Ltd., supervisor of Shandong Expressway Co. Ltd. and supervisor of North China Expressway Company Limited. He is currently an assistant to the general manager of the capital operation department of China Merchants Highway Network Technology Holdings Co., Ltd, and a supervisor of Jilin Expressway Company Limited. He has been a Supervisor of the Company since May 20, 2016.</p>
Wang Xiaowen	<p>Born in August 1970, holds a postgraduate degree and is a senior auditor. He started working in July 1990 and served as the Deputy Secretary of the Youth League Committee of the Political Department of Anqing Automobile Transportation Corporation, the Chief of the Finance Department, Office Director, Party Branch Member, and Deputy Director of the High Boundary Highway Management Office of Anhui Provincial Expressway Corporation, the Secretary of the Party Branch and Executive Deputy General Manager of Anhui High Speed Logistics Co., Ltd. From August 2015 to August 2021, he served as the Secretary and Director of the Party Branch of the He'an Expressway Management Office of Anhui Transportation Holding Group and the Executive Director and General Manager of Anqing Bridge Company. From August 2021 to December 2022, He served as the Secretary and Director of the Party Committee of the He'an Expressway Management Center of Anhui Transportation Holding Group Co., Ltd., as well as the Executive Director and General Manager of Anqing Bridge Company. From December 2022 to September 2023, he served as the Minister of Finance and Secretary and Director of the Party Branch of the Financial Sharing Center of Anhui Transportation Holding Group Co., Ltd. Starting from September 2023, he serves as the Secretary of the Party Committee and General Manager of the Company, as well as the Chairman of Anhui Ningxuanhang Expressway Investment Co., Ltd.</p>

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Name	Main work experience
Ling Lang	<p>Born in 1972, graduate degree, engineer. He has successively served as Chief of Security Section and Chief of Propaganda and Education Section of Personnel Department of Anhui Expressway Corporation, and Assistant Director of Anhui Expressway Test and Research Center. Member, Deputy Director, Deputy Secretary, Deputy Director, Secretary and Director of the General Party Branch of He'an Highway Management Office of Anhui Expressway Corporation; Secretary and Director of the General Party Branch of He'an Highway Management Office of Anhui Transportation Holding Group Co., Ltd. Secretary and Director of the General Party Branch of Quanjiao Management Office of the Company; From September 2006 to May 2010, he concurrently served as the executive deputy general manager (presiding over the work) of Anhui Anqing Changjiang Highway Bridge Co., Ltd. From May 2010 to April 2011, he concurrently served as the chairman and general manager of Anhui Anqing Changjiang Highway Bridge Co., Ltd. Since August 2015, he has been the secretary of the general Party branch and director of Hefei Management Office of the Company. He has been a member of the Party Committee and deputy general manager of the Company since August 2022.</p>
Wu Changming	<p>Born in 1971, master's degree candidate, first-class legal adviser, senior economist, company lawyer. He served as the deputy director of the investment planning department of Anhui Transportation Investment Group Co., Ltd., the vice president of Anhui Transportation Survey and Design Institute, the deputy director of the road property management department, the deputy director and director of legal affairs department of Anhui Transportation Investment Group Co., Ltd. From March 2015 to June 2020, he served as the director of legal affairs department of Member of the Party Committee and Secretary of the Discipline Inspection Committee of the Company from June 2020 to December 2021. He served as an employee representative supervisor of the Company from June 2021 to 12 January 2022, a member of the Party Committee and the deputy general manager of the Company from January 2022, and a member of the Party Committee, the deputy general manager and the secretary to the Board of the Company since June 2022. He is also the director of Anhui Expressway Media Co., Ltd. and Anhui Ningxuanhang Expressway Investment Co., Ltd. and the chairman of Anhui Transportation Holding Group (Hong Kong) Co., Ltd. and director of Anhui Expressway (H.K.) Ltd..</p>

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Name	Main work experience
Wu Jianmin	<p>Born in November 1969, holds a university degree, a Master's degree in Engineering, and is a Senior Engineer. He started working in July 1992 and have served as the director, Deputy Project Manager, and Manager of the Quality Inspection Department of Anhui Port and Navigation Engineering Company, Deputy Manager of the Direct Branch of Anhui Road and Port Engineering Company, Deputy Director of the Sixu Expressway Construction Office of Anhui Transportation Investment Group, Deputy Director of the Xinqiao International Airport Expressway Construction Office of Anhui Transportation Investment Group, and Secretary and Director of the Party Branch of the Jiqi Expressway (Lixin Huainan section) Construction Office. From April 2016 to June 2020, he served as the Secretary and Director of the Party Branch of the Project Office of the He'an Expressway Reconstruction and Expansion of Anhui Transportation Holding Group Co., Ltd, and served as the Chief Engineer of Anhui Transportation Construction Management Co., Ltd. from June 2020 to December 2022, and as a Party Committee Member and Chief Engineer of Anhui Transportation Construction Management Co., Ltd. from December 2022 to October 2023. Starting from November 2023, he served as a member of the Party Committee and Chief Engineer of the Company, and as a director of Anhui Transportation Road Maintenance Co., Ltd.</p>
Zhang Jinlin	<p>Born in February 1967, holds a graduate degree and is a senior engineer. He started working in July 1988 and have served as a technician at the Anhui Provincial High grade Highway Engineering Construction Command, Deputy Director of the Central Control Room of the Anhui Provincial High Grade Highway Management Bureau, Director of the Central Control Room of the Operation Department of the Anhui Provincial Expressway Corporation, Member and Deputy Director of the Party Branch of Anhui Expressway Co., Ltd. Hefei Management Office, Member and Deputy General Manager of the Party Branch of Anhui Provincial High Grade Highway Engineering Supervision Co., Ltd., Member and Deputy General Manager of the Party Committee of Anhui Provincial Expressway Network Operation Co., Ltd. From December 2018 to March 2021, he served as the Party Branch Secretary and Chairman of the Xuanguang Expressway Co., Ltd. From March 2021 to October 2023, he served as the Party Secretary of the Wuhu Expressway Management Center of Anhui Transportation Holding Group. Director. He served as a member of the Party Committee and Deputy General Manager of the Company from November 2023. Also serving as a director of Anhui Ningxuanhang Expressway Investment Co., Ltd.</p>

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Name	Main work experience
Huang Yu	Born in 1976, bachelor degree, Chinese Certified Public Accountant, Australian Public Accountant, British Financial Accountant and American Certified Management Accountant. He started working in August 1998 and has successively served as the audit manager of PricewaterhouseCoopers Beijing Zhangchen Accounting Firm, the chief financial officer of Beijing Jiangsheng Real Estate Investment and Development Co., Ltd., the chief financial officer of Ruihuan Education Investment Co., Ltd., the general manager, assistant to the president and vice president of the financial department of Jiangsu Fangyang Group Company Limited, and the chief financial officers of Jiangsu New Century Jiangnan Environmental Protection Company Limited. He has been the chief financial officer of the Company since 22 January 2021. He is also a director of Anhui Transportation Holding Group Capital Investment Management Co., Ltd.
Zhang Xianxiang	Born in 1974, Master of Business Administration, Master of Business Administration, Political Engineer, Corporate Lawyer, Anhui University. He has successively served as the executive deputy stationmaster and director of personnel department of Tongling South Toll Station of Qingyang Expressway Management Co., Ltd. of Anhui Communications Investment Group, deputy director of legal affairs department of Anhui Transportation Investment Group Co., Ltd., deputy director of legal affairs department of Anhui Transportation Holding Group Co., Ltd., and Deputy Director of Legal Compliance Department of Anhui Transportation Holding Group Company Limited. He has been a member of the Party Committee and the general counsel of the Company since 28 April 2021.
Yang Xiaoguang	Born in 1963, bachelor degree, bachelor of engineering, senior engineer. He has successively served as the chief staff member of the Science and Technology Department of Anhui Transportation Department, the director of Hefei Car Repair Factory in Anhui Province, and the director, deputy general manager and member of the Party Committee of Anhui Transportation Investment Group Co., Ltd. He has been a member of the Party Committee and deputy general manager of Anhui Transportation Holding Group Co., Ltd from December 2014 to April 2023. He served as the Vice Chairman of the Company from August 2020 to September 2023.

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Name	Main work experience
Tao Wensheng	<p>Born in 1970, graduate degree, senior engineer. He was the assistant engineer of Hefei Meiling Refrigerator General Factory, the deputy manager of the comprehensive bidding department, the deputy director of the comprehensive department and the deputy director of the consulting and supervision department of Anhui Machinery and Equipment Complete Bureau. Deputy Director of Anhui Tendering Center; Member of the Party Committee and Deputy General Manager of Anhui High Speed Real Estate Group Co., Ltd. Member of the General Party Branch, Executive Director, General Manager and Director and Chairman of Anhui Yida Expressway Service Area Management Co., Ltd. Deputy Party Secretary, Executive Director and General Manager of Anhui Yida Expressway Service Area Operation and Management Co., Ltd.; Chairman and Deputy Party Secretary of Anhui Expressway Real Estate Group Co., Ltd. from September 2017 to June 2020; From June 2020 to June 2021, he served as the Party secretary and chairman of Anhui High Speed Real Estate Group Co., Ltd. He has been the secretary of the Party Committee and the general manager of the Company since June 2021, and has been the secretary of the Party Committee, an executive Director and the general manager of the Company from July 2021 to September 2023.</p>
Deng Ping	<p>Born in 1970, college degree, engineer. She has successively served as Deputy Chief and Chief of Maintenance Section of Hefei Management Office of Anhui Expressway Corporation, Deputy Chief of Hefei Management Office, Deputy Director of Toll Management Department of Anhui Expressway Holding Group Co., Ltd., and Deputy Director of Toll Management Department of Anhui Traffic Control Operation Management Co., Ltd. (Highway Operation Department). She served as the deputy director of the operation management department of Anhui Transportation Holding Group Co., Ltd. She served a Party Committee member and deputy general manager of the Company from June 2020 to November 2023.</p>

Description of other circumstances

Applicable Not applicable

Section IV Corporate Governance

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

1. Positions held in shareholders entities

Name of position holder	Name of shareholder entity	Positions held in the shareholder unit	Term start date	Term end date
Xiang Xiaolong	Anhui Transportation Holding Group Co., Ltd.	Secretary of the Party Committee and Chairman of the Board	October 2019	
Yang Xudong	China Merchants Highway Network Technology Holdings Co., Ltd	Deputy Secretary of the Party Committee and General Manager	November 2022	
Jiang Yue	China Merchants Highway Network Technology Holdings Co., Ltd	Assistant to General Manager of Capital Operation Department	July 2019	
Yang Xiaoguang	Anhui Transportation Holding Group Co., Ltd.	Party Committee member and deputy general manager	December 2014	April 2023
	Description of employment in the shareholder unit			

2. Positions held in other entities

Name of position holder	Name	Positions held	Term start date	Term end date
Chen Jipin	Anhui Hezong Expressway Co., Ltd	Chairman	October 2023	
Yang Xudong	Guangxi Wuzhou Communications Co., Ltd.	Director	June 2014	
	China Merchants Railway Holdings Co., Ltd.	Chairman	July 2020	
	Zhejiang Huhangyong Expressway Co., Ltd.	Director	December 2022	
Du Jian	China Merchants Xinzhi Technology Co., Ltd.	Chairman	July 2017	January 2024
	China Merchants Xinzhi Technology Co., Ltd.	CEO	January 2024	
	China Merchants Huaruan Information Co., Ltd.	Chairman	January 2019	
Liu Hao	Shanghai University of Finance and Economics	Professor of Accounting and Doctoral Tutor	July 2014	
	Shanghai Xuerong Biotechnology Co., Ltd.	Independent director	August 2017	August 2023
	Shanghai Zhaomin New Material Technology Co., Ltd.	Independent director	May 2019	
	Hubei Huitian New Material Co Ltd	Independent director	April 2021	
	Shanghai Zhizhen New Energy Co., Ltd	Independent director	November 2021	

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Name of position holder	Name	Positions held	Term start date	Term end date
Zhang Jianping	Anhui Zhuotai Law Firm	Chief counsel	May 2007	
	Anhui Natural Gas Development Co., Ltd	Independent director	April 2022	
Fang Fang	Tairen Capital Co. Ltd	Partner and fund manager	June 2018	
Li Huairu	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Chairman of the Supervisory Committee	February 2022	
Jiang Yue	Jilin Expressway Company Limited	Supervisor	April 2016	
Wang Xiaowen	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Chairman	December 2023	
Wu Changming	Anhui High Speed Media Co., Ltd.	Director	August 2022	
	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Director	October 2022	
	Anhui Transportation Holding Group (Hong Kong) Co., Ltd.	Chairman	December 2022	
	Anhui Expressway (H.K.) Limited	Director	December 2023	
Wu Jianmin	Anhui Transportation Holding Group road maintenance Co., LTD	Director	October 2023	
Zhang Jinlin	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Director	December 2023	
Huang Yu	Anhui Transportation Holding Group Capital Investment Management Co., Ltd.	Director	March 2022	
Tao Wensheng	Anhui Expressway (H.K.) Limited	Director	August 2021	December 2023
	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Chairman	July 2021	December 2023
	Anhui Provincial Expressway Network Toll Management Center	Director	June 2021 July 2023	
Deng Ping	Anhui Ningxuanhang Expressway Investment Co., Ltd.	Director	September 2020	December 2023
Description of employment in other entities				

Section IV Corporate Governance

(III) Remuneration of directors, supervisors and senior managers

Decision-making procedures for the remuneration of directors, supervisors and senior managers	It shall be submitted to the general meeting of shareholders for approval after being reviewed by the board of directors and the supervisory committee respectively.
Whether a director recuses himself from the board's discussion of his remuneration	Yes
Particulars of recommendations on the remuneration of directors, supervisors and senior management by the remuneration committee or special meetings of independent directors	Not applicable
Basis for determining the remuneration of directors, supervisors and senior managers	It is determined in accordance with the relevant policies or regulations of the PRC and taking into account the market level and the actual situation of the Company (including the operating results of the Company, its responsibilities and the current remuneration standards paid by the Company to its directors, supervisors and senior management).
Actual payment of remunerations to directors, supervisors and senior managers	RMB5,432.2 thousand
Total remuneration actually received by all directors, supervisors and senior management at the end of the reporting period	RMB5,432.2 thousand

Section IV Corporate Governance

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

Name	Position held	Change situation	Reason for change
Wang Xiaowen	General Manager	Appointment	Job demand
Wu Jianmin	Chief Engineer	Appointment	Job demand
Zhang Jinlin	Deputy General Manager	Appointment	Job demand
Yang Xiaoguang	Executive Director and Vice Chairman	Resignation	Retirement
Tao Wensheng	Executive Director and General Manager	Resignation	Job change
Deng Ping	Deputy General Manager	Resignation	Job change

Due to retirement, Mr. Yang Xiaoguang resigned from his position as Executive Director and Vice Chairman of the Company on 28 September 2023, and at the same time ceased to be a member of the Company's Strategic Development and Investment Committee; Due to job changes, Mr. Tao Wensheng resigned from his position as Executive Director and General Manager of the Company on 28 September 2023, and at the same time ceased to be a member of the Company's Strategic Development and Investment Committee. The Company held the 37th meeting of the 9th Board of Directors on 28 September 2023, and appointed Mr. Wang Xiaowen as the General Manager of the Company, with a term of office from the date of approval by the Board of Directors to the date of appointment of the new session of the Board of Directors.

Due to job changes, Ms. Deng Ping resigned from the position of Deputy General Manager of the Company on 21 November 2023. The Company held the 40th meeting of the 9th Board of Directors on 21 November 2023, and appointed Mr. Zhang Jinlin as Deputy General Manager of the Company and Mr. Wu Jianmin as the Chief Engineer of the Company. The terms of office were from the date of approval by the Board of Directors until the date of appointment of the new session of the Board of Directors.

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

Applicable Not applicable

(VI) Other

Applicable Not applicable

Section IV Corporate Governance

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

Session	Date of convening	Resolution of the meeting
The 28th meeting of the 9th Board of Directors	January 19, 2023	Four proposals have been reviewed and approved, including the Related Party Transaction Proposal for the Cement Procurement Project of the Anhui Guangde to Xuancheng Section of the Shanghai Chongqing National Expressway, the Related Party Transaction Proposal for the Construction Project of the Anhui Guangde to Xuancheng Section of the Shanghai Chongqing National Expressway (GX-07 Contract Section), the Related Party Transaction Proposal for the Anhui Guangde to Xuancheng Section of the Shanghai Chongqing National Expressway (GX-YZ01 Contract Section), and the Related Party Transaction Proposal for the Central Laboratory Testing Service Project of the Anhui Guangde to Xuancheng Section of the Shanghai Chongqing National Expressway (GX-ZXSYS Contract Section).
The 29th meeting of the 9th Board of Directors	March 30, 2023	Considered and approved the “2022 Financial Report”, “2022 Annual Report” (A-share, H-share), and the 2022 performance announcement draft and annual report abstract prepared by our company in accordance with Chinese and Hong Kong accounting standards, as well as the “2022 Profit Distribution Plan”, “2022 Board Report”, “2022 General Manager Work Report”, “2022 Independent Director Work Report”, “2022 Environmental, Social and Governance Report”, “Internal Control Audit Report”, “2022 Performance Report of our Audit Committee”, “2022 Internal Control Evaluation Report of our Board of Directors”, and “2022 Internal Control System Work Report”. “2022 Major Risk Assessment Report of the Company”, “Proposal on the Summary of Internal Audit Work in 2022 and the Internal Audit Plan for 2023”, “Summary of Post Evaluation Work of Investment Projects in 2022”, “Proposal on the Comprehensive Budget of the Company for 2023”, “Proposal on the Expected Daily Related Party Transactions for 2023”, and “Proposal on the Renewal of the Company’s Auditor for 2023” There are a total of 20 proposals, including the Proposal on Our Company’s Application for Comprehensive Credit Limit from Banks in 2023 and the Proposal on Requesting the convening of the Company’s 2022 Shareholders’ Meeting.

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Session	Date of convening	Resolution of the meeting
The 30th meeting of the 9th Board of Directors	April 17, 2023	Considered and approved the “Proposal on the Company’s Compliance with the Conditions for Issuing Shares, Paying Cash to Purchase Assets, and Raising Supporting Funds and Related Party Transactions”, “Proposal on Anhui Expressway Co., Ltd.’s Issuance of Shares, Paying Cash to Purchase Assets and Related Party Transactions” (including 12 sub proposals), “Proposal on Anhui Expressway Co., Ltd.’s Issuance of Shares and Raising Supporting Funds” (including 8 sub proposals), “Proposal on the Issuance of Shares, Paying Cash to Purchase Assets, and Raising Supporting Funds as Related Party Transactions Constituting Related Party Transactions”, “Proposal on the Issuance of Shares, Paying Cash to Purchase Assets, and Raising Supporting Funds and Related Party Transactions Not Constituting Major Asset Restructuring and Restructuring Listing”, and “Proposal on the Company’s Signing of Conditional Effectiveness with Trading Counterparties” Proposal on the Agreement on Issuing Shares and Paying Cash to Purchase Assets, Proposal on the Plan for Issuing Shares and Paying Cash to Purchase Assets and Raise Supporting Funds and Related Party Transactions of Anhui Expressway Co., Ltd., and its Abstract Proposal on Compliance with Article 4 of the Guidelines for the Supervision of Listed Companies No. 9 – Regulatory Requirements for the Planning and Implementation of Major Asset Restructuring by Listed Companies, Proposal on Compliance with Article 11 of the Measures for the Administration of Major Asset Restructuring by Listed Companies, Proposal on Compliance with Article 43 of the Measures for the Administration of Major Asset Restructuring by Listed Companies, Proposal on the Nonexistence of Relevant Entities for this Transaction According to Article 12 of the Guidelines for the Supervision of Listed Companies No. 7 – Supervision of Abnormal Trading of Stocks Related to Major Asset Restructuring by Listed Companies, Proposal on Nonparticipation in Any Major Asset Restructuring of Listed Companies, and Proposal on the completeness, compliance, and submission of legal procedures for this transaction Proposal on Explaining the Validity of Legal Documents,

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Session	Date of convening	Resolution of the meeting
		<p>Proposal on the Fluctuation of the Company's Stock Price in the 20 Trading Days Prior to the Announcement of this Transaction, Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors and its Authorized Persons to Handle Matters Related to the Issuance of Shares, Payment of Cash to Purchase Assets, and Raising Supporting Funds There are a total of 17 proposals, including the Announcement on Exemption from Major Transactions, Related Transactions, and Cleanup Transactions, the Proposal on Special Arrangements for Future Cash Dividends of the Company, and the Proposal on Not Holding a Shareholders' Meeting for the Time being.</p>
The 31st meeting of the 9th Board of Directors	April 27, 2023	<p>Considered and approved the Company's Report for the first Quarter of 2023 and the Motion on the Adjustment of the Company's internal Organizations, a total of 2 resolutions.</p>
The 32nd meeting of the 9th Board of Directors	June 20, 2023	<p>Considered and approved the "Proposal on the Company meeting the conditions of Issuing Shares and Paying Cash to Purchase Assets and raising Matching Funds and Related Transactions", the "Proposal on Anhui Expressway Co., LTD. Issuing Shares and Paying Cash to Purchase Assets and Related Transactions Plan" (including 14 sub-proposals), and the "Anhui Expressway Co., LTD. Issuing Shares and Raising Shares" The Proposal of Matching Fund Plan (including 8 sub-proposals), the Proposal on the Issuance of Shares and the payment of cash to purchase Assets and raise matching Funds constitutes a related transaction, the Proposal on the issuance of shares and the payment of cash to purchase assets and the raising of matching funds and related transactions does not constitute a material asset reorganization and reorganization listing, and the Proposal on the signing of conditions between the Company and the counterparty Effective "Motion on Issue of Shares and Payment of Cash for Purchase of Assets", "Motion on Execution of Conditional" Supplementary Agreement on Issue of Shares and Payment of Cash for Purchase of Assets "between the Company and the counterparty," Motion on Execution of conditional "Performance Commitment and Impairment Compensation Agreement on Issue of Shares and Payment of Cash for Purchase of Assets" between the Company and the counterparty,</p>

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Session	Date of convening	Resolution of the meeting
		<p>“Close In the “Anhui Expressway Co., LTD. Issue Shares and Pay cash to Purchase Assets and raise Matching Funds and Related Transaction Report (Draft)” and its summary, “the transaction in accordance with the Regulatory Guidelines for Listed Companies No. 9 – Regulatory Requirements for Listed Companies Planning and Implementation of Material Assets reorganization,” “The transaction in accordance with the < above Measures for the Administration of Material Assets Reorganization of Municipal Companies: Proposals stipulated in Article 11; Proposals on the transaction complying with the provisions of Article 43 of the Measures for the Administration of Material Assets Reorganization of Listed Companies; Proposals on the fact that the relevant entities of this transaction do not exist in accordance with the provisions of Article 12 of the Supervision Guidelines for Listed Companies No. 7 – Supervision of Abnormal Stock Transactions related to Material Assets Reorganization of Listed Companies shall not be included Proposals on the material Asset reorganization of any Listed Company, on the independence of the appraisal institution, the rationality of the appraisal assumptions, the relevance of the appraisal method and the appraisal purpose, and the fairness of the appraisal pricing, on the approval of the audit report, the Preparatory review report and the Asset Appraisal Report of the transaction, on the dilutive immediate return of the transaction and the measures taken to fill it Shi’s Motion “on the adequacy and compliance of the statutory procedures to be performed in this Transaction and on the validity of the filing of legal documents” “On the proposal to the General Meeting for approval of the Reorganization in accordance with the provisions of the Code on Takeovers, Mergers and Share Repurchases of Companies” “On the proposal to the General Meeting for approval of the cleansing exemption in accordance with the provisions of the Code on Takeovers, Mergers and Share Repurchases of Companies” “On the proposal of the General meeting of shareholders to agree that Anhui Traffic Control Group is exempt from making an offer for this reorganization” “On the agreement of the board of Directors to issue an announcement and propose to hold a general meeting of shareholders to consider matters related to this transaction”, totaling 20 proposals.</p>

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Session	Date of convening	Resolution of the meeting
The 33rd meeting of the 9th Board of Directors	July 21, 2023	Considered and approved the Proposal on Adjusting the Special Arrangement for Future Cash Dividends of the Company.
The 34th meeting of the 9th Board of Directors	August 23, 2023	Considered and approved the Proposal on the proposed investment and participation in the establishment of Anhui Conch Goldstone Innovation and Development Investment Fund.
The 35th meeting of the 9th Board of Directors	August 30, 2023	Considered and approved the “2023 Semi Annual Financial Report”, “2023 Semi Annual Report” and its abstract prepared by our company in accordance with Chinese and Hong Kong accounting standards, as well as the interim performance announcement for 2023 and the “Proposal for Budget Adjustment of Our Company for 2023”, a total of 5 resolutions.
The 36th meeting of the 9th Board of Directors	September 20, 2023	Considered and approved the Motion on the Transfer of the Equity of Financial Companies held by the Company, the Motion on Determining the main business of the Company, and the Motion on the mid-term adjustment of the Company’s 14th Five-Year Development Plan, a total of 3 resolutions.
The 37th meeting of the 9th Board of Directors	September 28, 2023	Considered and approved the Motion on the Change of Senior Management Personnel of the Company.
The 38th meeting of the 9th Board of Directors	October 13, 2023	Considered and approved the Proposal on the Approval of the Extended Audit Report and Preparation Review Report for this transaction, the Proposal on the Draft Report on the Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transactions (Revised Draft) and its Abstract, the Proposal on Diluting Immediate Returns and Taking Filling Measures for this transaction, and the Proposal on the completeness, compliance, and effectiveness of legal procedures for this transaction, a total of 4 resolutions.

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Session	Date of convening	Resolution of the meeting
The 39th meeting of the 9th Board of Directors	October 30, 2023	Considered and approved the Third Quarter Report of the Company for 2023, the Proposal on the Proposed Investment and Participation in the Establishment of Anhui Jiaokong Goldstone Emerging Industry Equity Investment Fund, the Proposal on Related Party Transactions for the Comprehensive Renovation and Upgrading Project (EPC) of the Service Area in 2023, and the Proposal on Related Party Transactions for the Feasibility Study Project of the G50 Shanghai Chongqing Expressway Anqing Gezidun to Susong Section, a total of 4 resolutions.
The 40th meeting of the 9th Board of Directors	November 21, 2023	Considered and approved the Proposal on the Change of Senior Management Personnel of the Company and the Proposal on the Disposal of Fixed Assets for the Year 2023, a total of 2 resolutions.
The 41st meeting of the 9th Board of Directors	December 28, 2023	Considered and approved of the Proposal on Amending the Articles of Association, Rules of Procedure for Shareholders' Meetings, and Work Regulations of the Board of Directors, the Proposal on Formulating the Work System of Independent Directors, the Proposal on Amending the Terms of Reference of the Strategic Development and Investment Committee of the Board of Directors, the Authorization Letter of the Review Committee of the Board of Directors, and the Authorization Letter of the Human Resources and Compensation Committee of the Board of Directors, the Proposal on Amending the Authorization List of the Board of Directors, the Proposal on Formulating and Revising 42 Systems including the Compliance Management Measures and the Implementation Measures for the Three Major and One Large Decision Making of the Company, the 2023 Compliance Management Work Report of the Company, and the Proposal on Establishing Highways and Highways Proposal on the Network Dispatching Command Center, Proposal on the Term System and Contractual Management of Company Management Members, Proposal on the Assessment and Distribution of 2022 and the Total Salary Distribution of 2023 by the Company Headquarters and All Management Units, Proposal on Related Party Transactions Providing Road Section Entrustment and Management Services for 2024–2026 Proposal on Related Party Transactions of the Company's High Speed Internet Toll Collection Services for 2024–2026 and Proposal on the Post Evaluation Plan of the Company's Investment Projects for 2024, totaling 12 proposals.

Section IV Corporate Governance

VI. DIRECTORS' PERFORMANCE OF DUTIES

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

Director Name	Independent director or not	Number of board meetings to be attended in the current year	Participation in the Board of Directors				Attendance at General Meeting of Shareholders	
			Number of personal attendance	Number of times of participation by correspondence	Delegated attendance	Absent Times	Whether failed to attend two consecutive meetings in person	Attendance at general meetings
Xiang Xiaolong	No	14	12	7	0	0	No	2
Chen Jiping	No	14	12	7	0	0	No	2
Yang Xudong	No	14	12	14	0	0	No	1
Du Jian	No	14	12	14	0	0	No	2
Zhang Jianping	Yes	14	12	11	0	0	No	2
Liu Hao	Yes	14	12	14	0	0	No	1
Fang Fang	Yes	14	12	14	0	0	No	1
Yang Xiaoguang	No	9	9	3	0	0	No	1
Tao Wensheng	No	9	9	3	0	0	No	1

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

Applicable Not applicable

Number of Board meetings held during the year	14
Including: number of on-site meetings	14
Number of meetings held by means of communication	7
Number of meetings held on site by means of communication	7

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

Applicable Not applicable

(III) Other

Applicable Not applicable

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

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

Section IV Corporate Governance

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

Applicable Not applicable

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

IX. OTHER INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGERS

(I) Service contracts of directors and supervisors

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

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

Save as aforesaid, there is no existing or proposed service contract between the Company and any Director or Supervisor which is not determinable within one year without payment of compensation (other than normal statutory compensation).

Section IV Corporate Governance

(II) Contractual rights and interests of directors and supervisors

No Director or Supervisor or entity connected with him or her had a material interest, whether directly or indirectly, in a transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries, the Company's parent or any parent's subsidiary was a party at any time in 2022 or at the end of 2023.

(III) Interests of directors and supervisors in competitive business

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

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange ("Model Code") as the code for securities transactions by directors and supervisors. Having made specific enquiry of all directors and supervisors, the Company confirmed that the directors and supervisors of the Company had complied with the relevant standards set out in the Model Code during the Reporting Period.

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

(VI) Disclosure of Rights and Interests

On December 31, 2023, None of the directors, supervisors or senior management of the Company has any interest in any shares of the Company or any associated corporation (within the meaning of Part XV of the SFO), Has or is deemed to have any interests or short positions in the underlying Shares and debentures which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he has or is deemed to have pursuant to such provisions of the SFO); Or in the register referred to in section 352 of the Securities and Futures Ordinance; Or to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code and disclosed in this annual report.

(VII) Arrangements for the purchase of shares or debentures

At no time during 2023 or at the end of 2023 was the Company, any of its subsidiaries, the Company's parent or any of the parent's subsidiaries a party to any arrangements to enable the Directors or Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Section IV Corporate Governance

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

(I) Staff situation

Number of active employees of the Company	1,302
Number of active employees in major subsidiaries	638
Total number of active employees	1,940
Number of retired employees whose expenses are to be borne by the Company and its major subsidiaries	190
Employee benefit expense for the Reporting Period (RMB'000)	386,675

Professional composition

Professional composition category	Number of professionals
Production personnel	1,236
Sales personnel	0
Technicians	190
Financial personnel	47
Administrative staff	467
Total	1,940

Education level

Educational level categories	Number (person)
Postgraduate degree	93
Bachelor degree	574
Junior college	846
Technical Secondary School	165
High school and below	262
Total	1,940

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(II) Remuneration policy

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

The Company strictly implements the national and local social insurance laws and regulations to protect the legitimate rights and interests of employees. It has handled “four insurances and one housing fund” for all employees, namely, endowment insurance, unemployment insurance, medical insurance, work related injury insurance and housing provident fund, and has paid the relevant fees in full and on time. According to the unified requirements of the national social security department, medical insurance and maternity insurance have been combined. The original “five insurances” are integrated into “four insurances”. In 2023, a total of RMB59.01 million was contributed for the above four social insurances, and a total of RMB29.83 million was contributed for the housing provident fund.

In addition, in order to motivate employees and to retain talents, mobilize their work enthusiasm and provide talent guarantee for the development of the company, the Company has established an enterprise annuity plan in accordance with the relevant regulations and policies of enterprise annuity management and in combination with the actual situation, and employees participate in it on a voluntary basis. The enterprise annuity contributed in 2023 was RMB19.9 million. There was no forfeited contribution that may be used to reduce the existing level of contribution.

(III) Training plan

The Company continuously optimizes the training system and strengthens staff education and training. At the beginning of the year, according to the requirements of relevant regulations, the Company formulated the Employee Training Plan for 2023 in a targeted and focused manner at different levels, carried out various kinds of training in an orderly manner according to the training plan, implemented the training work at different levels, further improved the training process and standardized the training operation. In 2023, a special lecture on “Smart Transportation” was successfully held at the Wantong Lecture Hall, focusing on new industry trends and technological development trends, which stimulated the enthusiasm and enthusiasm of the Company’s employees for the construction of smart transportation; The Company carried out comprehensive training courses for management personnel, rotating training courses for middle-aged and young cadres, and rotating training courses for toll station managers of operating units, etc., improving the theoretical and management level of management personnel; Each department has carried out various activities in areas including legal compliance management, internal audit and risk control, fee inspection, fee electromechanical, vehicle rescue and management, based on actual work needs and departmental business functions. The “Wanmei Expressway Compliance Escort” legal style competition and the “Wanmei Expressway” Cup obstacle clearance and rescue skills competition have also effectively improved the management, skills, and professional knowledge level of employees. In addition, actively utilizing online education tools, exploring online education resources, and encouraging employees to increase online learning and communication with a focus on self-directed learning on platforms such as online business schools.

(IV) Outsourcing of labor services

Applicable Not applicable

Section IV Corporate Governance

XI. PLAN FOR PROFIT DISTRIBUTION OR CAPITAL ACCUMULATION FUND TRANSFER

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

Since its listing, the Company has been insisting on returning to shareholders and has distributed cash dividends continuously for 27 consecutive years.

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

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

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

The profit distribution plan of the Company for 2022 has been implemented in July 2023, with a total dividend of RMB912,235,500 distributed.

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(II) Special description of the cash dividend policy

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

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

Applicable Not applicable

(IV) Plan for profit distribution and conversion of capital reserve into share capital during the reporting period

Unit: yuan Currency: RMB

Number of bonus shares for every 10 shares (shares)	0
Number of dividends per 10 shares (RMB) (tax included)	6.01
Number of shares increased per 10 shares (shares)	0
Cash dividend amount (including tax)	996,824,610
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement of the dividend year	1,659,928,716.34
Percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	60.05
Amount of shares repurchased in cash included in cash dividends	0
Total dividend amount (tax included)	0
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	60.05

Section IV Corporate Governance

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

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

Applicable Not applicable

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

Equity incentive

Applicable Not applicable

Other explanations

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentives

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

According to the relevant requirements and the actual situation of the Company, the Company revised four relevant internal control management systems, including the Internal Control Management Measures and the Comprehensive Risk Management Measures. In 2023, the headquarter of the Company revised and added 202 rules and regulations. By the end of the year, the Company had 202 effective systems, basically covering all management processes, further standardizing the work and further improving the management level.

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

Applicable Not applicable

Section IV Corporate Governance

XIV. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

Company name	Integration plan	Progress	Problems encountered	Measures taken to solve the problem	Progress in resolution	Follow-up resolution plan
Hefei Wantong MicroCredit Company Limited	Equity transfer	Completed equity transfer	None	None	None	None
Anhui Xin'an Financial Group Company Limited	Equity transfer	Completed equity transfer	None	None	None	None
Anhui Xin'an Capital Operation Management Company Limited	Equity transfer	Completed equity transfer	None	None	None	None

XV. EXPLANATION OF RELEVANT INFORMATION OF INTERNAL CONTROL AUDIT REPORT

Ernst & Young Hua Ming LLP audited the internal control of the Company in 2023 and issued a standard and unqualified Internal Control Audit Report, considering that the Company has maintained effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.

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

Whether to disclose the internal control audit report: Yes

Internal control audit report opinion type: standard unqualified opinion

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

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

Section IV Corporate Governance

XVII. CORPORATE GOVERNANCE REPORT

A. Corporate Governance Code

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

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

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

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B. Directors and Board of Directors

1. Board of Directors

As of 31 December 2023, the board of directors of the Company consists of 7 directors, and the current session of the board of directors is the ninth board of directors of the Company.

These include:

Executive Director:

Xiang Xiaolong

Chen Jiping

Non-Executive Directors:

Yang Xudong

Du Jian

Independent Non-Executive Directors:

Liu Hao

Zhang Jianping

Fang Fang

According to the articles of association of the Company, all Directors shall be elected by the general meeting and shall serve a term of 3 years. A retiring Director is entitled to be re-elected to serve a consecutive term. Please refer to the disclosures in the section “IV corporate governance- IV. information about the directors, supervisors and senior managers” of this annual report for the terms of the current members of the Board (including non-executive directors).

None of the Directors has any relationship (including financial, business, family or other significant/related relationships) with each other. Please refer to the disclosures in the section “IV corporate governance- IV. information about the directors, supervisors and senior managers” of this annual report for the biographical details of the directors (including their professional experience, positions at shareholder’s units and other units).

During the reporting period, Mr. Xiang Xiaolong (appointed on February 4, 2020) served as the chairman of the Company, and Mr. Wang Xiaowen (appointed on September 28, 2023) served as the general manager of the Company. The division of responsibilities between the chairman and the general manager of the Company has been clearly defined and detailed in the Articles of Association, the Rules of Procedures of the Board of Directors and the Regulations on the Work of the General Manager, so as to ensure that the rights and authorizations are evenly distributed, that the decision-making of the board of directors is independent, and that the management is independent in its daily operation and management activities. The chairman presides over and coordinates the work of the board of directors, is responsible for leading the board of directors to formulate the overall development strategy and direction of the group, and to achieve the objectives of the group, to ensure the effective operation of the board, and to ensure that the company has good corporate governance practices and procedures. With the support and assistance of the board of directors and other senior management of the Company, the general manager is responsible for coordinating and managing the business and operation of the group, implementing the strategies formulated by the board of directors and making daily decisions.

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

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

2. Independent non-executive directors and their independence

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

Section IV Corporate Governance

3. Directors' performance support

All directors of the Company have access to relevant information and updates on statutory, regulatory and other continuing obligations that directors of listed companies are required to comply with in a timely manner through the secretary to the board of directors during their term of office. The Directors are committed to complying with the code provisions C.1.4 of the Corporate Governance Code regarding the training of Directors to ensure that they make an informed and relevant Corporate Governance contribution to the Board. During the reporting period, the Company organized some directors to attend training courses or seminars held by Shanghai Stock Exchange and Anhui Association of Listed Companies, and provided relevant training records to the Company. In 2023, the details of the Company's directors participation in the training are as follows:

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

4. Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange as the code for securities transactions by Directors and Supervisors. Having made specific enquiry of all Directors and Supervisors, the Company confirmed that the directors and supervisors of the Company had complied with the relevant standards set out in the above code during the Reporting Period.

5. Attendance of Directors at Meetings

During the Reporting Period, the Company held 14 meetings of the Board of Directors and 2 general meetings. Except that some directors were unable to attend the annual general meeting in person due to business reasons, all other meetings were attended by all directors. The Strategic Development and Investment Committee under the Board held two meetings, the Audit Committee held five meetings and the Human Resources and Remuneration Committee held three meetings, all of which were attended by all members of the relevant committees.

Please refer to the disclosure in Section IV "Corporate Governance – VI. Performance of Duties of Directors" of this annual report for the attendance of each director at the meetings of the board of directors and general meetings during the Reporting Period. For details of the meetings of the committees of the Board held during the Reporting Period, please refer to the disclosure under "C. Special Committees of the Board" in this Corporate Governance Report.

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C. Special committees under the board of directors

1. Strategic Development and Investment Committee

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

In 2023, the members of the Strategic Development and Investment Committee of the Company include:

- Xiang Xiaolong (Chairman of the Committee and Executive Director)
- Yang Xudong (Non-Executive Director)
- Zhang Jianping (Independent Non-executive Director)
- Yang Xiaoguang (Executive Director, Resigned on September 28, 2023)
- Tao Wensheng (Executive Director, Resigned on September 28, 2023)

In 2023, the Strategic Development and Investment Committee held 2 meetings, both of which were attended by all members (Mr. Xiang Xiaolong, Mr. Yang Xiaoguang, Mr. Tao Wensheng, Mr. Yang Xudong and Mr. Zhang Jianping). Details of each meeting of the Strategic Development and Investment Committee are as follows:

Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
March 23, 2023	Review the Environmental, Social and Governance Report of the Company for 2022.	The Environmental, Social and Governance Report of the Company for 2022 was reviewed and approved and agreed to be submitted to the Board of Directors for review.	
September 16, 2023	Review the proposal on mid-term adjustment of 14th Five Year Development Plan of the Company.	The proposal on mid-term adjustment of 14th Five Year Development Plan of the Company was reviewed and approved and agreed to be submitted to the Board of Directors for review.	

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2. Audit Committee

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

In 2023, the audit committee of the Company consists of Mr. Liu Hao (the chairman of the committee and an independent non-executive director), Mr. Du Jian (a non-executive director) and Mr. Zhang Jianping (an independent non-executive director).

In 2023, the Audit Committee held a total of 5 meetings, all of which were attended by all members (Mr. Liu Hao, Mr. Du Jian and Mr. Zhang Jianping). Details of each meeting of the Audit Committee are as follows:

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
March 30, 2023	<ol style="list-style-type: none"> 1. To review the financial report of the Company for the year 2022 (prepared in accordance with domestic accounting standards); 2. To review the financial report of the Company for the year 2022 (prepared in accordance with the Hong Kong Accounting Standards); 3. To review the profit distribution plan of the Company for the year 2022; 4. To consider the proposal on the expected daily related transactions in 2023; 5. To review the internal control assessment report of the Company for the year 2022; 6. To review the Company's internal control assessment work plan for the year 2023; 7. To review the summary of the internal audit work of the Company for the year 2022; 8. To review the internal audit work plan of the Company for the year 2023; 9. To review the internal audit report of the Company for the year 2022; 10. To review the summary of the Company's post-investment evaluation work in 2022; 	<ol style="list-style-type: none"> 1. The "2022 Annual Financial Report of the Company prepared in accordance with domestic accounting standards", "2022 Annual Financial Report of the Company prepared in accordance with Hong Kong Accounting Standards", "2022 Annual Profit Distribution Plan of the Company", "Proposal on Expected Daily Connected Transactions in 2023", "2022 Annual Internal Control Assessment Report of the Company" "2022 Annual Internal Control System Work Report" "2023 Material Risk Assessment Report", "2022 Audit Committee Performance Report", "2022 Internal Control Audit Report of the Company" "2022 Summary of the Company's Post-investment Evaluation work" "Summary of the Internal Audit Work of the Company for the year 2022" "2023 Internal Audit Work plan of the Company" "Proposal on the Re-appointment of the Company's Auditors for 2023" "2023 Audit Expense Budget" were reviewed and approved; the committee agreed to submit the above proposals to the Board of Directors for deliberation; 2. Consideration and approval of the "Internal Control Assessment Work Plan for 2023", "Internal Audit Report for 2022", "Communication Report of Ernst & Young Hua Ming LLP on the Audit of the Company's Financial Statements for 2022 to the Audit Committee", "Revision of Five Internal Audit Work Systems for 2022" and "Review of the Three-in-One Risk Control Compliance Manual of the Company". 	

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
	11. To review the work report on the internal control system of the Company for the year 2022;		
	12. To review the 2023 material risk assessment report of the Company;		
	13. To review the proposal on the re-appointment of the Company's Auditors for 2023;		
	14. To review the report on the performance of the Audit Committee for 2022;		
	15. To review the report of Ernst & Young Hua Ming LLP on regarding the audit of the company's 2022 financial statements to the Audit Committee;		
	16. To review the budget for 2023 audit expense;		
	17. To review the internal control audit report of the Company for 2022;		
	18. To review the five new internal audit systems revised in 2022;		
	19. To review the three-in-one manual of internal risk control compliance of the Company.		

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
26 April 2023	<ol style="list-style-type: none"> 1. To review the financial statements of the Company for the first quarter of 2023 prepared in accordance with PRC accounting standards; 2. To review the company's 2022 annual internal control evaluation report defect rectification plan. 	<ol style="list-style-type: none"> 1. Considered and approved the financial statements of the Company for the first quarter of 2023 prepared in accordance with PRC accounting standards, and agreed to submit this proposal to the Board of Directors for consideration. 2. Considered and approved the Company's 2022 annual internal control evaluation report defect rectification plan. 	
29 August 2023	<ol style="list-style-type: none"> 1. To review the financial report of the Company for the interim period of 2023 prepared in accordance with the PRC accounting standards; 2. To review the financial report of the Company for the 2023 interim period prepared in accordance with the Hong Kong Accounting Standards; 3. To discuss the audit communication of Ernst & Young Hua Ming LLP on Anhui Expressway in the second quarter of 2023. 	<ol style="list-style-type: none"> 1. Listened to the Audit Communication Matters of Ernst & Young Hua Ming LLP on Anhui Expressway in the Second Quarter of 2023, and agreed to carry out the audit work according to this plan; 2. Considered and approved the "2023 Interim Financial Report Prepared in Accordance with PRC Accounting Standards" and the "2023 Interim Financial Report Prepared in Accordance with Hong Kong Accounting Standards", and agreed to submit the above proposals to the Board for consideration. 	

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Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
30 October 2023	<ol style="list-style-type: none"> To review the financial report of the Company for the third quarter of 2023 prepared in accordance with PRC accounting standards; To discuss the audit communication of Ernst & Young Hua Ming LLP on Anhui Expressway in the third quarter of 2023. 	<ol style="list-style-type: none"> Considered and approved the financial report of the Company for the third quarter of 2023 prepared in accordance with PRC accounting standards, and agreed to submit the proposal to the Board of Directors for consideration. Listened to the Audit Communication Matters of Ernst & Young Hua Ming LLP on Anhui Expressway in the Third Quarter of 2023, and agreed to carry out the audit work according to this plan. 	
27 December 2023	<ol style="list-style-type: none"> To review the post-investment evaluation plan for the investment projects of the Company in 2024; To review the Company's 2023 revised internal audit and internal control system regulations. 	<p>Considered and approved the post-investment evaluation plan for the investment projects of the Company in 2024, and agreed to submit the proposal to the Board of Directors for consideration. 2. Considered and approved the Company's 2023 revised internal audit and internal control system regulations.</p>	

3. Human Resources and Remuneration Committee

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

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

In 2023, the members of the Human Resources and Remuneration Committee of the Company include Mr. Zhang Jianping (chairman of the committee and independent non-executive director), Mr. Yang Xudong (non-executive director) and Ms. Fang Fang (independent non-executive director).

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In 2023, the Human Resources and Remuneration Committee held a total of 3 meetings, which were attended by all members (Mr. Zhang Jianping, Mr. Yang Xudong and Ms. Fang Fang). Details of each meeting of the Human Resources and Remuneration Committee are as follows:

Date of convening	Content of the meeting	Important comments and suggestions	Other performance of duties
September 27, 2023	Review the qualification of the general manager to be appointed by the Company.	The “Resolution on the Review of the Proposed Appointment of Senior Management” was considered and approved, and it was unanimously agreed that the qualifications of Mr. Wang Xiaowen were in compliance with the requirements, and it was agreed to submit the “Resolution on the Appointment of Senior Management” to the Board for consideration.	
November 14, 2023	Review the qualifications of Chief Engineer and Deputy General Manager to be appointed by the company.	The “Resolution on the Review of the Proposed Appointment of Senior Management” was considered and approved, and it was unanimously agreed that the qualifications of Mr. Wu Jianmin and Mr. Zhang Jinlin were in compliance with the requirements, and it was agreed to submit the “Resolution on the Appointment of Senior Management” to the Board for consideration.	
December 26, 2023	<ol style="list-style-type: none"> 1. Review the Proposal on the Tenure System and Contractual Management of the Company’s Management Members; 2. Review the proposal on the assessment and distribution of the Company’s headquarters in 2022 and proposal on the distribution of total wages for the year 2023. 	<ol style="list-style-type: none"> 1. Consideration and adoption of the Proposal on the Tenure System and Contractual Management of Company Managers, agree to submit to the board of directors for consideration; 2. Consideration and adoption of the proposal on the assessment and distribution of the Company’s headquarters in 2022 and proposal on the distribution of total wages for the year 2023, agree to submit to the board of directors for consideration. 	

Section IV Corporate Governance

D. Diversity

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

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

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

The Company appointed Ms. Fang Fang as an independent non-executive director on 17 August 2020 to achieve gender diversity in the current session of the Board. At present, the Company has not set any target figure and timetable for gender diversity on the Board.

As at the end of the Reporting Period, the Company had 1,940 employees, of which 51.86% were male employees and 48.14% were female employees. In the recruitment process and daily management of employees, the Company prohibits any discrimination based on age, gender, origin, etc. At present, the Company does not have any plan or measurable goal for all employees to achieve gender diversity.

E. Statement of Directors' Responsibility for the Financial Statements

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

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

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F. Domestic and overseas auditors

Unit: '0,000 Currency: RMB

Current auditors

Name of domestic accounting firm	Ernst & Young Hua Ming LLP
Remuneration of domestic accounting firm	138
Audit period of domestic accounting firm	2
Name of Certified Public Accountant of Domestic Accounting Firm	Zhao Guohao, Zhao Wenjiao
Number of consecutive years of audit services provided by certified public accountants of domestic accounting firms	Zhao Guohao (2022, 2023), Zhao Wenjiao (2022, 2023)
Name of overseas accounting firm	Ernst & Young
Remuneration of overseas accounting firms	30
Audit period of overseas accounting firm	2

	Name	Remuneration
Internal control audit accounting firm	Ernst & Young Hua Ming LLP	30

Description of the appointment and dismissal of the accounting firm

The 2022 Annual General Meeting of Shareholders of our company approved the continued appointment of Ernst & Young Hua Ming LLP and Ernst & Young as our Chinese and overseas auditors for the year 2023. As of the end of the Reporting Period, the accounting firm has provided audit services to the company for 2 years.

Description of the change of accounting firm during the audit period

Applicable Not applicable

Description of audit fees decreasing by more than 20% (including 20%) compared to the previous year

Applicable Not applicable

G. Remuneration of directors, supervisors and senior management personnel

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

	Number of people
Nil to HK\$1,000,000	20

Section IV Corporate Governance

H. Risk management and internal control

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

1. Main features of risk management and internal control

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

Scope of responsibility:

Board of directors

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

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Board of Auditors

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

Management

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

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

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

Section IV Corporate Governance

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

(1) *Risk identification*

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

(2) *Risk assessment*

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

(3) *Risk response*

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

(4) *Risk monitoring*

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

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

Section IV Corporate Governance

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

(1) *Internal control effectiveness test procedure*

1. *Purpose of internal control effectiveness test*

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

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

2. *Frequency of internal control effectiveness testing*

From January to March 2024, the internal control working group tested the effectiveness of the internal control operation in 2023. For some sub-processes with high risks, determine whether to increase the test frequency according to actual needs

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

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

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

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4. *Internal control effectiveness test method*

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

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

5. *Test sample selection and test conclusion*

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

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

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

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6. *Internal control effectiveness test sample records*

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

7. *Identification of internal control defects*

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

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

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

1. *Formulate defect rectification plan*

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

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2. Defect rectification method

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

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

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

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3. *Monitoring of defect rectification progress*

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

4. *Report on the progress of defect rectification*

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

The Board has completed the annual review of the risk management and internal control system of the Group in accordance with the requirements of the enterprise internal control standard system, in combination with the internal control system and evaluation methods of the Company, and on the basis of daily supervision and special supervision of internal control: on January 2023 the Company collected the risk information and its subordinate units from both qualitative and quantitative aspects, analyzed the causes of risks and assessed their impact on the Company through various ways and means such as issuing risk questionnaires, preparing internal control risk identification forms for business processes, and combining with the internal control evaluation results and internal audit findings of the Company in this year. From January to March 2024, the Company tested the effectiveness of internal control operation in 2023. The Board confirms that the risk management and internal control systems of the Group are effective and adequate for the year ended 31 December 2023, and no material control errors or material control weaknesses were identified during the reporting period. The Board is of the view that, for the year ended 31 December 2023, the internal control system of the Group has been operating effectively, and has played a good management and control role in all key aspects of the operation and management of the Group, which can provide protection for the healthy operation of various business and the control of operational risks of the Group, and reasonably ensure the reliability of financial reports, the legitimacy of business operations, and the efficiency and effectiveness of operations; The resources, qualifications and experience of the staff of the Group's accounting, internal audit and financial reporting function, as well as the training courses and budget received by the staff are adequate. In addition, the Group's procedures in relation to financial reporting and compliance with the requirements of the Listing Rules are effective.

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4. Internal audit function

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

I. Company secretary

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

During the year ended 31 December 2023, Mr. Lee Chung Shing received no less than 15 hours of relevant professional training to refresh his skills and knowledge.

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

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

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

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

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- (2) The proposing shareholders or the board of supervisors may sign one or more written requests in the same form and content (including the agenda of the meeting and the proposals with complete contents, and the proposing shareholders or the board of supervisors shall ensure that the contents of the proposals comply with the provisions of laws, regulations and the articles of association of the company) to request the board of directors to convene an extraordinary shareholders' general meeting or a class shareholders' meeting, and state the agenda of the meeting.
- (3) The board of directors shall, within 15 days after receiving the aforesaid written request from the supervisory committee, issue a notice to convene an extraordinary general meeting or a class meeting, and the convening procedures shall comply with the provisions of the articles of association.
- (4) The board of directors shall decide whether to convene a shareholders' general meeting in accordance with the laws, regulations and the articles of association of the company for the written proposal of the proposing shareholders to convene a shareholders' general meeting or a class meeting. The resolution of the board of directors shall be fed back to the proposing shareholder within 15 days from the date of receipt of the aforesaid written proposal.

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

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

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

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

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- (6) If the board of supervisors or the proposing shareholders decide to convene an extraordinary general meeting or a class meeting on their own, they shall notify the board of directors in writing and file with the local office of the CSRC and the stock exchange at the place where the company is located, and then issue a notice of convening the meeting. The contents of the notice shall comply with the following provisions:
 - a. No new content shall be added to the proposal, otherwise the board of supervisors or the proposing shareholders shall submit a new request for convening a meeting to the board of directors in accordance with the procedures prescribed in this article;
 - b. The venue of the meeting shall be the place where the Company is located.
- (7) The board of directors and the secretary of the board of directors shall earnestly perform their duties in respect of the extraordinary general meeting or class meeting convened by the board of supervisors or the proposing shareholders. The board of directors shall ensure the normal procedures of the meeting, and the reasonable expenses of the meeting shall be borne by the company.
- (8) If the board of directors fails to designate a director to preside over the shareholders' general meeting, the board of supervisors or the proposing shareholder shall preside over the meeting in accordance with the provisions of the Articles of Association; The secretary of the board of directors shall earnestly perform his duties, and other convening procedures shall comply with the laws, regulations and the Articles of Association.
- (9) The proposing shareholders shall submit relevant certification materials to the local office of the CSRC and the stock exchange where the company is located when issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

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

Section IV Corporate Governance

K. Manner of making enquiries to the Board

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

L. Investor Relations

1. Significant changes to the articles of association

During the Reporting Period, in order to further improve the corporate governance structure and enhance the level of corporate governance, in accordance with the requirements of laws, regulations, and normative documents such as the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》), the Measures for the Administration of Independent Directors of Listed Companies* (《上市公司獨立董事管理辦法》), and the Listing Rules of the Shanghai Stock Exchange (Revised in August 2023) (《上海證券交易所股票上市規則(2023年8月修訂)》), based on the actual situation, the Company proposed to revise its articles of association (“Articles of Association”) and its attachments, namely the Rules of Procedures of General Meeting, the Rules of Procedures of the Board of Directors, and the Rules of Procedures of the Supervisory Committee, revised the terms of reference of the three professional committees of the Board of Directors, and formulated the Independent Director Work System. The proposed amendments to the Articles of Association and its attachments, as well as the Independent Director Work System, have been reviewed and approved by the board of directors and supervisory committee meetings. They will officially come into effect after being reviewed and approved at a general meeting of shareholders.

Save as disclosed above, there was no changes to the Articles of Association during the Reporting Period.

Section IV Corporate Governance

2. Shareholders' communication policy

The management of the Company has always attached great importance to active shareholder and investor relations management, and improved investor relations management from the management structure and internal system of the Company through the Investor Relations Management System (《投資者關係管理制度》). Shareholders of the Company can communicate their views on various matters affecting the Company via channels such as the general meeting, telephone hotlines, the SSE network platform, the Company's website and emails, and letters to the Company.

During the Reporting Period, the Company mainly carried out investor relations activities in the following ways to seek and understand the views of shareholders and stakeholders:

- ◇ Respond to investors' inquiries in a timely manner through the E interactive platform of the Shanghai Stock Exchange, investor hotline, company website and e-mail;
- ◇ Daily reception of investors and analysts to the company's on-site research, take the initiative to "go out" for on-site roadshows, visit investors, understand shareholder demands, and eliminate information barriers. The Company held performance promotion meetings in Hong Kong for the results of 2022, the first quarter and first half 2023, and participated in the collective performance briefing organized by the Shanghai Stock Exchange for listed expressways companies.
- ◇ The annual, semi-annual and third-quarter performance presentations were held respectively to fully communicate with investors on the company's operating conditions, investor protection, sustainable development and other issues, so as to facilitate the majority of investors to have a more comprehensive and in-depth understanding of the company's situation, and achieved good publicity results.

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

Section V Environmental and Social Responsibility

I. ENVIRONMENTAL INFORMATION

Whether relevant mechanisms for environmental protection is established Yes
Investment in environmental protection during the Reporting Period (Unit: RMB10,000 yuan) 5,194.91

(I) Description of the environmental protection situation of the Company and its major subsidiaries that belong to the key pollutant discharge units announced by the environmental protection department

Applicable Not applicable

(II) Description of the Company's environmental protection outside the key pollutant discharge unit

1. Administrative penalties for environmental problems

Applicable Not applicable

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

During the Reporting Period, The Company strictly abided by the national regulations on the emission of noise, waste gas, waste water and greenhouse gases generated in the course of business operation. Relevant regulations on the disposal of hazardous and non-hazardous wastes (including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, and the Company's Measures for the Management of Highway Greening Maintenance, the Record Form of Ecological Environment Inspection and Assessment, the Technical Guidelines for Environmental Risk Assessment of Construction Projects, and the Soil Pollution Wind of Construction Land Technical Guidelines for Risk Assessment) were complied with. The Company and its subsidiaries do not belong to the key pollutant discharge units announced by the environmental protection department, and there are no cases of illegal pollutant discharge and administrative penalties due to environmental problems.

3. Reasons for not disclosing other environmental information

Applicable Not applicable

Section V Environmental and Social Responsibility

(III) Relevant information that is conducive to protecting the ecology, preventing and controlling pollution, and fulfilling environmental responsibilities

1. Wastewater treatment

The Company strictly implemented the requirements of wastewater discharge compliance, continued to promote the upgrading and transformation of sewage equipment in stations and office parks, and actively connected to municipal sewage pipe network projects, with an annual investment of RMB9.85 million to complete the transformation of 15 stations. At the same time, the bridge runoff collection system in 13 water source protection areas were optimized and improved, and the bridge deck water was collected into the sedimentation tank for sedimentation and filtration before discharge.

2. Waste gas treatment

The Company actively carried out the management of waste gas emission, strictly complied with the domestic and international air pollution emission standards and requirements, coordinated the dust control work at the maintenance construction site, and thoroughly implemented the closed transportation management. By replacing the kitchen smoke exhaust system equipment in the canteen, the Company comprehensively purified the kitchen lampblack and fire smoke. This year, the Company invested RMB206,000 yuan to install 7 lampblack purification equipment. At the same time, the ground under the gate valve of the natural gas pipeline in the canteen was hardened and the sandwich board room was rebuilt to strengthen the ventilation and air cleaning functions of the equipment room.

3. Waste disposal

For the road waste materials, the Company will recycle the milled old materials for the maintenance of pavement pits, and the waste guardrail columns will be used as anchor columns for retaining walls, so as to improve the resource reuse rate; the valuable metal components that cannot be reused will be auctioned for disposal after the evaluation of the residual value. For office waste, the Company requires product suppliers to replace dangerous office supplies such as ink cartridges, toner cartridges and light tubes regularly, and recycle waste ink cartridges and toner cartridges for pollution-free treatment. The kitchen waste produced by the canteen shall be collected and classified separately in strict accordance with the Implementation Plan of the National Domestic Waste Classification System, and shall be cleared and transported uniformly by the municipal government.

4. Noise management

The Company arranges special personnel to communicate with the complainants, implement noise reduction measures for sections with excessive noise, and properly resolve conflicts and disputes with residents along the line; Through the promotion and application of the noise reduction scheme of “noise barrier + noise reduction pavement”, the Company has completed the construction of 36.08 km noise reduction pavement and 49 noise barriers, reducing the driving noise by 3 ~ 5 decibels. At the same time, the Company has increased the promotion and application of the new environmental protection and noise reduction expansion joints independently developed by the Company. At present, the new environmental protection and noise reduction expansion joints independently developed by the Company have been approved for release.

5. Green Office

The Company advocates green office, formulates resource management systems such as water saving and electricity saving, promotes the concept of energy saving and consumption reduction, and comprehensively creates a conservation-oriented office environment.

Section V Environmental and Social Responsibility

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

Whether carbon reduction measures are taken	Yes
Carbon dioxide equivalent emission reduction (in tonnes)	327
Types of carbon reduction measures (such as the use of clean energy for power generation, the use of carbon reduction technologies in the production process, the development and production of new products that help reduce carbon, etc.)	Promote green maintenance technology, arrange the implementation plan of preventive maintenance projects with low-carbon environmental protection characteristics in the corresponding road sections; give priority to the use of environmentally friendly and energy-saving electrical appliances and equipment, phase out facilities and equipment with high energy consumption and low energy efficiency, and actively promote the use of energy-saving and efficient lamps; We will increase the use of clean energy, promote the construction of new energy projects such as photovoltaic, and reduce greenhouse gas emissions.

Detailed explanations

The Company is committed to exploring energy-saving and consumption-reducing measures in all aspects, and striving to pursue efficient and clean emission reduction methods. In order to better implement various energy-saving and consumption-reducing measures and meet the energy management policy, a leading group for energy-saving and consumption-reducing work has been set up to implement and inspect the energy-saving and consumption-reducing work in the operation link by formulating the energy-saving and consumption-reducing work plan. During the Reporting Period, the Company vigorously promoted the green maintenance technology featuring green, low carbon, energy saving, emission reduction and rapid construction, and steadily promoted the construction of preventive maintenance technology system. It has gradually developed from the previous “excavation and maintenance model” into a green maintenance technology system combining various preventive maintenance technology schemes such as environment-friendly noise reduction and drainage thin layer overlay, anti-skid protective layer, sand-containing fog seal, trenchless grouting, etc. The implementation plan of preventive maintenance projects with low-carbon environmental protection characteristics has been arranged as a whole in the corresponding sections, with a total of 68.68 km of pavement preventive maintenance and 327 tons of carbon emission reduction.

The Company actively participated in the governance of climate change, and formulated the target of reducing greenhouse gas emissions and annual energy consumption year by year based on the actual operation and development strategy of the Company. At the same time, we will further optimize and promote the construction of new energy projects such as photovoltaic, and devote ourselves to exploring the mode of “zero carbon” park and “zero carbon” toll management park.

Section V Environmental and Social Responsibility

II. FULFILLMENT OF SOCIAL RESPONSIBILITY

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

The Company has continuously disclosed the social responsibility report since 2010, and officially released the environmental, social and governance report with higher disclosure standards in 2018. The environmental, social and governance report of the Company in 2023 will be released at the same time with the annual report.

(II) Specific situation of social responsibility work

External donations and public welfare projects	Quantity/content	Information note
Total investment (RMB'0,000)	0.18	/
Of which: capital (RMB'0,000)	0.1	Hefei Management Office Condolences Left-behind Children
Material discount (RMB'0,000)	0.08	Xiao County Branch Center Condolences Left-behind Children
Number of people benefited (person)	/	/

Specific Explanation

The Company attaches great importance to the well-being of the community, and actively participates in various social welfare activities by giving full play to its own advantages to support the development of the community. The Company organizes and leads the volunteer service backbone team of "League cadres + young employees", goes deep into many community service activities, and vigorously promotes the volunteer service spirit of "dedication, friendship, mutual assistance and progress". During the Reporting Period, the Company's "Wanmei High-speed Youth Volunteer Service Team" was awarded the 14th Anhui Youth Volunteer Excellent Organization, with a total of about 8,970 people participating in volunteer service activities.

Section V Environmental and Social Responsibility

III. CONSOLIDATE AND EXPAND THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION.

Poverty alleviation

and rural revitalization projects

	Quantity/content	Information note
Total investment (RMB'0,000)	331.16	<ol style="list-style-type: none"> 1. Organize the purchase of agricultural products from Xinjiang, Tibet, Mamiao Village of Taihu County, Fangji Town of Funan County, Yingshang County, Lishu Village and other places designated by the Group. 2. Arrange supporting units to carry out industrial assistance projects 3. Carry out employment assistance by declaring the establishment of workshops
Of which: capital (RMB'0,000)	291.37	
Material discount (RMB'0,000)	39.79	
Number of people benefited (person)	/	
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Industrial poverty alleviation, employment poverty alleviation, visits and condolences, consumption assistance and improvement of infrastructure	

Detailed description

In respect of Rural Revitalization, the Company closely integrated with the national Rural Revitalization Strategy, focused on the implementation of responsibilities, bottom-line tasks, sustainable income growth, industrial development, employment assistance, rural construction and rural governance, adhered to the principle of “keeping the bottom line, grasping development and promoting revitalization”, and comprehensively promoted the coordinated development of Rural Revitalization and regional development. During the reporting period, the Company invested a total of RMB3.3116 million. It has carried out fixed-point assistance procurement activities and extended the assistance area to Xinjiang and Tibet, which has contributed to the economic development of the recipient villages and regions.

Section VI Major Events

I. FULFILLMENT OF COMMITMENTS

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

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

Section VI Major Events

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

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

Achieved Not achieved Not applicable

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

Applicable Not applicable

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

Unit: yuan Currency: RMB

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

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

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

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

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

Section VI Major Events

III. ILLEGAL GUARANTEE

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

(III) Communication with the former accounting firm

Applicable Not applicable

(IV) Approval procedure and Other explanations

Applicable Not applicable

Section VI Major Events

VI. THE SITUATION OF FACING DELISTING RISK

(I) Causes of delisting risk warnings

Applicable Not applicable

(II) Measures to be taken by the Company

Applicable Not applicable

(III) Circumstances and reasons for termination of listing

Applicable Not applicable

VII. MATTERS RELATED TO BANKRUPTCY REORGANIZATION

Applicable Not applicable

VIII. MAJOR LITIGATION AND ARBITRATION MATTERS

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

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

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

Applicable Not applicable

Section VI Major Events

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

Applicable Not applicable

During the reporting period, the Company and its controlling shareholders and actual controllers are in good faith, and there are no cases of failure to fulfill the effective judgment of the court and the large amount of debts due.

XI. SIGNIFICANT CONNECTED/RELATED PARTY TRANSACTIONS

(I) Continuing connected transactions

1. Items which has been disclosed without further changes afterwards

Related party transactions or continuing related party transactions of the Group for the year ended 31 December 2023 are disclosed in Note 37 to the consolidated financial statements in Section IX of this annual report. Some of the listed company related party transactions or continuing related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Hong Kong Stock Exchange Listing Rules that are not fully exempt, details of which are set out below:

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
20-Dec-16	Expressway Petrochemical	Subsidiary of substantial shareholder	tenant	To lease gas station of the Company	From 1 January 2016 to 31 December 2045	To recognize on a straight-line basis over the lease period	1,492
22-Jan-21	ATHC	substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	10,453
22-Jan-21	ALEC	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	585
22-Jan-21	AWQEC	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	142
22-Jan-21	AWEC	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	47
22-Jan-21	ALGEC	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	104
22-Jan-21	AYEC	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2021 to 31 December 2023	Determination through negotiation with reference to cost	208

Section VI Major Events

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
17-Sep-21	Design Institute	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of the construction commencement order issued by the Company to 2023 (the estimated construction period were 22 months)	Winning price of tender agreement	567
17-Sep-21	ATEGC	Subsidiary of substantial shareholder	service provider	To accept road maintenance service	From the time of the construction commencement order issued by the contractor to 2023 (the estimated construction period were 22 months)	Winning price of tender agreement	7,981
31-Dec-21	Expressway Petrochemical	Subsidiary of substantial shareholder	tenant	To lease gas station of the Company	From 1 January 2022 to 31 December 2023	To recognize on a straight-line basis over the lease period	2,278
31-Dec-22	Expressway Petrochemical	Subsidiary of substantial shareholder	tenant	To lease gas station of the Company	From 1 January 2022 to 31 December 2023	To recognize on a straight-line basis over the lease period	27,355
31-Dec-21	AENO	Subsidiary of substantial shareholder	service provider	To accept toll collection service	From 1 January 2022 to 31 December 2023	Determination through negotiation with reference to cost	10,037
31-Dec-21	ATUCC	Subsidiary of substantial shareholder	service provider	To accept toll collection service	From 1 January 2022 to 31 December 2023	Determination through negotiation with reference to cost	14,474
29-Apr-22	Yida Company	Subsidiary of substantial shareholder	tenant	To lease service areas	From 1 May 2022 to 30 April 2025	To recognize on a straight-line basis over the lease period	9,092
22-Jun-22	AHEC	Subsidiary of substantial shareholder	service recipient	To provide road sections entrustment management	From 1 January 2022 to 31 December 2023	Determination through negotiation with reference to cost	1,509
10-Aug-22	Design Institute	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time notified by the supervision unit to 2023 (the construction period are 6 months)	Winning price of tender agreement	353
19-Jan-23	AERC	Subsidiary of substantial shareholder	service provider	To accept the testing service of road sections	From January 2023 to May 2025 (the estimated construction period are 28 months)	Winning price of tender agreement	2,688
19-Jan-23	ATMT	Subsidiary of substantial shareholder	service provider	To purchase cement	From January 2023 to May 2025	Winning price of tender agreement	58,871
17-Mar-23	ATEGC	Subsidiary of substantial shareholder	service provider	To accept project construction service	From the time of construction commencement order issued by the supervising engineer to 2025 (the estimated construction period are 28 months)	Winning price of tender agreement	178,532

Section VI Major Events

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
08-Jun-23	Design Institute	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 13 months)	Tender price of tender agreement	52,959
19-Jun-23	Design Institute	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 12 months)	Tender price of tender agreement	14,051
28-Sep-23	ATCG	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of the construction commencement order issued by the supervising engineer to 2024 (the estimated construction period are 6 months)	Tender price of tender agreement	15,523
06-Nov-23	Design Institute	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 5 months)	Tender price of tender agreement	10,164
13-Nov-23	ATEGC	Subsidiary of substantial shareholder	service provider	To accept road maintenance service	From the time of the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 8 months)	Tender price of tender agreement	15,009
29-Nov-23	Design Institute	Subsidiary of substantial shareholder	service provider	To accept the testing and planning service of road sections	From the time of the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 8 months)	Tender price of tender agreement	1,151

Section VI Major Events

Date of agreement	Connected party	Connected relationship between connected party and the Company	Nature of interest of connected party in connected transaction	Content and purpose of connected transaction	Duration of agreement	Pricing principle of connected transaction	Actual Amount of connected transaction (RMB'000)
29-Nov-23	ATEGC	Subsidiary of substantial shareholder	service provider	To accept project construction service	From the time of which is subject to the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 8 months)	Tender price of tender agreement	14,764
29-Nov-23	ATHI	Subsidiary of substantial shareholder	service provider	To accept the IT operation and maintenance services	From the time of which is subject to the construction commencement order issued by the Company (or the supervising engineer) to 2024 (the estimated construction period are 8 months)	Tender price of tender agreement	4,500

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

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

Section VI Major Events

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

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

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

Applicable Not applicable

3. Matters not disclosed in the interim announcement

Applicable Not applicable

Section VI Major Events

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

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

Applicable Not applicable

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

Summary of issues

Query index

The Company planned to purchase 100% equity of Liuwu Company (the “Target Company”) held by Anhui Transportation Holding Group through the issuance of A-shares and payment of cash (the “Transaction”), with a transaction price of RMB3,666,003,900 for the target assets. The Company also planned to issue shares through inquiry to no more than 35 eligible specific investors to raise matching funds.

The A-Shares of the Company were suspended from trading on April 3, 2023, and resumed trading on April 18, 2023; Tradings in the H Shares were halted trading at 9:00 am on April 3, 2023, and resumed at 9:00 am on April 4.

On April 17, 2023, the Company held the 30th meeting of the 9th Board of Directors and the 22nd meeting of the 9th Supervisory Committee, and reviewed and approved proposals such as the “Anhui Expressway Co., Ltd. Issuance of Shares and Payment of Cash to Purchase Assets and Related Party Transactions Plan”. The Company also disclosed the “Anhui Expressway Co., Ltd. Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transactions Plan” and its Summary.

Announcement on the suspension of trading on April 4, 2023, regarding the planning and issuance of shares, payment of cash to purchase assets, and raising of supporting funds and related party transactions (Lin 2023-006)

Announcement on the suspension of trading progress regarding the planning and issuance of shares, payment of cash to purchase assets, and raising of supporting funds and related party transactions on April 11, 2023 (Lin 2023-007)

Section VI Major Events

Summary of issues

Query index

During the Reporting Period, the Company revised the plan and disclosed the revised draft and its Summary. On June 21, 2023, the Company held the 32nd meeting of the 9th Board of Directors and the 24th meeting of the 9th Supervisory Committee, and once again reviewed and approved the “Anhui Expressway Co., Ltd. Issuance of Shares and Payment of Cash to Purchase Assets and Related Party Transaction Plan” and other proposals. The Company also disclosed the “Anhui Expressway Co., Ltd.’s Report on Issuance of Shares and Payment of Cash to Purchase Assets and Raising Supporting Funds and Related Party Transaction (Draft)” and its Summary.

On July 21, 2023, in order to increase the per share dividend of the Company’s shareholders after the Transaction, and effectively protect the interests of small and medium-sized shareholders, the Company held the 33rd meeting of the 9th Board of Directors to review and approve the proposal on adjusting the special arrangement of future cash dividends of the company. After the implementation of the plan for the transaction, the annual cash dividend ratio of the Company from 2023 to 2025 will be increased to no less than 75% of the net profit attributable to the Company’s owners in the consolidated financial statements achieved that year.

Announcement on Resolution of the 30th Meeting of the 9th Board of Directors (Lin 2023-008), Announcement on Resolution of the 22nd Meeting of the 9th Supervisory Committee (Lin 2023-009), Announcement on Special Arrangements for Future Cash Dividends of the Company (Lin 2023-010), General Risk Warning on Issuing Shares, Payment of Cash to Purchase Assets and Raise Supporting Funds, and Notice on Stock Resumption of the Company (Lin 2023-011), Announcement on Shareholdings of the Top Ten Shareholders and Top Ten Circulating Shareholders on the Previous Trading Day of Suspension (Lin 2023-012), Anhui Expressway “Plan for Issuing Shares, Paying Cash to Purchase Assets, Raising Supporting Funds, and Related Party Transactions of a Limited Liability Company” and its abstract, etc

Announcement on April 28, 2023 regarding the receipt of an inquiry letter from the Shanghai Stock Exchange regarding the issuance of shares and payment of cash to purchase assets, as well as the raising of supporting funds and related party transaction plans for the company (Lin 2023-014)

Section VI Major Events

Summary of issues

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- In September 2023, the Company received a reply from Anhui Transportation Holding Group the authorized institution of the State owned Assets Supervision and Administration Department, regarding the issuance of shares and payment of cash to purchase assets and raise supporting funds and related party transactions of Anhui Expressway Co., Ltd. (Anhui Transportation Holding Group Letter [2023] No. 8), agreeing to the Transaction.
- On October 13, 2023, the Company held the 38th meeting of the 9th Board of Directors and the 28th meeting of the 9th Supervisory Committee, and reviewed and approved proposals such as the “Proposal on Approval of the Extended Audit Report and Preparation Review Report for this Transaction”. The Company also disclosed the “Draft Report on Anhui Expressway Co., Ltd. Issuing Shares, Paying Cash to Purchase Assets, Raising Supporting Funds and Related Party Transaction (Revised Draft)” and its Summary.
- On November 9, 2023, the Company held the first extraordinary general meeting, the first A-share class general meeting, and the first H-share class general meeting in 2023 to review proposals related to the issuance of shares, payment of cash to purchase assets, and related party transaction. According to the poll by the attending shareholders with voting rights, the 22nd proposal was not passed at the first extraordinary general meeting of shareholders in 2023; The first general meeting of H-share shareholders in 2023 failed to pass the first to sixth proposals (including sub proposals). As the above proposal were not passed, the Transaction was not approved by the shareholders’ meeting.
- Announcement on May 17, 2023: Reply to the Inquiry Letter on the Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transaction Plans by the Shanghai Stock Exchange (Lin 2023-016), Announcement on the Revision of the Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transaction Plans (Lin 2023-017), Announcement on the Progress of the Disclosure of the Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transaction Plans (Lin 2023-018), Announcement on the Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transaction Plans of Anhui Expressway Co., Ltd. (Revised Draft), and their Summary
- Announcement on Resolutions of the 32nd Meeting of the Ninth Board of Directors (Lin 2023-022), Announcement on Resolutions of the 24th Meeting of the Ninth Supervisory Committee (Lin 2023-023), Announcement on Diluting Spot Returns and Taking Relevant Measures to Fill in the Transaction (Lin 2023-024), Announcement on General Risk Warning for Issuing Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transactions (Lin 2023-025), Announcement on Changes in Shareholders’ Equity (Lin 2023-026), Announcement on Issuance of Shares and Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transactions of Anhui Expressway (Draft) and its Summary, etc.

Section VI Major Events

Summary of issues

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Announcement on Adjusting the Special Arrangements for Future Cash Dividends of the Company (Lin 2023-029) and Announcement on the Resolutions of the 25th Meeting of the 9th Board of Supervisors (Lin 2023-030) on July 22, 2023

Notice on Convening the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 on July 26, 2023 (Lin 2023-031) and Announcement on August 12, 2023 on Cancelling and Holding the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 (Lin 2023-032)

Announcement on September 26, 2023 on Obtaining Approval from Anhui Provincial Transportation Holding Group Co., Ltd. for Issuing Shares, Paying Cash to Purchase Assets, and Raising Supporting Funds (Lin 2023-040)

Announcement on Resolutions of the 38th Meeting of the Ninth Board of Directors (Lin 2023-042), Announcement on Resolutions of the 28th Meeting of the Ninth Board of Supervisors (Lin 2023-043), Announcement on Revision Explanation of the Report on Issuing Shares, Paying Cash to Purchase Assets, Raising Supporting Funds, and Related Party Transactions (Lin 2023-044), Announcement on Diluting Spot Returns and Taking Relevant Measures to Fill in the Transaction (Lin 2023-045), Announcement on Self inspection Report on the Trading of Stocks by Insiders Related to the Transaction (Lin 2023-046), Announcement on the Issuance of Shares by Anhui Expressway Payment of Cash to Purchase Assets and Raise Supporting Funds and Related Party Transaction Report (Draft) Abstract (Revised Draft), etc

Section VI Major Events

Summary of issues

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Notice on Convening the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 on October 14, 2023 (Lin 2023-047)

Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders' Meeting in 2023, and the First H-share Class Shareholders' Meeting in 2023 (Lin 2023-053)

Progress Announcement on Issuing Shares, Paying Cash to Purchase Assets, Raising Supporting Funds, and Related Party Transactions on November 11, 2023 (Lin 2023-054)

Section VI Major Events

Summary of issues

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The Company proposed to transfer 10% of the equity in Wantong MicroCredit, 6.6225% of the equity in Xin'an Financial, and 6.6225% of the equity in Xin'an Capital (the above three companies are "transfer targets" and "target companies") held by it to Transportation Holding Capital, a wholly-owned subsidiary of Anhui Transportation Holding Group Company Limited, controlling shareholder of the Company. The transfer price of 10% equity of Wantong Micro Credit held by the Company is RMB12.2072 million, the transfer price of 6.6225% equity of Xin'an Finance held by the Company is RMB66.76 million, and the transfer price of 6.6225% equity of Xin'an Capital held by the Company is RMB10.9 million.

In September 2023, this transaction was approved by the 36th meeting of the 9th Board of Directors of the Company and not require submission to the shareholders' meeting for approval.

In December 2023, Wantong MicroCredit and Xin'an Capital successively completed the industrial and commercial registration changes for equity transfer, Xin'an Finance completed the share change for equity transfer, and the equity transfer of equity interests in the three companies completed.

September 21, 2023 "Connected Transactions – Disposal of Equity Interests in Three Companies"

October 30, 2023, (1) 2023 Third Quarterly Report; (2) Supplementary Announcement – Connected Transactions: Disposal of Equity Interests in Three Companies

Section VI Major Events

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

Applicable Not applicable

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

Applicable Not applicable

(III) Major related transactions of joint external investment

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

Applicable Not applicable

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

Summary of issues

Query the index

The Company proposed to jointly invest with Goldstone Investment, Goldstone Runze, Transportation Holding Capital and its wholly-owned subsidiary Transportation Holding Fund Management Company to establish Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund (tentative name, subject to registration). On 30 October 2023, the Company held the 39th meeting of the 9th Board of Directors and approved the proposal to invest and participate in the establishment of Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund. On 2 November 2023, the Company jointly signed the “Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership)” with Transportation Holding Capital, Transportation Holding Fund Management Company, Goldstone Investment and Goldstone Runze, to invest and participate in the establishment of Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (tentative name, subject to registration).

Announcement on the Resolution of the 39th Meeting of the 9th Board of Directors on 31 October 2023 (Lin 2023-049), and “Connected Transaction: Establishment of Fund Partnership” on 2 November 2023

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

Applicable Not applicable

Section VI Major Events

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

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

Applicable Not applicable

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

Applicable Not applicable

3. Matters not disclosed in the interim announcement

Unit: RMB'000 Currency: RMB

Related parties	Associative relationship	Provision of funds to related parties			Provision of funds by related parties to listed company		
		Opening balance	Amount incurred	Ending balance	Opening balance	Amount incurred	Ending balance
Anhui Transportation Holding Group	Controlling shareholder	0.00	0.00	0.00	97,060	-19,500	77,560
Total		0.00	0.00	0.00	97,060	-19,500	77,560

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

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

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

Section VI Major Events

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

Applicable Not applicable

(VI) Other

Applicable Not applicable

XII. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Trusteeship, contracting and leasing matters

1. Trusteeship status

Applicable Not applicable

2. Contracting status

Applicable Not applicable

3. Lease status

Applicable Not applicable

(II) Guarantee status

Applicable Not applicable

Section VI Major Events

(III) Entrusting others to manage cash assets

1. Entrusted wealth management

(1) Overall situation of entrusted wealth management

Applicable Not applicable

Other circumstances

Applicable Not applicable

(2) Individual entrusted wealth management

Applicable Not applicable

Other circumstances

Applicable Not applicable

(3) Provision for impairment of entrusted wealth management

Applicable Not applicable

Section VI Major Events

2. Entrusted loans

(1) General entrusted loans

Unit: '0,000 Currency: RMB

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

Other circumstances

Applicable Not applicable

(2) Single Entrusted Loans

Unit: '0,000 Currency: RMB

Trustee	Type of entrusted loans	Entrusted loan amount	Commencement date of entrusted loan	Entrusted loan termination date	Funds Source	Funds Investment Target	Determination of remuneration	Annualized rate of return	Expected earnings (if any)	Actual Gain or loss	Actual recovery	Whether it has gone through legal procedures	Will there be an entrusted loan plan in the future?	Amount of provision for impairment (if any)
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,825	14 June 2016	14 June 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	168.68	168.68	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	1,428	24 August 2016	14 June 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	62.97	62.97	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,213	18 September 2016	14 June 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	141.69	141.69	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	1,989	17 November 2016	14 June 2026	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.41%	87.71	87.71	Not due	Yes	No	

Section VI Major Events

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

Section VI Major Events

Trustee	Type of entrusted loans	Entrusted loan amount	Commencement date of entrusted loan	Entrusted loan termination date	Funds Source	Funds Investment Target	Determination of remuneration	Annualized rate of return	Expected earnings (if any)	Actual Gain or loss	Actual recovery	Whether it has gone through legal procedures	Will there be an entrusted loan plan in the future?	Amount of provision for impairment (if any)
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	4,437	9 November 2017	31 August 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	217.41	217.41	Not due	Yes	No	
Everbright Bank Hefei Daoxianglou Sub-branch	Bank	3,130	19 December 2017	31 August 2027	Own funds	Ningxuanhang Company	Collect interest on a quarterly basis and recover the principal in a lump sum at maturity	4.90%	153.37	153.37	Not due	Yes	No	

Other circumstances

Applicable Not applicable

(3) Provision for impairment of entrusted loans

Applicable Not applicable

3. Other circumstances

Applicable Not applicable

(IV) Other major contracts

Applicable Not applicable

Section VI Major Events

XIII. EXPLANATION ON THE PROGRESS OF UTILIZATION OF RAISED FUND

Applicable Not applicable

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

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

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

Postponement of the election of the new session of the board of directors and the supervisory committee

The term of office of the ninth session of the board of directors and supervisory committee ("Supervisory Committee") of the Company has expired on August 16, 2023. As the election of the new session of the Board and the Supervisory Committee is still in proactive preparation, in order to ensure the continuity of relevant work of the Company, the election of the new session of the Board and the Supervisory Committee was postponed, and the terms of special committees of the Board and senior management of the Company were also be extended correspondingly. Before the completion of the election of the new session of the Board and the Supervisory Committee, all the members of the ninth session of the Board, the Supervisory Committee, special committees of the Board and the aforementioned senior management of the Company would continue to perform their respective obligations and duties required for directors, supervisors and senior management in accordance with laws, regulations, regulatory documents and the articles of association of the Company, as well as other applicable requirements. The postponement of the election of the new session of the Board and the Supervisory Committee will not affect the normal operation of the Company. The Company will proactively proceed with relevant work, complete the election of the new session of the Board and the Supervisory Committee as soon as possible, and fulfill its obligations of information disclosure in a timely manner. For details, please refer to the Company's announcement dated 12 July 2023 and headed "ANNOUNCEMENT ON THE POSTPONEMENT OF THE ELECTION OF THE NEW SESSION OF THE BOARD OF DIRECTORS AND THE SUPERVISORY COMMITTEE"

Section VI Major Events

Investment and equity participation in the establishment of Anhui Conch Goldstone Innovation and Development Investment Fund

The Company proposed to jointly establish an innovation fund with Goldstone Investment (as the general partner, executive partner, and fund manager of the Innovation Fund) and other partners, with a total target size of RMB5 billion and all investors contributing in cash. On 23 August 2023, the Company held the 34th meeting of the 9th session of the board of directors and approved the Company's participation in the establishment of Anhui Conch Goldstone Innovation and Development Investment Fund Partnership Enterprise (Limited Partnership)* (安徽海螺金石創新發展投資基金合夥企業(有限合夥)) (tentative name, subject to registration) as a limited partner. The Company's subscription amount was RMB500 million, representing 10% of the total subscribed capital of the fund. On September 8, 2023, the Company signed the partnership agreement for Anhui Conch Goldstone Innovation Development Investment Fund Partnership Enterprise (Limited Partnership) with Goldstone Investment and other partners. On November 6, 2023, the Company received a notice that Anhui Conch Goldstone Innovation Development Investment Fund Partnership Enterprise (Limited Partnership) had completed the filing procedures with the Asset Management Association of China in accordance with the requirements of the Securities Investment Fund Law of the People's Republic of China and the Interim Measures for the Supervision and Administration of Privately Offered Investment Funds, and obtained the Securities Company Private Investment Fund Filing Certificate. For details, please refer to the Company announcements headed "Announcement on the Proposed Investment and Participation in the Establishment of Anhui Conch Goldstone Innovation and Development Investment Fund"* (《關於擬投資參股設立安徽海螺金石創新發展投資基金的公告》) (Lin 2023-033), "Progress Announcement on Investment and Participation in the Establishment of Anhui Conch Goldstone Innovation and Development Investment Fund"* (《關於投資參股設立安徽海螺金石創新發展投資基金的進展公告》) (Lin 2023-036), and "Announcement on the Completion of Private Investment Fund Registration for Anhui Conch Goldstone Innovation and Development Investment Fund"* (《關於安徽海螺金石創新發展投資基金完成私募投資基金備案登記的公告》) (Lin 2023-052).

Investment and equity participation in the establishment of Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund

The Company proposed to jointly establish an emerging industry fund with Transportation Holding Capital, Goldstone Investment, and other partners, with a total target size of RMB2 billion and all investors contributing in cash. On October 30, 2023, the Company held the 39th meeting of the 9th session of the Board of Directors and approved the Company's participation in the establishment of Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund Partnership (Limited Partnership)* (安徽交控金石新興產業投資基金合夥企業(有限合夥)) (tentative name, subject to registration) as a limited partner. The Company's subscription amount was RMB200 million, representing 10% of the total subscribed capital of the fund. On November 2, 2023, the Company signed the partnership agreement for Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund Partnership (Limited Partnership) with Transportation Holding Capital, Transportation Holding Fund Management Company, Goldstone Investment and Goldstone Runze. After the fund was established, Goldstone Investment served as the fund manager. For details, please refer to the Company's announcement dated 2 November 2023 and headed "CONNECTED TRANSACTION – ESTABLISHMENT OF FUND PARTNERSHIP".

Section VI Major Events

Transfer of share capital in financial companies held by the Company to subsidiary of controlling shareholder

The Company proposed to transfer 10% of the issued share capital in Hefei Wantong MicroCredit Company Limited* (合肥市皖通小額貸款有限公司) (“Wantong Micro Credit”), 6.6225% of the issued shares in Anhui Xin’an Financial Group Company Limited* (安徽新安金融集團股份有限公司) (“Xin’an Financial”), and 6.6225% of the issued share capital in Anhui Xin’an Capital Operation Management Company Limited* (安徽新安資本運營管理有限公司) (“Xin’an Capital”) to Anhui Transportation Capital Investment Management Co., Ltd.* (安徽交控資本投資管理有限公司) (“Transportation Holding Capital”), a wholly-owned subsidiary of Anhui Transportation Holding Group, through a non-public agreement transfer, in order to achieve the divestment of the Company’s financial business. On 20 September 2023, the Company held the 36th meeting of the 9th session of the Board of Directors and approved the proposal on the transfer of share capital in financial companies held by the Company. Based on the evaluation results as at the benchmark date of December 31, 2022, the consideration for the 10% of share capital in Wantong Micro Credit held by the Company was RMB12,207.2 thousand, the consideration for the 6.6225% of shares in Xin’an Financial was RMB66,760 thousand, and the consideration for the 6.6225% of share capital in Xin’an Capital was RMB10,900 thousand. For details, please refer to the Company’s announcement dated 20 September 2023 and headed “CONNECTED TRANSACTIONS – DISPOSAL OF EQUITY INTERESTS IN THREE COMPANIES”. In December 2023, industrial and commercial registration of the transfers of share capital in Wantong Micro Credit and Xin’an Capital were completed, and the transfer of shares in Xin’an Financial was also completed, concluding the completion of transfer of the 3 companies.

Shares issuance and cash payment for purchasing assets and raising matching funds

The Company proposed to purchase 100% of the share capital of Anhui Liuwu Expressway Co., Ltd.* (安徽省六武高速公路有限公司) (the “Target Company”) held by Anhui Transportation Holding Group through the issuance of A-shares and cash payment (the “Transaction”), with a consideration of RMB3,666,003,900 for the target assets. The Company also proposed to issue shares through inquiry to no more than 35 eligible specific investors to raise matching funds. On November 9, 2023, the Company held the first extraordinary general meeting of shareholders for 2023, the first A-share class general meeting for 2023, and the first H-share class general meeting for 2023. According to the poll of the attending shareholders eligible to vote, the 22nd proposal was not passed at the first extraordinary general meeting of shareholders in 2023; the first general meeting of H-share shareholders in 2023 failed to pass the first to sixth proposals (including sub proposals). Based on the above proposal not being passed, the Transaction was not approved by the shareholders’ meeting. For details, please refer to the company’s announcement “Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2023, the First A-share Class Shareholders’ Meeting in 2023, and the First H-share Class Shareholders’ Meeting in 2023” (Lin 2023-053) and “Progress Announcement on the Issuance of Shares, Payment of Cash to Purchase Assets, Raising Supporting Funds, and Related Party Transactions” (Lin 2023-054).

Events after the reporting period

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

Section VI Major Events

XIV. PRE-EMPTIVE RIGHTS

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

XV. TAX RELIEF

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

Holders of A Shares:

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

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

Section VI Major Events

H shareholders:

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

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

Investors of Shanghai-Hong Kong Stock Connect:

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

Section VII Change of Ordinary Shares and Shareholders

I. CHANGE OF ORDINARY SHARE CAPITAL

(I) Change of ordinary shares

1. Change of ordinary shares

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

2. Explanation of change of ordinary shares

Applicable Not applicable

3. The Effect on of the financial indicators like earnings per share and net assets per share in recent year from change of ordinary shares (If any)

Applicable Not applicable

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

Applicable Not applicable

(II) Change of restricted shares

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

II. ISSUE OF SHARES AND LISTING

(I) Issue of securities during the Reporting Period

Applicable Not applicable

Information of issue of securities during the Reporting Period (please explain separately the bonds of different rates within the duration):

Applicable Not applicable

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

Applicable Not applicable

(III) Existing internal employees' shares

Applicable Not applicable

III. SHAREHOLDERS AND EFFECTIVE CONTROLLER

(I) Total number of shareholders

Total number of holders of ordinary shares as at the end of the Reporting Period	18,802
Total number of holders of ordinary shares at the end of the previous month before the disclosure date of the annual report	18,616

Section VII Change of Ordinary Shares and Shareholders

(II) Shareholdings of the top ten shareholders and the top ten circulating shareholders (or shareholders without selling restrictions) as of the end of the Reporting Period

Unit: shares

Name of shareholder (Full Name)	Shareholdings of top ten shareholders (excluding shares lent through refinancing)					
	Increase or decrease during the reporting period	Number of shares held at the end of the period	Proportion	Number of shares held with selling restrictions	Pledged, marked or frozen Share status	Shareholder Nature
Anhui Transportation Holding Group Co., Ltd.	0	524,644,220	31.63	0	None	State
HKSCC NOMINEES LIMITED	105,980	489,009,879	29.48	0	Unknown	Overseas legal person
China Merchants Highway Network Technology Holdings Co., Ltd	0	404,191,501	24.37	0	None	State-owned legal person
Hong Kong Securities Clearing Company Limited	-8,491,652	19,030,573	1.15	0	None	Overseas legal person
China Universal Asset Management Co., Ltd. – Social Security Fund 1103 Portfolio	5,230,600	5,230,600	0.32	0	None	Other
Ding Xiuling	-496,700	4,914,735	0.30	0	None	Domestic natural person
China Life Insurance Company Limited – Traditional-General Insurance Products – 005L-CT001 Shanghai	4,280,000	4,280,000	0.26	0	None	Other
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	4,180,500	4,180,500	0.25	0	None	Other
New China Life Insurance Company Limited – Dividends – Group Dividends – 018L-FH001 Shanghai	3,250,100	3,250,100	0.20	0	None	Other
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	3,234,500	3,234,500	0.20	0	None	Other

Section VII Change of Ordinary Shares and Shareholders

Shareholdings of the top ten unrestricted shareholders

Name of shareholder	Number of unrestricted tradable shares held	Class and number of shares	
		Species	Quantity
Anhui Transportation Holding Group Co., Ltd.	524,644,220	RMB ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	489,009,879	Overseas listed foreign shares	489,009,879
China Merchants Highway Network Technology Holdings Co., Ltd	404,191,501	RMB ordinary shares	404,191,501
Hong Kong Securities Clearing Company Limited	19,030,573	RMB ordinary shares	19,030,573
China Universal Asset Management Co., Ltd. – Social Security Fund 1103 Portfolio	5,230,600	RMB ordinary shares	5,230,600
Ding Xiuling	4,914,735	RMB ordinary shares	4,914,735
China Life Insurance Company Limited – Traditional – General Insurance Products-005L-CT001 Shanghai	4,280,000	RMB ordinary shares	4,280,000
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	4,180,500	RMB ordinary shares	4,180,500
New China Life Insurance Company Limited – Dividends – Group Dividends – 018L-FH001 Shanghai	3,250,100	RMB ordinary shares	3,250,100
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	3,234,500	RMB ordinary shares	3,234,500
Description of the repurchase accounts of the top ten shareholders	None		
Explanation on the voting right entrusted, voting right entrusted and waiver of voting right by the aforesaid shareholders	None		
Description of the connected relationship or concerted action of the above shareholders	There is no connected relationship between the State owned Shareholders and the legal person Shareholders in the above chart. The Company does not know if there is connected relationship amongst other shareholders, or whether they belong to the persons acting in concert under the Measures for the Administration of Disclosures of Shareholder Equity Changes of Listed Companies* (《上市公司股東持股變動信息披露管理辦法》).		
Description of the preferred shareholders whose voting rights are restored and the number of shares they hold	None		

Note:

- As at the end of the Reporting Period, the total number of holders of A shares was 18,738, and the total number of holders of H shares was 64;
- As at the end of the month prior to the date of disclosure of the annual report, the total number of holders of A shares was 18,554, and the total number of holders of H shares was 62;
- The H Shares held by the HKSCC NOMINEES LIMITED (HKSCC Nominees Limited) were held on behalf of many clients.

Section VII Change of Ordinary Shares and Shareholders

Lending of shares by top ten shareholders participating in refinancing business

Unit: shares

Name of shareholder (full name)	Participation of the top ten shareholders in refinancing and lending of shares							
	Shares held in general account and credit account at the beginning of the period		Shares lent by refinancing at the beginning of the period and not yet returned		Shares held in general account and credit account at the end of the period		Shares lent by refinancing at the end of the period and not yet returned	
	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage
China Universal Asset Management Co., Ltd. – Social Security Fund 1103 Portfolio	0	0	0	0	5,230,600	0.32	84,600	0.0051
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	0	0	0	0	4,180,500	0.25	200,200	0.0121
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	0	0	0	0	3,234,500	0.20	795,400	0.0480

Section VII Change of Ordinary Shares and Shareholders

The top ten shareholders changed compared with the previous period

Unit: shares

Name of shareholder (full name)	Changes of the top ten shareholders as compared with the end of last year				
	Additions/ cessations during the Reporting Period	Number of shares lent by refinancing at the end of the period and not yet returned		Number of outstanding shares held by shareholders' general accounts, credit accounts and refinancing loans at the end of the period	
		Total amount	Percentage	Total amount	Percentage
China Universal Asset Management Co., Ltd. – Social Security Fund 1103 Portfolio	Addition	84,600	0.0051	5,230,600	0.32
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	Addition	200,200	0.0121	4,180,500	0.25
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	Addition	795,400	0.0480	3,234,500	0.20
China Life Insurance Company Limited – Traditional-General Insurance Products-005L-CT001 Shanghai	Addition	0	0	4,280,000	0.26
New China Life Insurance Company Limited – Dividends-Group Dividends-018L-FH001 Shanghai	Addition	0	0	3,250,100	0.20
Qingdao Liben Private Fund Management Partnership (Limited Partnership) – Liben Growth No.2 Private Securities Investment Fund	Cessation	0	0	–	–
Bank of China Limited – Harvest Logistics Industry Equity Securities Investment Fund	Cessation	0	0	–	–
Everbright Securities Co., Ltd.	Cessation	0	0	2,198,827	0.13
China Minsheng Banking Corp., Ltd. – Harvest New Wealth Flexible Allocation Hybrid Securities Investment Fund	Cessation	0	0	–	–
Beijing yuanfeng Private Equity Fund Management Partnership (Limited Partnership) – yuanfeng Value Private Equity Fund	Cessation	0	0	–	–

Remarks: Qingdao Liben Private Fund Management Partnership (Limited Partnership) – Liben Growth No. 2 Private Securities Investment Fund, Bank of China Limited – Harvest Logistics Industry Equity Securities Investment Fund, China Minsheng Banking Corp., Ltd. – Harvest New Wealth Flexible Allocation Mixed Securities Investment Fund, Beijing yuanfeng Private Equity Fund Management Partnership (Limited Partnership) – yuanfeng Value Private Equity Securities Investment Fund is not among the top 200 companies in the general account and credit account at the end of the period.

Number of shares held by the top ten shareholders with selling restrictions and selling restrictions

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

(III) Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares.

Applicable Not applicable

(IV) Persons with discloseable interests or short positions under Divisions 2 and 3 of Part XV of the SFO

As at 31 December 2023, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons (other than Directors, Supervisors and chief executives of the Company) who, directly or indirectly, were interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the SEHK under the provisions of section 336 of Part XV of the SFO are as follows:

Name of shareholder	Identity	Number of shares	Class of Shares	Proportion to H shares	Whether pledged or frozen
China Merchants Highway Network Technology Holdings Co., Ltd	Interest of corporation under control	92,396,000 (long position)	H shares	18.74%	Pledge
HSBC Holdings plc	Interest of corporation under control	98,525,221 (long position)	H shares	19.98%	Don't know
		99,825,933 (short position)		20.25%	

Name of shareholder	Identity	Number of shares	Class of Shares	Proportion of A shares	Whether pledged or frozen
Anhui Transportation Holding Group Co., Ltd.	Beneficial owner	524,644,220	A shares	45.01%	No
China Merchants Highway Network Technology Holdings Co., Ltd	Beneficial owner	404,191,501	A shares	34.68%	No

Note: Save as disclosed in this report, as at 31 December 2023, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2023 as shown in the register required to be kept under section 336 of Part XV of the SFO.

Section VII Change of Ordinary Shares and Shareholders

IV. CONTROLLING SHAREHOLDERS AND EFFECTIVE CONTROLLERS

(I) Information about the controlling shareholder

1 Legal Person

Name	Anhui Transportation Holding Group Co., Ltd.
Person in charge of the unit or legal representative	Xiang Xiaolong
Date of establishment	27 April 1993
Main business	Highway and related infrastructure construction, supervision, inspection, design, construction, technical consultation and services; investment and asset management; real estate development and operation; road transportation; logistics services; operation and management of service areas along the expressway; toll collection, maintenance, road property right protection and other operation management; Advertising production and release.
Shareholdings of other domestic and overseas listed companies controlled and participated in during the reporting period	As at the end of the reporting period, Anhui Transportation Holding Group directly and indirectly held 708,649,600 shares in Huishang Bank, representing 5.10% of its total shares, and directly held 265,238,400 shares in Anhui General Institute of Communications Planning and Design, representing 47.28% of its total shares. It indirectly holds 161,628,200 shares in Huan Securities, representing 3.44% of its total shares.
Other information	

2 Natural person
 Applicable Not applicable

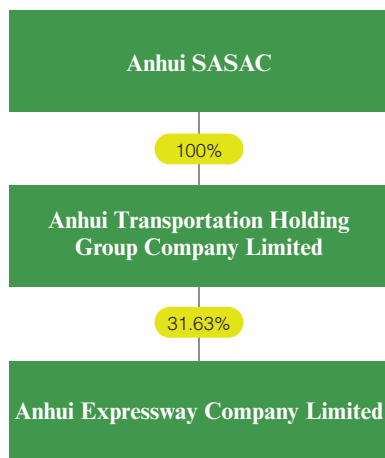
3 Special statement that the Company has no controlling shareholder
 Applicable Not applicable

4 Explanation of the change of the controlling shareholder during the Reporting Period
 Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

5 Block diagram of the ownership and control relationship between the Company and the controlling shareholder

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



(II) Information of effective controller

1 Legal Person

Name	State-owned Assets Supervision and Administration Commission of Anhui Province
------	--

Person in charge of the unit or legal representative
 Date of establishment
 Main business
 Shareholdings of other domestic and overseas listed companies controlled and participated in during the Reporting Period
 Other information notes

2 Natural person

Applicable Not applicable

3 Special statement that there is no effective controller in the Company

Applicable Not applicable

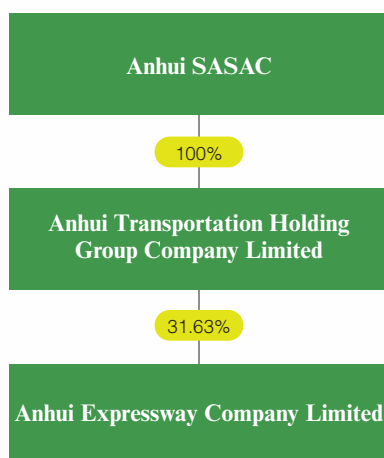
Section VII Change of Ordinary Shares and Shareholders

4 Explanation of the change of the control of the Company during the Reporting Period

Applicable Not applicable

5 Block diagram of the property right and control relationship between the Company and the effective controller

The controlling shareholder of the Company – Anhui Transportation Holding Group Company Limited is a state-owned Company and is under the control of Anhui SASAC.



6 The effective controller controls the Company through trust or other asset management methods

Applicable Not applicable

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

Applicable Not applicable

Section VII Change of Ordinary Shares and Shareholders

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

Applicable Not applicable

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

Unit: '00,000,000 Currency: RMB

Name of legal person shareholder	Person in charge of the unit or legal representative	Date of establishment	Organization Code	Registered capital	Main business or management activities, etc.
China Merchants Highway Network Technology Holdings Co., Ltd	Bai Jingtao	18 December 1993	91110000101717000C	61.78	General operation projects: investment, development, construction and operation management of roads, bridges, wharves, harbors and sea lanes; investment management; development and research of new technologies, new products and new materials for transportation infrastructure facilities and sale of products; sales of building materials, mechanical and electrical equipment, automobiles (other than sedans) and fittings, metal and daily necessities; economic information consultation and talent training. (Businesses that must be approved according to law can only be carried out after being approved by relevant departments)

Information note

Section VII Change of Ordinary Shares and Shareholders

VII. EXPLANATION ON THE RESTRICTION ON REDUCING SHARES

Applicable Not applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

Applicable Not applicable

IX. CONVERTIBLE SECURITIES

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

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

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

XI. SUFFICIENCY OF PUBLIC FLOAT

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

Section VIII Report of the Supervisory Committee

In 2023, the Supervisory Committee have strictly complied with the requirements of the Company Law, the Articles of Association of the Company and the Rules of Procedures of Supervisory Committee, performed its duties prudently and exercised its authority according to law in order to ensure the regular operation of the Company and to protect the interests of the shareholders and the Company.

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

I. CONVENING OF MEETINGS OF THE SUPERVISORY COMMITTEE

In 2023, the Supervisory Committee held 10 meetings, the notice, convening and resolutions of which were in accordance with the statutory procedures and the Articles of Association. The Supervisors attended 14 Board meetings and 2 general meetings. During the Reporting Period, there was no matters in which the Supervisor representative of the Company negotiates with or sues the Directors.

II. CHANGES IN SUPERVISORY COMMITTEE

During the Reporting Period, there were no change of the supervisors of the Company.

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

In order to further improve the corporate governance structure and enhance the corporate governance level, the Company has proposed the Rules of Procedures of Supervisory Committee according to the requirements of laws, regulations and normative documents such as the Compliance Management Measures of Anhui Provincial Enterprises (Anhui State-owned Assets Regulation (2023) No. 103) and the actual situation of the company. the Rules of Procedures of Supervisory Committee has been reviewed and passed at the 30th meeting of the ninth Supervisory Committee of the Company and will come into effect after the review and adoption at the Company's general meeting.

Section VIII Report of the Supervisory Committee

IV. SUPERVISORY OPINIONS ISSUED BY THE SUPERVISORY BOARD IN 2023

In 2023, the Supervisory Committee conducted supervision and inspection on important matters such as the regular reports reviewed by the board of directors and the general meeting, and the management of internal control standards. The Supervisory Committee expressed opinions on the following issues:

1. Compliance with laws in operation

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

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

2. Financial condition of the Group

During the Reporting Period, the Supervisory Committee conscientiously performs its function of financial inspection and inspected and supervised the implementation of the Company's financial system and business activities review. The Supervisory Committee carefully examined the 2023 consolidated financial statements prepared by the Company and considered that the financial statements accurately reflected the financial situation, operation results and cash-flows of the Group in 2023 in compliance with the provision of the relevant laws, regulations and the Articles of Association.

3. Related party transactions of the Group

The Supervisory Committee reviewed all related party transactions of the Company during the year and forms the opinion that all daily related party transactions in the year were approved and performed in strict accordance with the legal procedures. Directors associated with the relevant transactions abstained from voting. The actual transaction amount of the daily related party transaction in 2023 was within the approved limit. The aforesaid related party transactions are normal operational business of the Company out of production and operational needs. The prices of the related party transactions were fair, reasonable and the transactional approval procedures were in compliance with the law and regulations. The transaction price reflects the principle of equitability and fairness. No act which is damaging to the interests of the Company and shareholders was reported.

In 2023, the Supervisory Committee of the Company reviewed and approved the proposal on "Related matters relating to the issuance of shares and the payment of cash for the purchase of assets and the raising of matching funds and related party transactions". The Supervisory Committee is of the view that the acquisition of 100% equity of Liuwu Company is conducive to increasing the Company's control over the national high-quality expressway, and further improving its asset scale and sustainable development ability. The relevant transaction followed the principle of equal consultation, the price was fair, and did not harm the interests of the Company and all shareholders.

Section VIII Report of the Supervisory Committee

4. Self-evaluation report on internal control

The Supervisory Committee has conscientiously reviewed the “Self-evaluation Report on the Internal Control in 2023” issued by the Board and is of the view that: The internal control system of the Company was sound and its implementation was effective, complied with the requirements of relevant national laws and regulations, complied with the regulatory requirements of the securities regulatory authorities on the management of the internal control system of listed companies and the actual operation of the Company. The report gives an objective and fair view of the actual situation of the establishment, perfection and internal control of the Company. No significant defects with regard to the design and implementation of internal control system were observed.

V. HIGHLIGHTS FOR WORK IN 2024

In 2024, the supervisory committee of the Company will strictly follow the requirements of relevant laws, regulations, and rules and regulations, further strengthen its supervisory functions, fulfill its duties, continue to promote the improvement of the Company’s corporate governance structure and the standardization of management, and earnestly safeguard the legitimate rights and interests of the Company and its shareholders.

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

Cheng Xijie

Chairman of the Supervisory Committee

Hefei, Anhui, the PRC
28 March 2024

Independent Auditor's Report

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)



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

OPINION

We have audited the consolidated financial statements of Anhui Expressway Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 165 to 254, which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

Independent Auditor's Report

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

Key audit matter

How our audit addressed the key audit matter

Accounting treatments for concession intangible assets

As at 31 December 2023, total concession intangible assets recorded in the consolidated financial statements of the Group amounted to approximately RMB15,024,602,000, which accounted for approximately 69% of the Group's total assets.

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

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

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

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

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

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

Independent Auditor's Report

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

*For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)*

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

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

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

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

Ernst & Young

Certified Public Accountants

Hong Kong

28 March 2024

Consolidated Income Statement

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2023 RMB'000	2022 RMB'000
REVENUE	5	6,631,337	5,206,366
Cost of sales		(4,037,700)	(2,984,195)
Gross profit		2,593,637	2,222,171
Other income and gains – net	5	59,191	134,869
Administrative expenses		(183,578)	(162,308)
Net impairment losses on financial assets		(393)	(126)
Operating profit		2,468,857	2,194,606
Finance costs	7	(213,627)	(226,521)
Share of gain of associates		8,596	9,733
PROFIT BEFORE INCOME TAX	6	2,263,826	1,977,818
Income tax expense	10	(587,659)	(562,194)
PROFIT FOR THE YEAR		1,676,167	1,415,624
Attributable to:			
Owners of the Company		1,657,726	1,445,457
Non-controlling interests		18,441	(29,833)
		1,676,167	1,415,624
Basic and diluted earnings per share (expressed in RMB per share)	12	0.9995	0.8715

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

	Note	2023 RMB'000	2022 RMB'000
Profit for the year		1,676,167	1,415,624
Other comprehensive (loss)/income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in value of financial assets at fair value through other comprehensive income (“FVOCI”), net of tax	21	(15,594)	278
Total comprehensive income for the year		1,660,573	1,415,902
Attributable to:			
Owners of the Company		1,642,132	1,445,735
Non-controlling interests		18,441	(29,833)
		1,660,573	1,415,902

Consolidated Balance Sheet

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2023 RMB'000	2022 RMB'000
ASSETS			
NON-CURRENT ASSETS			
Concession intangible assets	13	15,024,602	13,497,875
Right-of-use assets	14	56,633	6,045
Property, plant and equipment	15	1,208,764	1,216,473
Investment properties	16	296,972	352,289
Intangible assets	17	634	5,679
Investment in associates	19	155,221	146,625
Deferred tax assets	33	83,021	79,512
Financial assets at fair value through profit or loss ("FVPL")	20	678,660	711,599
Financial assets at fair value through other comprehensive income	21	4,850	115,509
Total non-current assets		17,509,357	16,131,606
CURRENT ASSETS			
Inventories	22	4,458	4,706
Receivables and prepayments	23	457,629	537,733
Time deposits with original maturity over three months	24	2,842,728	1,767,673
Cash and cash equivalents	24	962,380	2,903,848
Total current assets		4,267,195	5,213,960
TOTAL ASSETS		21,776,552	21,345,566
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	25	1,658,610	1,658,610
Share premium		1,415,593	1,415,593
Other reserves	26	(649,724)	(727,940)
Retained earnings		10,263,570	9,611,890
		12,688,049	11,958,153
Non-controlling interests		1,457,242	1,579,019
Total equity		14,145,291	13,537,172

Consolidated Balance Sheet

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

	<i>Notes</i>	2023 RMB'000	2022 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Long-term payables	28	77,560	77,560
Borrowings	29	5,959,721	6,201,986
Deferred tax liabilities	33	32,528	36,798
Deferred income	30	100,922	113,853
Total non-current liabilities		6,170,731	6,430,197
CURRENT LIABILITIES			
Trade and other payables	31	842,815	835,269
Current income tax liabilities		38,423	30,160
Provision	32	61,606	71,005
Borrowings	29	517,686	441,763
Total current liabilities		1,460,530	1,378,197
Total liabilities		7,631,261	7,808,394
TOTAL EQUITY AND LIABILITIES		21,776,552	21,345,566

Xiang Xiaolong
Director

Chen Jiping
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

	Notes	Attributable to owners of the Company				Non-controlling interests	Total
		Share capital	Share premium	Other reserves	Retained earnings		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022 and 1 January 2023		1,658,610	1,415,593	(727,940)	9,611,890	1,579,019	13,537,172
<i>Comprehensive income</i>							
Profit for the year		–	–	–	1,657,726	18,441	1,676,167
Other comprehensive loss:							
– Fair value loss on financial assets at FVOCI, net of tax	21	–	–	(15,594)	–	–	(15,594)
Total comprehensive (loss)/income for the year		–	–	(15,594)	1,657,726	18,441	1,660,573
Transactions with owners							
Dividends relating to 2022	11	–	–	–	(912,236)	–	(912,236)
Dividends paid to non-controlling interests of subsidiaries relating to 2022		–	–	–	–	(150,218)	(150,218)
Acquisition of non-controlling interests		–	–	–	–	10,000	10,000
Transfer of fair value reserve upon the disposal of equity investments at FVOCI		–	–	93,850	(93,850)	–	–
Others	26	–	–	(40)	40	–	–
As at 31 December 2023		1,658,610	1,415,593	(649,724)	10,263,570	1,457,242	14,145,291
At 31 December 2021 and 1 January 2022		1,658,610	1,415,593	(728,178)	9,078,629	555,169	11,979,823
<i>Comprehensive income</i>							
Profit for the year		–	–	–	1,445,457	(29,833)	1,415,624
Other comprehensive income:							
– Fair value loss on financial assets at FVOCI, net of tax	21	–	–	278	–	–	278
Total comprehensive income/(loss) for the year		–	–	278	1,445,457	(29,833)	1,415,902
Transactions with owners							
Dividends relating to 2021	11	–	–	–	(912,236)	–	(912,236)
Dividends paid to non-controlling interests of subsidiaries relating to 2021		–	–	–	–	(201,246)	(201,246)
Acquisition of non-controlling interests		–	–	–	–	1,050,841	1,050,841
Debt conversion	34	–	–	–	–	228,717	228,717
Dissolution of Hefei Wan Tong Pawn Co., Ltd. (“Wantong Pawn”)		–	–	–	–	(24,629)	(24,629)
Others	26	–	–	(40)	40	–	–
As at 31 December 2022		1,658,610	1,415,593	(727,940)	9,611,890	1,579,019	13,537,172

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

	Notes	2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash generated from operations	34	3,217,802	2,644,756
Interest paid		(233,356)	(240,583)
Income tax paid		(584,371)	(724,638)
Net cash generated from operating activities		2,400,075	1,679,535
Cash flows from investing activities			
Purchases of property, plant and equipment		(116,330)	(175,549)
Additions of intangible assets		(292)	(1,149)
Additions of concession intangible assets		(1,947,206)	(1,139,285)
Additions of right-of-use assets		(52,668)	–
Net increase in time deposits		(1,076,931)	(840,000)
Purchases of financial assets at FVPL		(213,133)	(1,339,649)
Proceeds from disposal of financial assets at FVOCI	39	89,867	–
Proceeds from disposal of financial assets at FVPL	39	137,317	932,875
Proceeds from disposal of property, plant and equipment		3,779	13,440
Interest received		28,254	50,954
Dividends received from associates	19	7,480	8,005
Dividends received from financial assets at FVPL	20	42,347	19,924
Dividends received from financial assets at FVOCI		–	10,809
Net cash used in investing activities		(3,097,516)	(2,459,625)
Cash flows from financing activities			
Proceeds from bank borrowings	34	480,000	1,993,000
Repayments of bank borrowings	34	(652,067)	(415,807)
Repayments of long-term payables	28	(19,500)	(68,848)
Capital injection by non-controlling interests		10,000	1,050,841
Dividends paid to non-controlling interests		(150,218)	(201,246)
Dividends paid to the Company's shareholders	11	(912,236)	(912,236)
Dissolution of Wantong Pawn		–	(16,849)
Acquisition of a subsidiary under common control		–	(1,105,000)
Net cash (used in)/generated from financing activities		(1,244,021)	323,855
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		2,903,848	3,359,918
Exchange (losses)/gains on cash and cash equivalents		(6)	165
Cash and cash equivalents at end of the year		962,380	2,903,848

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

1. GENERAL INFORMATION

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

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

These consolidated financial statements are presented in thousand of Renminbi (“RMB’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors on 28 March 2024.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

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

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

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

2.2 Changes in Accounting Policies and Disclosures

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

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies and Disclosures (Continued)

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

- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendment prospectively from 1 January 2022. As there was no leases and decommissioning obligations during the year, the amendment did not have any impact on the financial position or performance of the Group.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ¹
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{1, 4}
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ^{1, 4}
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i> ¹
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ²

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

2 Effective for annual periods beginning on or after 1 January 2025

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

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

Notes to the Consolidated Financial Statements

*For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)*

2. ACCOUNTING POLICIES (Continued)

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

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

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

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

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

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Material Accounting Policies

Investment in associates

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

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

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

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

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

Notes to the Consolidated Financial Statements

*For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)*

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Fair value measurement (Continued)

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

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

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

Impairment of non-financial assets

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

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

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

Notes to the Consolidated Financial Statements

*For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)*

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Related parties

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

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

or

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.11% to 19.4%
Safety, communication and signalling equipment	9.7%
Toll stations and ancillary equipment	13.9%
Motor vehicles	10.8%
Other machinery and equipment	10.8% to 16.2%

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

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

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investment properties

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

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

Intangible assets (other than goodwill)

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

Service concession arrangements

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Service concession arrangements (Continued)

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

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

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

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

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

Software

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

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

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

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

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

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

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

Financial assets at fair value through profit or loss

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

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For the year ended 31 December 2023
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2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Impairment of financial assets (Continued)

General approach

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Impairment of financial assets (Continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

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

The Group's financial liabilities include trade and other payables and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, and borrowings)

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Provisions (Continued)

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

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

Income tax

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

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

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

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

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

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For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax (Continued)

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Toll income from toll road operation*

Toll income from toll road operation is recognised when the vehicles is passing through and the Group receives the payment or has the right to receive payment.

(b) *Revenue from construction and upgrade work under the Service Concessions*

For participation in public infrastructure construction business in the form of Public-Private Partnership (“PPP”) arrangements, the Group accounts for the construction phase of the project in accordance with HKFRS 15 to determine the Group’s status as the principal versus agent. The revenue is recognised over time and a contractual asset is recognised. The Group recognises the amount of consideration, or the amount of construction revenue recognised for the relevant PPP project assets, less the amount of identifiable cash (or other financial assets) that have right to receive as an intangible asset, and the contractual assets recognised during the relevant construction period are presented in the balance sheet under “Concession intangible assets”. The progress towards complete satisfaction of the performance obligation for each contract is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(c) Service income

Service income is recognised when the service has been rendered.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Operating lease rental income is recognised on a straight-line basis over the lease period.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Notes to the Consolidated Financial Statements

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(All amounts in Renminbi thousand unless otherwise stated)

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Employee benefits

Defined contribution pension schemes

Each company of the Group contributes on a monthly basis to defined contribution pension schemes in the PRC based on a percentage of the relevant employee's monthly salaries. The Group's contributions to defined contributions pension schemes are charged to profit or loss as they become payable to the schemes. The Group has no legal or constructive obligations to pay further contributions even if the schemes do not hold sufficient assets to pay all employees the benefits relating to employee in the current and prior periods.

As stipulated by the laws and regulations in the PRC, the Group contributes to the state-sponsored retirement schemes for its employee in the PRC (i.e., pension insurance). The Group's employees make monthly contributions to the schemes at approximately 8% of the relevant income (comprising wages, salaries and bonuses), and the Group contributes 16% of such relevant income since May 2019, subject to certain ceiling. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

In addition to the government-sponsored defined contribution pension schemes, the Group operates an additional employee pension scheme. All employees are entitled to an additional pension each year aggregating to 8% of the previous year's salaries.

Housing fund

According to the relevant rules and regulations of the Anhui Province, the Group and its employees are each required to make contributions, which are in proportion to the employees' salaries or wages of the prior year, to a housing fund. Contributions to a housing fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Notes to the Consolidated Financial Statements

*For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)*

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of amortisation periods of concession intangible assets

The Group amortises the concession intangible assets using the straight-line method over the concession periods granted. The concession periods are approved by the Grantor therefore the Group does not have renewal or termination option for the concession periods. For those toll roads without formal concession period granted, the Group's management determines the estimated granted concession periods based on the historical experience.

If the Grantor requires to extend or shorten the concession periods, management will revise the amortisation charges which are different to previously calculated, or recognise an impairment loss, if any.

4. OPERATING SEGMENT INFORMATION

The Group's revenue and contribution to the consolidated results are mainly derived from the management and operation of expressways, which is regarded as a single reportable segment. Segment performance reported internally to the Group's directors for the purposes of resource arrangement and performance assessment is consistent with the measurement of the Group's revenue and results presented in the consolidated income statement and the consolidated statement of other comprehensive income. In addition, all of the Group's operations are located in Mainland China. Accordingly, no operating segment information is presented, other than the entity-wide disclosures.

Entity-wide disclosures

Geographical information

All of the Group's external revenue is derived from customers based in Mainland China, and all of the non-current assets of the Group are located in Mainland China. Accordingly, no further geographical information is presented.

Information about major customers

During the years ended 31 December 2023 and 2022, no revenue derived from a single customer accounted for 10% or more of the Group's total revenue.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023 RMB'000	2022 RMB'000
Toll income from toll roads operation	4,041,761	3,676,379
Service income from management of toll roads	14,992	11,675
Revenue from construction or upgrade work under Service Concessions	2,475,491	1,417,554
Rental income	72,924	60,407
– from toll gas stations (a)	38,870	32,392
– from toll road service sectors (b)	12,963	10,125
– from other investment properties	21,091	17,890
Service income from road emergency assistance	25,977	38,332
Others	192	2,019
	6,631,337	5,206,366

- (a) Pursuant to a lease agreement with Anhui Expressway Petrochemical Co., Ltd. (“安徽省高速石化有限公司”, “AEPC”), a subsidiary of Anhui Transportation Holding Group Co., Ltd. (“安徽省交通控股集團有限公司”, “ATHC”), the Company’s gas stations were leased to AEPC at an annual rental fee of RMB27,355 thousand. The lease period is from 1 January 2023 to 31 December 2025.

Pursuant to a lease agreement entered by AEPC and Anhui Ningxuanhang Expressway Investment Company Limited (“安徽省寧宣杭高速公路投資有限公司”, “Ningxuanhang”), Ningxuanhang’s gas stations were leased to AEPC at an annual rental fee of RMB2,278 thousand. The lease period ended on 31 December 2023 and the lease was renewed until 31 December 2027 at an annual rental fee of RMB4,555 thousand.

Pursuant to a lease agreement entered by AEPC and Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company (“安徽省安慶長江公路大橋有限責任公司”, “AQDQ”), AQDQ’s gas stations were leased to AEPC at an annual rental fee of RMB1,492 thousand. The lease period is from 1 January 2016 to 30 December 2045.

- (b) Pursuant to a lease agreement with Anhui Yida Toll Road Service Sector Management Co., Ltd. (“安徽省驛達高速公路服務區經營管理有限公司”, “YTMC”), a subsidiary of ATHC, the Company’s toll road service sectors were leased to YTMC at an annual rental fee of RMB9,092 thousand. The lease period lasts until 30 April 2025.

Pursuant to a lease agreement entered by YTMC and Xuancheng Guangci Expressway Co., Ltd. (“宣城市廣祠高速公路有限責任公司”, “Guangci”), Guangci’s toll road service sectors were leased to YTMC at an annual rental fee of RMB1,714 thousand. The lease period is from 1 August 2009 to 20 July 2029.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

5. REVENUE, OTHER INCOME AND GAINS (Continued)

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Other income and gains – net		
Interest income	109,170	80,317
Dividend income (<i>Notes 19, 20 and 21</i>)	49,827	28,359
Government grants relating to profits	487	1,389
Amortisation of government grants relating to assets (<i>Note 30</i>)	12,930	14,600
Fair value (losses)/gains on financial assets at FVPL (<i>Note 20</i>)	(108,755)	614
Net (losses)/gains from disposal of property, plant and equipment	(6,431)	148
Net (losses)/gains from disposal of concession intangible assets	(240)	8,286
Others	2,203	1,156
Other income and gains	59,191	134,869

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

6. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging/(crediting):

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Costs for outsourced construction or upgrade work under the Service Concessions		2,475,491	1,417,554
Repair and maintenance expenses		201,103	193,705
Taxes and surcharges		26,284	30,172
Auditor's remuneration		3,380	1,980
Employee benefit expense including directors' and chief executive's remuneration:			
Wages, salaries and allowances, social security and benefits		386,675	371,759
Defined contribution pension schemes		60,025	58,522
		446,700	430,281
Depreciation in respect of:			
– property, plant and equipment	<i>15</i>	149,481	165,537
– investment properties	<i>16</i>	16,191	17,950
Amortisation in respect of:			
– concession intangible assets	<i>13</i>	751,414	749,586
– right-of-use assets	<i>14</i>	2,080	763
– intangible assets	<i>17</i>	5,337	11,521
Net losses/(gains) from disposal of property, plant and equipment	<i>5</i>	6,431	(148)
Net losses/(gains) from disposal of concession intangible assets	<i>5</i>	240	(8,286)
Net impairment losses on financial assets		393	126
Foreign exchange differences, net		919	(2,051)
Finance costs	<i>7</i>	213,627	226,521
Interest income	<i>5</i>	(109,170)	(80,317)
Dividend income from financial assets at FVPL	<i>20</i>	(42,347)	(19,925)
Dividend income from equity investments at FVOCI	<i>21</i>	–	(429)
Fair value gains from financial assets at FVPL	<i>20</i>	108,755	(614)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

(All amounts in Renminbi thousand unless otherwise stated)

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest expenses of borrowings	230,254	214,432
Interest expenses of long-term payables	8,680	18,506
Less: Capitalised interest expenses	25,307	6,417
	213,627	226,521

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Fees	280	280
Other emoluments:		
Salaries, allowances, and benefits in kind	5,154	4,281
Defined contribution pension schemes	780	792
	6,214	5,353

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
(All amounts in Renminbi thousand unless otherwise stated)

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

The names of the directors and supervisors and their remuneration during the year are as follows:

	Notes	Fees RMB'000	Salaries RMB'000	Contribution to retirement benefit scheme RMB'000	Discretionary bonus and other benefits RMB'000	Total RMB'000
2023						
<i>Executive directors:</i>						
Mr. Xiang Xiaolong		–	–	–	–	–
Mr. Yang Xiaoguang (resigned)	<i>i</i>	–	–	–	–	–
Mr. Tao Wensheng (resigned)	<i>i</i>	–	603	75	–	678
Mr. Chen Jiping		–	554	88	–	642
<i>Non-executive directors:</i>						
Mr. Du Jian		–	–	–	–	–
Mr. Yang Xudong		–	–	–	–	–
<i>Supervisors:</i>						
Mr. Cheng Xijie		–	558	77	–	635
Ms. Li Huairu		–	554	80	–	634
Mr. Jiang Yue		–	–	–	–	–
<i>Chief executives:</i>						
Mr. Wang Xiaowen	<i>ii</i>	–	63	21	–	84
Ms. Deng Ping (resigned)	<i>i</i>	–	554	83	–	637
Mr. Ling Lang		–	544	82	–	626
Mr. Zhang Jinlin	<i>ii</i>	–	42	14	–	56
Mr. Wu Changming		–	554	84	–	638
Mr. Huang Yu		–	549	82	–	631
Mr. Zhang Xianxiang		–	558	81	–	639
Mr. Wu Jianmin	<i>ii</i>	–	21	13	–	34
<i>Independent non-executive directors:</i>						
Mr. Liu Hao		80	–	–	–	80
Mr. Zhang Jianping		80	–	–	–	80
Ms. Fang Fang		120	–	–	–	120
		280	5,154	780	–	6,214

Notes:

- (i) Mr. Yang Xiaoguang and Mr. Tao Wensheng resigned on 28 September 2023. Ms. Deng Ping resigned on 21 November 2023.
- (ii) Mr. Wang Xiaowen, Mr. Zhang Jinlin and Mr. Wu Jianmin were appointed as chief executives on 28 September 2023, 21 November 2023 and 21 November 2023, respectively.

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For the year ended 31 December 2023

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8. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

The names of the directors and supervisors and their remuneration during the year are as follows: (continued)

	Notes	Fees RMB'000	Salaries RMB'000	Contribution to retirement benefit scheme RMB'000	Discretionary bonus and other benefits RMB'000	Total RMB'000
2022						
<i>Executive directors:</i>						
Mr. Xiang Xiaolong		–	–	–	–	–
Mr. Yang Xiaoguang		–	–	–	–	–
Mr. Chen Jiping		–	506	88	–	594
Mr. Tao Wensheng	<i>iii</i>	–	405	97	–	502
<i>Non-executive directors:</i>						
Mr. Yang Xudong		–	–	–	–	–
Mr. Du Jian		–	–	–	–	–
<i>Supervisors:</i>						
Mr. Cheng Xijie		–	–	–	–	–
Mr. Wu Changming (resigned)	<i>i</i>	–	–	–	–	–
Mr. Jiang Yue		–	–	–	–	–
Ms. Li Huairu	<i>i</i>	–	252	74	–	326
<i>Chief executives:</i>						
Mr. Li Huimin (resigned)	<i>ii</i>	–	506	88	–	594
Ms. Deng Ping		–	512	82	–	594
Ms. Dong Huihui (resigned)	<i>ii</i>	–	523	79	–	602
Mr. Huang Yu		–	514	81	–	595
Mr. Zhang Xianxiang		–	431	74	–	505
Mr. Xie Xinyu (resigned)	<i>ii</i>	–	–	–	–	–
Mr. Wu Changming	<i>ii</i>	–	506	83	–	589
Mr. Ling Lang	<i>ii</i>	–	126	46	–	172
<i>Independent non-executive directors:</i>						
Mr. Liu Hao		80	–	–	–	80
Mr. Zhang Jianping		80	–	–	–	80
Ms. Fang Fang		120	–	–	–	120
		280	4,281	792	–	5,353

Notes:

- (i) Ms. Li Huairu was appointed as a supervisor on 5 January 2022. Mr. Wu Changming resigned on 5 January 2022.
- (ii) Mr. Wu Changming and Mr. Ling Lang were appointed as chief executives on 20 January and 11 August 2022. Mr. Li Huimin resigned on 11 June 2022. Mr. Xie Xinyu and Ms. Dong Huihui resigned on 30 June 2022.
- (iii) In 2022, Mr. Tao Wensheng also acted as the chief executive of the Company.

Notes to the Consolidated Financial Statements

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8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

Those directors and supervisors who did not receive any remuneration from the Group during 2023 and 2022 have positions in the Company's two largest shareholders (ATHC and China Merchants Expressway Network Technology Holdings Co., Ltd. ("ENTH")) that borne all of their remuneration and did not recharge any amount to the Group. Save as disclosed above, there was no arrangement under which a director or supervisor has waived or agreed to waive any emoluments.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group for 2023 include two executive directors and three chief executives (2022: one executive director and four chief executives), whose emoluments are shown in Note 8.

10. INCOME TAX

The amount of taxation charged to the consolidated income statement represents:

	2023 RMB'000	2022 RMB'000
Current taxation – CIT (a)	621,523	538,974
Deferred taxation charged to the consolidated income statement (Note 33)	(33,864)	23,220
	587,659	562,194

(a) Hong Kong profits tax and the PRC Corporate Income Tax ("CIT")

The Company and its subsidiaries determine and pay the PRC CIT in accordance with the CIT Law as approved by the National People's Congress on 16 March 2007. Under the CIT Law, the CIT rate applicable to the Company and its subsidiaries (except for Anhui Expressway (H.K.) Limited ("安徽皖通高速公路股份(香港)有限公司", "AEHK")) is 25%. The CIT rate applicable to AEHK is 16.5%.

(b) Withholding tax ("WHT") for dividend paid to foreign investors

Pursuant to the PRC CIT Law, a 10% WHT is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower WHT rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group has fulfilled the obligation of WHT in 2023 for dividends related to 2022 which was paid to foreign shareholders.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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10. INCOME TAX (Continued)

- (c) A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2023 RMB'000	2022 RMB'000
Profit before tax	2,263,826	1,977,818
Tax at the statutory tax rate at 25%	565,956	494,455
Effect of different tax rate of a subsidiary Operating	(3)	(6)
Expenses not deductible for tax purpose	1,646	1,522
Income not subject to tax	(14,606)	(4,542)
Deductible temporary differences not recognised as deferred tax assets during the year	–	309
Utilisation of previously unrecognised deductible temporary differences	(1,041)	(13,146)
Tax losses not recognised as deferred tax assets during the year	47,090	91,603
Others	(11,383)	(8,001)
Tax charge at the Group's effective tax rate	587,659	562,194

11. DIVIDENDS

The dividends paid during the years ended 31 December 2023 and 2022 were RMB912,236 thousand (RMB0.55 per share) and RMB912,236 thousand (RMB0.55 per share) respectively. A final dividend for the year 2023 of RMB0.601 per share, amounting to a total dividend of RMB996,825 thousand was proposed at the board of directors on 28 March 2024. These consolidated financial statements do not reflect this proposed final dividend payable and the amount of which is as below:

	2023 RMB'000	2022 RMB'000
Final dividend of RMB0.55 (2022: RMB0.55) per ordinary share approved and paid during the year	912,236	912,236

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023
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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,658,610,000 (2022: 1,658,610,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

	2023	2022
Profit attributable to equity holders of the Company (RMB'000)	1,657,726	1,445,457
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic and diluted earnings per share (expressed in RMB per share)	0.9995	0.8715

13. CONCESSION INTANGIBLE ASSETS

	2023 RMB'000	2022 RMB'000
Cost	26,653,151	24,375,450
Accumulated amortisation	(11,628,549)	(10,877,575)
Net book amount	15,024,602	13,497,875

	2023 RMB'000	2022 RMB'000
Opening net book amount	13,497,875	13,207,681
Additions	2,278,381	1,025,660
Transfer in from property, plant and equipment (Note 15)	–	16,887
Disposals	(240)	(2,767)
Amortisation charges (Note 6)	(751,414)	(749,586)
Closing net book amount	15,024,602	13,497,875

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13. CONCESSION INTANGIBLE ASSETS (Continued)

In February 2022, Anhui Guang Xuan Expressway Company Limited (“安徽省廣宣高速公路有限責任公司”，“Guang Xuan”) entered into a “PPP” arrangement with Xuancheng Transportation Bureau, pursuant to which the total investment amount was agreed to be RMB13.778 billion, with a three-year construction period and a 30 year operation period. Guang Xuan is responsible for the construction, operation and transfers of the project, and entitled to the concession right of the underlying expressway during the project period. Xuancheng Transportation Bureau and the local government have obligations to make investments of RMB1.379 billion (subject to final approval) and RMB300 million to the project, respectively. In 2023, Xuancheng Transportation Bureau paid RMB700 million for the project on behalf of Guang Xuan relating to above government investment. The concession intangible assets of the Group of RMB3,267,743 thousand are still under construction at 31 December 2023. In line with above transaction, the Group recognised an investment cash outflow of RMB1,872,990 thousand relating to the construction costs of the project for the year ended 31 December 2023.

Borrowing costs of RMB24,962 thousand have been capitalised in 2023 (2022: RMB6,418 thousand).

As at 31 December 2023, land use right certificates for one toll station in Guangde and the expansion part of Guangde to Xuancheng Expressway have not yet been obtained.

As at 31 December 2023, there was no indication of impairment of the Group’s intangible assets and no provision for impairment of intangible assets was required (31 December 2022: Nil).

14. RIGHT-OF-USE ASSETS

The Group’s right-of-use assets represented leasehold land, and its net book value is analysed as follows:

	2023 RMB'000	2022 RMB'000
Cost	74,707	22,039
Accumulated amortisation	(18,074)	(15,994)
Net book amount	56,633	6,045
Opening net book amount	6,045	6,808
Additions	52,668	–
Amortisation charges (Note 6)	(2,080)	(763)
Closing net book amount	56,633	6,045

All of the Group’s right-of-use assets are located in Anhui Province, the PRC and are held on lease terms of 30 years from the dates of acquisition, expiring in 2053.

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15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Safety, communication and signalling equipment RMB'000	Toll stations and ancillary equipment RMB'000	Motor vehicles RMB'000	Other machinery and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023							
At 1 January 2023:							
Cost	760,805	1,212,261	392,868	85,043	390,697	260,278	3,101,952
Accumulated depreciation	(305,189)	(914,054)	(263,068)	(66,878)	(336,290)	-	(1,885,479)
Net carrying amount	455,616	298,207	129,800	18,165	54,407	260,278	1,216,473
At 1 January 2023,							
Net of accumulated depreciation	455,616	298,207	129,800	18,165	54,407	260,278	1,216,473
Additions	-	1,409	4,112	4,302	3,909	104,101	117,833
Disposals	(7,602)	(1,145)	(478)	(279)	(705)	-	(10,209)
Depreciation provided during the year (Note 6)	(27,688)	(64,689)	(34,675)	(4,103)	(18,326)	-	(149,481)
Adjustment of cost	-	-	-	-	-	(4,978)	(4,978)
Transfers	121,249	71,470	17,988	-	20,474	(231,181)	-
Transfer from investment properties (Note 16)	39,124	2	-	-	-	-	39,126
At 31 December 2023,							
net of accumulated depreciation and impairment	580,699	305,254	116,747	18,085	59,759	128,220	1,208,764
At 31 December 2023:							
Cost	941,886	1,252,046	399,128	81,453	392,581	128,220	3,195,314
Accumulated depreciation and impairment	(361,187)	(946,792)	(282,381)	(63,368)	(332,822)	-	(1,986,550)
Net carrying amount	580,699	305,254	116,747	18,085	59,759	128,220	1,208,764

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15. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings <i>RMB'000</i>	Safety, communication and signalling equipment <i>RMB'000</i>	Toll stations and ancillary equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Other machinery and equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2022							
At 1 January 2022:							
Cost	739,261	1,187,728	360,043	81,122	383,281	226,941	2,978,376
Accumulated depreciation	(279,139)	(857,709)	(224,951)	(64,037)	(319,836)	–	(1,745,672)
Net carrying amount	460,122	330,019	135,092	17,085	63,445	226,941	1,232,704
At 1 January 2022,							
net of accumulated depreciation – and impairment	460,122	330,019	135,092	17,085	63,445	226,941	1,232,704
Additions	8,980	2,162	1,582	5,867	4,762	154,561	177,914
Disposals	–	(356)	(431)	(82)	(1,370)	–	(2,239)
Depreciation provided during the year (<i>Note 6</i>)	(26,050)	(61,621)	(54,936)	(4,705)	(18,225)	–	(165,537)
Adjustment of cost	4,712	(541)	2,129	–	(149)	–	6,151
Transfers	7,852	28,544	46,364	–	5,944	(88,704)	–
Transfer out to concession intangible assets (<i>Note 13</i>)	–	–	–	–	–	(16,887)	(16,887)
Transfer out to intangible assets (<i>Note 17</i>)	–	–	–	–	–	(15,633)	(15,633)
At 31 December 2022,							
net of accumulated depreciation and impairment	455,616	298,207	129,800	18,165	54,407	260,278	1,216,473
At 31 December 2022:							
Cost	760,805	1,212,261	392,868	85,043	390,697	260,278	3,101,952
Accumulated depreciation and impairment	(305,189)	(914,054)	(263,068)	(66,878)	(336,290)	–	(1,885,479)
Net carrying amount	455,616	298,207	129,800	18,165	54,407	260,278	1,216,473

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16. INVESTMENT PROPERTIES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Cost at 1 January, net of accumulated depreciation	352,289	370,239
Depreciation provided during the year (<i>Note 6</i>)	(16,191)	(17,950)
Transfer out to property, plant and equipment (<i>Note 15</i>)	(39,126)	–
Cost at 31 December, net of accumulated depreciation	296,972	352,289
At 31 December:		
Cost	560,217	632,722
Accumulated depreciation	(263,245)	(280,433)
Net carrying amount	296,972	352,289

The Group's investment properties are leased to other parties under operating leases to earn rental income, which are measured using the cost model and are classified and accounted for as investment properties.

Amounts recognised in consolidated income statement for investment properties:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Rental income (<i>Note 5</i>)	72,924	60,407
Direct operating expenses from property that generated rental income	(16,441)	(19,021)
	56,483	41,386

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17. INTANGIBLE ASSETS

	Acquired computer software licences <i>RMB'000</i>
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation	5,679
Additions	292
Amortisation provided during the year (<i>Note 6</i>)	(5,337)
At 31 December 2023	634
At 31 December 2023:	
Cost	49,735
Accumulated amortisation and impairment	(49,101)
Net carrying amount	634
31 December 2022	
Cost at 1 January 2022, net of accumulated amortisation	418
Additions	1,149
Transfer in from property, plant and equipment (<i>Note 15</i>)	15,633
Amortisation provided during the year (<i>Note 6</i>)	(11,521)
At 31 December 2022	5,679
At 31 December 2022:	
Cost	49,443
Accumulated amortisation and impairment	(43,764)
Net carrying amount	5,679

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18. SUBSIDIARIES

The following is a list of the subsidiaries at 31 December 2023:

Name	Place of establishment and kind of legal entity	Principal activities and place of operation	Paid in, issued and fully paid capital ('000)	Proportion of equity interest directly held by the Company and the Group (%)	Proportion of equity interest held by non-controlling interests (%)
Xuan Guang Expressway Company Limited ("宣廣高速公路有限責任公司", "Xuan Guang")	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB111,760	55.47	44.53
Ningxuanhang	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB300,000	51.00	49.00
Guangci	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB56,800	55.47	44.53
AEHK	Hong Kong, limited company	Management and operation of expressway outside Mainland China	HKD2,400	100.00	–
AQDQ	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB150,000	100.00	–
Guang Xuan	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB400,000	54.92	45.08

(a) Material non-controlling interests

	2023 RMB'000	2022 RMB'000
Non-controlling interests attributable to:		
Xuan Guang	1,310,244	1,328,681
Ningxuanhang	34,478	123,197
Guangci	112,520	117,142
	1,457,242	1,569,020

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18. SUBSIDIARIES (continued)

(a) Material non-controlling interests (continued)

Summarised financial information on subsidiaries with material non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before intercompany eliminations.

Summarised balance sheet

	Xuan Guang		Ningxuanhang		Guangci	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Current						
Assets	460,751	1,551,446	154,276	215,901	163,236	163,722
Liabilities	(207,478)	(40,677)	(269,215)	(301,037)	(5,376)	(12,617)
Total current net assets/ (liabilities)	253,273	1,510,769	(114,939)	(85,136)	157,860	151,105
Non-current						
Assets	3,658,688	1,549,774	3,764,300	3,961,363	96,169	113,600
Liabilities	(1,106,102)	(707,474)	(3,608,057)	(3,653,866)	(1,319)	(1,618)
Total non-current net assets	2,552,586	842,300	156,243	307,497	94,850	111,982
Net assets	2,805,859	2,353,069	41,304	222,361	252,710	263,087

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18. SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised statement of comprehensive income

	Xuan Guang		Ningxuanhang		Guangci	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	2,892,488	1,949,164	291,323	100,788	98,869	115,557
Profit/(loss) before income tax	239,953	357,991	(179,829)	(369,546)	81,177	95,628
Income tax charged	(60,190)	(89,719)	(1,228)	759	(20,294)	(23,908)
Profit/(loss) for the year	179,763	268,272	(181,057)	(368,787)	60,883	71,720
Total comprehensive income/ (loss)	179,763	268,272	(181,057)	(368,787)	60,883	71,720
Total comprehensive income/ (loss) allocated to non- controlling interests	80,048	119,461	(88,718)	(180,706)	27,111	31,937
Dividends paid to non- controlling interests	118,486	161,166	–	–	31,732	40,080

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18. SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised statement of cash flows

	Xuan Guang		Ningxuanhang		Guangci	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Cash flows from operating activities						
Cash generated from/(used in) operations	313,969	185,101	155,775	(124,122)	64,377	148,041
Interest paid	(23,992)	(6,418)	(143,450)	(164,348)	–	–
Income tax paid	(65,511)	(97,728)	–	–	(21,841)	(26,353)
Net cash generated from/(used in) operating activities	224,466	80,955	12,325	(288,470)	42,536	121,688
Net cash (used in) /generated from investing activities	(1,879,062)	(1,044,538)	(22,880)	(5,403)	1,729	794
Net cash generated from/(used in) financing activities	673,028	1,919,226	(30,567)	294,193	(71,261)	(90,008)
Net (decrease) /increase in cash and cash equivalents	(981,568)	955,643	(41,122)	320	(26,996)	32,474
Cash and cash equivalents at beginning of the year	1,009,152	53,509	83,127	82,807	126,829	94,355
Cash and cash equivalents at end of the year	27,584	1,009,152	42,005	83,127	99,833	126,829

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19. INVESTMENT IN ASSOCIATES

	2023 RMB'000	2022 RMB'000
Beginning of the year	146,625	136,892
Share of associates' results:		
Profit before income tax	22,647	24,096
Income tax expense	(6,571)	(6,358)
Dividends declared	(7,480)	(8,005)
End of the year	155,221	146,625

The Group's receivable balances and trade payable balances with the associate are disclosed in Note 37 to the financial statements.

Particulars of the Group's associates are as follows:

Name	Particulars of capital invested	Principal place of business/country of establishment	Percentage of interest held
Anhui Expressway Advertisement Co., Ltd. ("安徽高速傳媒有限公司", "AEAC") (a)	Equity capital	Mainland China/ PRC	38%
Anhui Transportation Information Industry Co., Ltd. ("安徽交控信息產業有限公司", "ATII") (b)	Equity capital	Mainland China/ PRC	10%

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19. INVESTMENT IN ASSOCIATES (Continued)

(a) Set out below is the summarised financial information of AEAC.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current		
Assets	268,625	299,127
Liabilities	(121,238)	(131,613)
Total current net assets	147,387	167,514
Non-current		
Assets	245,939	197,414
Liabilities	(5,995)	(699)
Total non-current net assets	239,944	196,715
Net assets	387,331	364,229
Beginning of the year	364,229	341,165
Profit for the year	42,283	43,709
Dividend distribution	(19,181)	(20,645)
End of the year	387,331	364,229
The Group's share in percentage	38%	38%
Equity interests in associates	147,186	138,407
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Revenue	155,985	146,672
Profit for the year	42,283	43,709
Total comprehensive income for the year	42,283	43,709
Dividends	19,181	20,645

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19. INVESTMENT IN ASSOCIATES (continued)

- (b) ATII was established by the Company, ATHC, China Merchants New Intelligence Technology Co., Ltd. (“招商新智科技有限公司”), Shanghai Unionpay Enterprise Investment Co., Ltd. (“上海銀聯創業投資有限公司”), Anhui Expressway Network Operations Co., Ltd. (“安徽省高速公路聯網運營有限公司”, “AENO”) and Anhui Transport Consulting & Design Institute Co., Ltd. (“安徽省交通規劃設計研究總院股份有限公司”, “ATCD”) in June 2019. The total registered capital of ATII was RMB60,000 thousand.

As at 31 December 2023, the Company invested RMB6,000 thousand and held 10% equity interest in ATII. One of the seven directors of the board of directors of ATII is nominated by the Company, thereby the Company is able to exercise significant influence over ATII.

20. FINANCIAL ASSETS AT FVPL

	2023 RMB'000	2022 RMB'000
Non-current assets		
Investments in limited partnerships (“LP”s)		
Anhui Transportation Goldstone Buy-out Fund LP (“ATGBF”)	104,764	128,943
Anhui Transportation Zhaoshang Industry Investment Fund LP (“ATZIIIF”)	124,875	103,820
Anhui Transportation Goldstone Equity Investment Fund LP (“ATGEIF”)	100,785	70,425
Anhui Conch Goldstone Innovation Development Investment Fund LP	50,026	–
Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund LP (“ATGEEF”)	10,000	–
Others		
CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund	288,210	408,411
	678,660	711,599

(a) Amounts recognised in profit or loss

During the year, the following gains were recognised as “other income and gains – net” in profit or loss:

	2023 RMB'000	2022 RMB'000
Fair value (losses)/gains on financial assets at FVPL (Note 5)	(108,755)	614
Dividends from investments at FVPL recognised in profit or loss in other gains – related to investments held at the end of the year	42,347	19,924

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21. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI comprise equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in the category. These are strategic investments and the Group considers this classification to be more relevant.

Equity investments at FVOCI comprise the following individual investments:

	2023 RMB'000	2022 RMB'000	Cumulative fair value change recognised in other comprehensive income RMB'000
Anhui Xin'an Financial Group Co., Ltd. ("AXFG")	–	57,443	–
Anhui Xin'an Capital Operation Management Co., Ltd. ("AXCM")	–	39,110	–
Hefei Wan Tong Microcredit Co., Ltd. ("WTMC")	–	15,000	–
Anhui Transportation Zhaoshang Private Fund Management Co., Ltd. ("ATZFM")	1,428	1,106	1,052
Anhui Transportation Goldstone Private Fund Management Co., Ltd. ("ATGFM")	3,422	2,850	3,047
	4,850	115,509	4,099

On disposal of these equity investments, any related balance within the financial assets at FVOCI reserve is reclassified to retained earnings.

In October 2023, the Group sold its equity interest in AXFG, AXCM and WTMC as those investments no longer coincided with the Group's investment strategy. The fair value on the date of sale was RMB89,867 thousand and the accumulated loss recognised in OCI of RMB93,850 thousand was transferred to retained earnings.

(a) Amounts recognised in profit or loss and OCI

During the year, the following gains were recognised in profit or loss and OCI:

	2023 RMB'000	2022 RMB'000
Gains recognised in OCI – related to equity investments	20,792	371
Dividends from equity investments at FVOCI recognised in profit or loss in other gains – related to investments held at the end of the year	–	429

(b) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 2.4.

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22. INVENTORIES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Materials and spare parts	4,458	4,706

23. RECEIVABLES AND PREPAYMENTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Receivables:		
Toll road income receivables (a)	56,784	59,930
Interest receivable	142,426	59,979
Receivables for construction	30,052	62,928
Pawn loans to customers	19,643	19,643
Toll road income compensation receivable	39,208	25,958
Subsidy receivable	–	300,000
Input tax deduction	185,023	4,753
Others	11,613	33,047
	484,749	566,238
Less: Provision for impairment of pawn loans (b)	13,750	13,750
Provision for impairment of others (c)	16,040	15,685
	454,959	536,803
Prepayments:		
Prepaid expenses	2,670	930
	457,629	537,733

The ageing analysis of the receivables is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	426,618	511,920
Between 1 and 2 years	5,783	2,078
Between 2 and 3 years	1,479	1,207
Over 3 years	50,869	51,033
	484,749	566,238

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23. RECEIVABLES AND PREPAYMENTS (Continued)

(a) As at 31 December 2023, toll road income receivables mainly represented receivables from AENO of RMB56,648 thousand (31 December 2022: from AENO of RMB59,930 thousand) for uncollected toll road income.

(b) Reconciliation of provision account for loss on pawn loans is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Beginning of the year	(13,750)	(20,005)
Impairment loss reversed	–	755
Receivables written off as uncollectible	–	5,500
End of the year	(13,750)	(13,750)

(c) Reconciliation of provision account for loss on receivables is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Beginning of the year	(15,685)	(15,943)
Impairment loss recognised	(405)	(881)
Impairment loss reversed	11	–
Receivables written-off as uncollectible	38	1,139
End of the year	(16,041)	(15,685)

The Group recognises lifetime ECLs for receivables and measures the lifetime ECLs on a specific basis according to management's assessment of the recoverability of the individual receivables, are as follows:

	2023				2022	
	Book value <i>RMB'000</i>	Provision for impairment <i>RMB'000</i>	Provision ratio	Reason for impairment	Book value <i>RMB'000</i>	Provision for impairment <i>RMB'000</i>
Receivables for construction	30,051	(15,026)	50%	Continuous uncollected receivables	30,051	(15,026)
Pawn loans to customers	19,643	(13,750)	70%	Continuous uncollected receivables	19,643	(13,750)
	49,694	(28,776)			49,694	(28,776)

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23. RECEIVABLES AND PREPAYMENTS (Continued)

(c) Reconciliation of provision account for loss on receivables is as follows: (Continued)

Set out below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

As at 31 December 2023

	12-month ECLs Stage 1 RMB'000	Lifetime ECLs Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Beginning of the year	659	–	28,776	29,435
Impairment loss recognised	405	–	–	405
Impairment loss reversed	(11)	–	–	(11)
Receivables written-off as uncollectible	(38)	–	–	(38)
End of the year	1,015	–	28,776	29,791

24. CASH AND CASH EQUIVALENTS

	2023 RMB'000	2022 RMB'000
Cash and bank balances	3,805,108	4,671,521
Time deposits	(2,842,728)	(1,767,673)
Cash and cash equivalents	962,380	2,903,848

At the end of the reporting period, cash and bank balances were denominated in RMB and HKD. At the end of the reporting period, the cash and bank balances of the Group denominated in HKD amounted to RMB 2,474,669.09 (31 December 2022: RMB2,363,938.18).

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the deposit rates of the respective periods. The bank balances are deposited with creditworthy banks with no recent history of default. The Group expects no significant credit risk associated and that there would not be any significant losses due to non-performance by these counterparties.

The weighted average interest rate per annum on cash at bank in the year ended 31 December 2023 was approximately 3.19% (31 December 2022: 3.39%).

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25. SHARE CAPITAL

	2023 RMB'000	2022 RMB'000
Issued and fully paid	1,658,610	1,658,610

A summary of the Company's share capital is as follows:

	Number of shares in issue thousand	Share capital RMB'000
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	1,658,610	1,658,610

26. OTHER RESERVES

	Capital surplus RMB'000	Statutory surplus reserve fund RMB'000	Discretionary surplus reserve fund RMB'000	Enterprise safety fund RMB'000	Merger reserve RMB'000	Excess of the consideration over carrying amount of the non- controlling interests acquired RMB'000	Fair value change of financial assets at FVOCI, net of tax RMB'000	Total RMB'000
Balance at 1 January 2022	2,243	955,881	658	46,677	(948,061)	(710,116)	(75,460)	(728,178)
Usage of enterprise safety fund	-	-	-	(40)	-	-	-	(40)
Changes in fair value of financial assets at FVOCI, net of tax (Note 21)	-	-	-	-	-	-	278	278
Balance at 31 December 2022	2,243	955,881	658	46,637	(948,061)	(710,116)	(75,182)	(727,940)
Usage of enterprise safety fund	-	-	-	(40)	-	-	-	(40)
Changes in fair value of financial assets at FVOCI, net of tax (Note 21)	-	-	-	-	-	-	78,256	78,256
Balance at 31 December 2023	2,243	955,881	658	46,597	(948,061)	(710,116)	3,074	(649,724)

The Company appropriates discretionary surplus reserve after the approval of the Board of Directors' proposal by shareholders in the shareholders' meeting. The discretionary surplus reserve can be used to make up for the loss or increase capital after approval.

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27. APPROPRIATION

(a) Statutory surplus reserve fund

In accordance with the PRC Company Law, the Company and its subsidiaries shall appropriate 10% of their annual statutory net income (after offsetting any prior years' loss) to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of a company's share capital or registered capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' loss or to issue bonus shares/paid-in capital. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of share capital/registered capital after such utilisation.

The balance of statutory surplus reserve has reached 50% of the Company's share capital. As a result, the Company did not appropriate statutory surplus reserve fund in 2023 and 2022 in accordance with the PRC Company Law.

(b) Dividends distribution

According to the Articles of Association of the Company, the dividends distributed by the Company to its shareholders are based on the lower of the profit available for distribution to the Shareholders in the Company's statutory financial statements and those in the Company's financial statements prepared in accordance with HKFRSs. As at 31 December 2023, the profit available for distribution to the Shareholders in the Company's financial statements prepared in accordance with HKFRSs amounted to RMB1,614,144 thousand, which was lower than the profit available for distribution to the Shareholders reflected in the Company's statutory financial statements.

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28. LONG-TERM PAYABLES

	2023 RMB'000	2022 RMB'000
Long-term payables to XCIC (a)		
Beginning of the year	–	81,730
Debt conversion	–	(15,400)
Repayments	–	(68,848)
Amortisation – charged to income statement	–	2,518
End of the year	–	–
Long-term payables to ATHC		
Beginning of the year	97,060	279,100
Repayments	(19,500)	(21,890)
Debt conversion	–	(182,040)
Amortisation – charged to income statement	–	21,890
End of the year	77,560	97,060
Total long-term payables	77,560	97,060
Less: Current portion of long-term payables	–	19,500
	77,560	77,560

(a) Xuancheng Communication Investment Co., Ltd.

The principal of the payables was repayable from 2024 to 2028 (2022: 2023 to 2028) with the interest rate of 4.90% (2022: 4.75% to 4.90%).

The carrying amounts and fair values of long-term payables (including current portion) are as follows:

	Carrying amounts		Fair values	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Long-term payables to ATHC	77,560	97,060	77,560	97,060

The undiscounted amounts of long-term payables (including current portion) are as follows:

	2023 RMB'000	2022 RMB'000
Long-term payables to ATHC	77,560	97,060

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29. BORROWINGS

	2023			2022		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Long-term bank borrowings Denominated in RMB						
Guaranteed and unsecured (a)	2.90%-3.45%	2024-2052	3,119,000	3.05%-3.90%	2023-2052	3,200,000
Pledged (b)	1.20%-4.55%	2024-2040	3,358,407	1.20%-4.90%	2023-2040	3,443,749
			6,477,407			6,643,749
Less: Current portion Denominated in RMB						
Guaranteed and unsecured (a)	2.90%-3.45%	2024-2052	(330,761)	3.05%-3.90%	2023-2052	(282,633)
Pledged (b)	1.20%-4.55%	2024-2040	(186,925)	1.20%-4.90%	2023-2040	(159,130)
			(517,686)			(441,763)
			5,959,721			6,201,986

	2023 RMB'000	2022 RMB'000
Analysed into:		
Bank loans repayable:		
Within 1 year	517,686	441,763
Between 1 and 2 years	655,444	512,214
Between 2 and 5 years	1,926,664	2,421,837
Over 5 years	3,377,613	3,267,935
	6,477,407	6,643,749

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29. BORROWINGS (Continued)

- (a) As at 31 December 2023, the bank credit loan of RMB1,969,000 thousand was borrowed by the Group for the acquisition of equity and related claims of AQDQ, with interest paid quarterly, and the principal amount will be repaid between 2024 and 2028. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate (“LPR”) published by the National Interbank Lending Center in accordance with the provisions of the loan contract (2022: RMB2,250,000 thousand).

The bank credit loan of RMB50,000 thousand was borrowed by the Group for the reconstruction and expansion project of the Guangde to Xuancheng section of the G50 Shanghai-Chongqing Expressway, with interest paid quarterly, and the principal will be repaid between 2025 and 2042. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate (“LPR”) published by the National Interbank Lending Center in accordance with the provisions of the loan contract (2022: RMB50,000 thousand).

The bank credit loan of RMB1,100,000 thousand was borrowed by the Group for the reconstruction and expansion project of G50 Shanghai-Chongqing Expressway Guangde to Xuancheng Section, with interest paid quarterly, and the principal will be repaid between 2025 and 2052. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate (“LPR”) published by the National Interbank Lending Center in accordance with the provisions of the loan contract (2022: RMB700,000 thousand).

The bank credit loan of RMB0 thousand is a loan used by the Group for daily business turnover needs, with interest paid quarterly (2022: RMB200,000 thousand).

- (b) As at 31 December 2023, bank borrowings of RMB300,000 thousand were pledged by estimated future toll road cash inflow from the completion of reform and expansion of Hening Expressway, with interest paid quarterly, and the principal will be repaid between 2024 and 2027. (2022: RMB380,000 thousand).

The bank borrowings of RMB730,356 thousand were pledged by estimated future toll road cash inflow from Liqiao to Xuancheng Section of Ningxuanhang Expressway, with interest paid quarterly, and the principal will be repaid between 2024 and 2035. (2022: RMB763,747 thousand). The bank borrowings of RMB1,759,491 thousand were pledged by estimated future toll road cash inflow from Xuancheng to Ningguo Section of Ningxuanhang Expressway, with interest paid quarterly, and the principal will be repaid between 2024 and 2041. (2022: RMB1,733,560 thousand). The bank borrowings of RMB568,560 thousand were pledged by estimated future toll road cash inflow from Ningguo to Qianqiuguan Section of Ningxuanhang Expressway with interest paid quarterly or semi-annually, and the principal will be repaid between 2024 and 2036. (2022: RMB556,441 thousand).

As at 31 December 2023 and 2022, the fair values of current and non-current borrowings approximated their carrying amounts as the discounting impact is not significant.

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30. DEFERRED INCOME

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Government grants	100,922	113,853

Deferred income represents government grants relating to assets and is amortised over 7 to 30 years (Note 2.4).

Amortisation of RMB12,930 thousand (2022: RMB14,600 thousand) has been charged in “other income and gains – net” (Note 5).

31. TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables – payables on acquisition of concession intangible assets	627,853	614,185
Current portion of long-term payables (Note 28)	–	19,500
Deposits for construction projects	42,549	31,149
Advance rent receipts	39,064	41,435
Staff salaries and welfare	28,181	28,478
Interest payable	34,280	34,773
Other taxation payables	18,268	12,854
Service fee payable for collection of toll roads income	9,082	7,598
Others	43,538	45,297
	842,815	835,269

As at 31 December 2023, trade and other payables of RMB211,927 thousand (2022: RMB241,847 thousand) were aged over one year. These payables were mainly payables on acquisition of concession intangible assets which will be settled after the completion of construction.

As at 31 December 2023 and 2022, the fair values of trade and other payables, except for staff salaries and welfare, other taxation payables and advance from customers, approximated their carrying amounts.

Notes to the Consolidated Financial Statements

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32. PROVISIONS

31 December 2023

	Total RMB'000
At 1 January 2023	71,005
Additional provisions	201,103
Amounts utilised during the year	(210,502)
At 31 December 2023	61,606

31 December 2022

	Total RMB'000
At 1 January 2022	77,844
Additional provisions	193,705
Amounts utilised during the year	(200,544)
At 31 December 2022	71,005

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33. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Accounting for government grants	Provision	Accrued bonus	Accounting for Interest-bearing shareholder's loans	Fair value change of financial assets at FVOCI	Fair value change of financial assets at FVPL	Provision for impairment of other receivables	Amortisation difference between accounting and tax regulations	Tax loss carried forward	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	29,042	18,960	6,341	15,132	25,153	-	70	20,273	34,486	149,457
Deferred tax charged to the income statement	(2,819)	(2,020)	-	(655)	-	3,705	90	(845)	(27,934)	(30,478)
Deferred tax charged to the statement of other comprehensive income	-	-	-	-	(92)	-	-	-	-	(92)
Gross deferred tax assets at 31 December 2022 and 1 January 2023	26,223	16,940	6,341	14,477	25,061	3,705	160	19,428	6,552	118,887
Deferred tax charged to the income statement	(2,819)	(1,723)	-	(655)	-	30,051	89	(845)	(4,531)	19,567
Deferred tax charged to the statement of other comprehensive income	-	-	-	-	(25,061)	-	-	-	-	(25,061)
Gross deferred tax assets at 31 December 2023	23,404	15,217	6,341	13,822	-	33,756	249	18,583	2,021	113,393

Deferred tax liabilities

	Valuation of assets and depreciation of toll roads	Valuation and amortisation of toll roads related land use rights	Accounting for interest-free long-term payables	Amortisation difference between accounting and tax regulations	Fair value change of financial assets at FVPL	Difference between accounting and tax regulations of borrowings	Fair value adjustments of equity investments at FVOCI	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	(13,362)	(2,084)	(7,567)	(41,068)	(15,113)	(3,903)	-	(334)	(83,431)
Deferred tax charged to the income statement	635	90	896	4,270	2,220	(863)	-	11	7,259
Gross deferred tax liabilities at 31 December 2022 and 1 January 2023	(12,727)	(1,994)	(6,671)	(36,798)	(12,893)	(4,766)	-	(323)	(76,172)
Deferred tax charged to the income statement	634	91	267	4,270	6,293	2,731	-	11	14,297
Deferred tax charged to the statement of other comprehensive income	-	-	-	-	-	-	(1,025)	-	(1,025)
Gross deferred tax liabilities at 31 December 2023	(12,093)	(1,903)	(6,404)	(32,528)	(6,600)	(2,035)	(1,025)	(312)	(62,900)

Notes to the Consolidated Financial Statements

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33. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated balance sheet. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated balance sheet	(30,372)	(39,374)
Net deferred tax liabilities recognised in the consolidated balance sheet	30,372	39,374

The net carrying amounts of deferred assets and liabilities taking into consideration the offsetting of balances are set out as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Deferred tax assets	83,021	79,513
Deferred tax liabilities	(32,528)	(36,798)

The unrecognised deferred tax of loss and deductible temporary differences are set out as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Deductible temporary differences	23,085	27,249
Tax losses	1,512,852	1,632,863
	1,535,937	1,660,112

Deferred tax assets are not recognised for tax losses that the realisation of the related tax benefit through future taxable profits is not probable. The expire dates of the carryforward of these tax losses are set out as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
2023	–	311,484
2024	305,912	305,912
2025	340,252	340,252
2026	308,803	308,803
2027	369,525	366,412
2028	188,360	–
	1,512,852	1,632,863

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operating activities

	Notes	2023 RMB'000	2022 RMB'000
PROFIT BEFORE INCOME TAX		2,263,826	1,977,818
ADJUSTMENTS FOR:			
Amortisation of concession intangible assets	13	751,414	749,586
Depreciation of property, plant and equipment	15	149,481	165,537
Depreciation of investment properties	16	16,191	17,950
Amortisation of right-of-use assets	14	2,080	765
Amortisation of intangible assets	17	5,337	11,521
Reversal of impairment for pawn loans to customers		–	(928)
Impairment losses for receivables		393	1,054
Net losses/(gains) on disposal of property, plant and equipment	5	6,431	(148)
Losses/(gains) on disposal of concession intangible assets	5	240	(8,286)
Share of loss of associates		(8,596)	(9,733)
Dividend income	5	(49,827)	(28,359)
Fair value losses/(gains) on financial assets at FVPL	5	108,755	(614)
Interest income	5	(109,170)	(80,317)
Interest expenses	7	213,627	229,331
Others		3,475	–
		3,353,657	3,025,177
Decrease in inventories	22	248	689
Increase in receivables and prepayments		(49,472)	(308,513)
Decrease in other operating liabilities		(77,232)	(65,758)
Decrease in provision	32	(9,399)	(6,839)
Cash generated from operating activities		3,217,802	2,644,756
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,941,462)	(456,235)
Cash and cash equivalents at beginning of year		2,903,848	3,359,918
Effect of foreign exchange rate changes, net		(6)	165
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	962,380	2,903,848
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	3,805,108	4,671,521
Time deposits	24	2,842,728	1,767,673
Cash and cash equivalents as stated in the consolidated balance sheet	24	962,380	2,903,848
Cash and cash equivalents as stated in the consolidated statement of cash flows		962,380	2,903,848

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Non-cash financing activities

	2023 RMB'000	2022 RMB'000
Debt conversion	–	228,717

(c) Changes in liabilities arising from financing activities

2023

	Borrowings RMB'000	Long-term payables RMB'000
At 1 January 2023	(6,643,748)	(97,060)
Changes from financing cash flows	172,067	19,500
Interest expenses	(234,898)	(4,036)
Interest paid classified as operating cash flows	203,865	4,036
Capitalised interest expenses	25,307	–
Other non-cash movements	–	–
At 31 December 2023	(6,477,407)	(77,560)

2022

	Borrowings RMB'000	Long-term payables RMB'000
At 1 January 2022	(5,075,343)	(360,830)
Changes from financing cash flows	(1,577,193)	68,848
Interest expenses	(214,432)	(18,506)
Interest paid classified as operating cash flows	216,803	15,988
Capitalised interest expenses	6,417	–
Other non-cash movements	–	197,440
At 31 December 2022	(6,643,748)	(97,060)

35. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

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36. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Contracted, but not provided for:		
Concession intangible assets	4,291,806	250,962
Property, plant and equipment	45,766	8,532
	4,337,572	259,494

37. RELATED PARTY TRANSACTIONS

The Company's parent company is ATHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by the PRC government. It owns a significant portion of the expressway assets in Anhui Province.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include ATHC and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and ATHC as well as their close family members. The Group believes that these transactions are carried out on terms that are similarly and consistently applied to all other customers or suppliers. However, due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. As a result, these transactions with other government-related entities and their subsidiaries are exempted from the related party transaction disclosure requirements as set out in HKAS 24 (Revised).

The Company's directors believe that information in respect of related party transactions has been adequately disclosed in the consolidated financial statements and are of the view that the following companies are related parties that had material transactions or balances with the Group during the period.

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37. RELATED PARTY TRANSACTIONS (continued)

(a) Information about related parties

Name	Relationships with the Group
ATHC	Parent company
AEPC	Subsidiary of ATHC
YTMC	Subsidiary of ATHC
WTMC	Subsidiary of ATHC
AENO	Subsidiary of ATHC
ATCD	Subsidiary of ATHC
ATZFM	Significantly influenced by ATHC
ATGFM	Significantly influenced by ATHC
ATZIIF	Significantly influenced by ATHC
ATGEIF	Significantly influenced by ATHC
ATGEEF	Significantly influenced by ATHC
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
AEAC	Associate
ATII	Associate
Anhui Anlian Expressway Co., Ltd. (“安徽安聯高速公路有限公司”, “ALEC”)	Subsidiary of ATHC
Anhui Transportation Construction Management Co., Ltd. (“安徽省交控建設管理有限公司”, “ATCMC”)	Subsidiary of ATHC
Anhui Transportation Material Technology Co., Ltd. (“安徽交控材料科技有限公司”, “ATMT”)	Subsidiary of ATHC
Anhui Transportation Property Management Co., Ltd. (“安徽交控物業服務有限公司”, 原名“合肥市邦寧物業管理有限公司”, “ATPMC”)	Subsidiary of ATHC
Anhui Expressway Experiment Research Centre Co., Ltd. (“安徽省高速公路試驗檢測科研中心有限公司”, “AERC”)	Subsidiary of ATHC
Anhui Transportation Engineering Group Co., Ltd. (formerly named Anhui Gaolu Construction Co., Ltd.) (“安徽交控工程集團有限公司”, 原名“安徽省高路建設有限公司”, “ATEGC”)	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. (“安徽高速融資租賃有限公司”, “AWFC”)	Subsidiary of ATHC
Anhui Qixing Project Testing Co., Ltd. (“安徽省七星工程測試有限公司”, “AQPT”)	Subsidiary of ATHC
Anhui Huanyu Highway Construction Development Co., Ltd. (“安徽交控道路養護有限公司”, 原名“安徽省環宇公路建設開發有限責任公司”, “ATRCM”)	Subsidiary of ATHC
Anhui Zhongxing Project Management Co., Ltd. (“安徽省中興工程監理有限公司”, “AZPMC”)	Subsidiary of ATHC
Anhui Jiaoyun Group Automobile Sales Co., Ltd. (“安徽交運集團汽車銷售有限公司”, “AJASC”)	Subsidiary of ATHC
Anhui Transportation United Card Holding Co., Ltd. (“安徽交通一卡通控股有限公司”, “ATUCC”)	Subsidiary of ATHC

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37. RELATED PARTY TRANSACTIONS (continued)

(a) Information about related parties (continued)

Name	Relationships with the Group
Anhui Wangqian Expressway Co., Ltd. (“安徽望潛高速公路有限公司”, “AWQEC”)	Subsidiary of ATHC
Anhui Yangji Expressway Co., Ltd. (“安徽省揚績高速公路有限公司”, “AYEC”)	Subsidiary of ATHC
Anhui Liguang Expressway Co., Ltd. (“安徽省溧廣高速公路有限公司”, “ALGEC”)	Subsidiary of ATHC
Anhui Wuyan Expressway Co., Ltd. (“安徽省蕪雁高速公路有限公司”, “AWEC”)	Subsidiary of ATHC
Anhui Shengxuan Municipal Garden Engineering Co., Ltd. (“安徽省盛軒市政園林工程有限公司”, “ASGEC”)	Subsidiary of ATHC
Anhui Traffic Survey and Design Institute Co., Ltd. (“安徽省交通勘察設計院有限公司”, “ATSDC”)	Subsidiary of ATHC
Anhui Transportation Resource Co., Ltd. (“安徽交控資源有限公司”, “ATRC”)	Subsidiary of ATHC
Anhui High-way Real Estate Group Co., Ltd. (“安徽省高速地產集團有限公司”, “AHREC”)	Subsidiary of ATHC
“Anhui Hezong Expressway Co., Ltd. (“安徽省合縱高速公路有限責任公司”, “AHEC”)	Subsidiary of ATHC
“Anhui Jinggong Materials Co., Ltd. (“安徽省經工物資有限公司”, “AJQMC”)	Subsidiary of ATHC
Anhui Bihao Ecology Technology Co., Ltd. (“招商智廣科技(安徽)有限公司”, “ABETC”)	Subsidiary of ENTH
Anhui Transportation Construction Group Co., Ltd. (“安徽交控建設工程集團有限公司”, 原名“安徽省經工建設集團有限公司”, “ATCG”)	Subsidiary of ATHC
Anhui High Speed Land Property Management Service Co., Ltd. (“安徽省高速地產物業管理服務有限公司”, “AHLPS”)	Subsidiary of ATHC
Anhui Yuehuang Expressway Co., Ltd. (“安徽省嶽黃高速公路有限責任公司”, “AYHEC”)	Subsidiary of ATHC
Anhui Transportation Capital Investment Management Co., Ltd. (“安徽交控資本投資管理有限公司”, “ATCIM”)	Subsidiary of ATHC
Anhui Transportation Group Feiyan Tourism Passenger Transport Co., Ltd. (“安徽交運集團飛雁旅遊客運有限公司”, “ATFTC”)	Subsidiary of ATHC
Anhui Jiaokong Business Factoring Co., Ltd. (“安徽交控商業保理有限公司”, “AJBF”)	Subsidiary of ATHC

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37. RELATED PARTY TRANSACTIONS (Continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2023 RMB'000	2022 RMB'000
Service income from management of toll roads:		
ATHC	10,453	9,755
ALEC	585	585
AHEC	1,509	377
AYEC	208	208
AWQEC	142	142
ALGEC	104	104
AYHEC	140	–
AWEC	47	47
	13,188	11,218
Rental income from:		
AEPC	31,125	28,496
YTMC	12,850	9,331
ATHC	6	5,494
ATCMC	–	1,686
ATRC	12	459
ALEC	–	421
AWFC	211	421
ATCIM	–	193
WTMC	106	160
ATGFM	–	67
ABETC	768	64
ATZFM	–	42
AWQEC	27	27
ATEGC	27	18
ATFTC	9	–
AHEC	489	–
ATMT	394	–
ATRCMC	1,676	–
AJBF	90	–
ATII	703	–
	48,493	46,879

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37. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (Continued)

	Note	2023 RMB'000	2022 RMB'000
Purchases, construction, testing services and property management from:	(i)		
ATCD		162,671	161,571
ATEGC		253,262	33,583
ATCG		38,804	30,849
ATII		16,315	13,692
YTMC		1,095	4,882
AJASC		3,246	4,496
ATPMC		5,064	4,154
AEAC		6,258	3,064
ASGEC		2,345	2,407
AQPT		2,292	1,289
AERC		7,704	293
AZPMC		1,067	118
AJQMC		1,878	99
AHREC		27	10
ATRMC		17,196	–
ATMT		58,871	–
AHLPS		2	–
		578,097	260,507

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37. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (Continued)

	2023 RMB'000	2022 RMB'000
Rental expenses from:		
XCIC	500	500
Toll road income received on behalf of the Group:		
AENO	4,123,519	3,582,124
Service fees for the collection of toll road income:		
ATUCC	14,474	13,421
AENO	10,037	9,388
	24,511	22,809
Interest expenses for interest-bearing long-term payables:		
ATHC	4,036	13,735
XCIC	–	2,252
	4,036	15,987
Key management compensation:		
Salaries and other short-term employee benefits	6,214	5,353

Note:

- (i) It mainly represented payable to these related parties for the purchases, construction and testing services in connection with expressway and service areas and the property management service in connection with High-tech Park, which is owned by the Company.

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For the year ended 31 December 2023
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37. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties

	2023 RMB'000	2022 RMB'000
Trade payables		
ATCD	28,781	61,490
ATEGC	17,985	24,097
ATCG	8,869	6,614
ATRCM	786	4,731
ATII	1,902	1,298
AQPT	1,586	1,117
AZPMC	675	846
AEAC	879	715
ASGEC	139	465
AERC	1,716	356
YTMC	260	124
AJASC	200	113
ATSDC	-	1
AJQMC	24	-
	63,802	101,967
Other payables		
AEPC	34,375	34,317
XCIC	10,885	13,039
ATHC	12,883	12,870
YTMC	1,072	7,276
ATUCC	5,833	4,395
ATCG	62	3,847
AENO	3,479	3,231
ATEGC	2,327	2,214
ATCD	713	852
ABETC	367	434
AJASC	-	310
WTMC	-	156
AWFC	-	141
AEAC	-	87
ASGEC	-	40
AZPMC	30	40
ATRC	-	36
ATPMC	20	20
ATII	144	12
AWQEC	8	2
ALEC	61	-
AERC	168	-
ATRCM	764	-
ATMT	42	-
AHEC	94	-
AJBF	125	-
	73,452	83,319

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(All amounts in Renminbi thousand unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties (continued)

	2023 RMB'000	2022 RMB'000
Prepayments for construction		
ATEGC	14,210	–
ATMT	3,991	–
	18,201	–
Long-term payables (including current portion)		
ATHC	77,560	97,060

As at 31 December 2023 and 2022, amounts due from and due to the aforementioned related parties, except for long-term payables to ATHC as disclosed in Note 28, mainly arose from the above transactions and payments made by the Group and related parties on behalf of each other. These amounts are unsecured, interest-free and are repayable within one year.

In addition, during the year ended 31 December 2023, the Group's bank balances and borrowings of approximately RMB599,370,532 and RMB5,354,205,588 (2022: approximately RMB2,597,059,473 and RMB5,427,307,050) were deposited with state-owned banks respectively.

(d) Receivables

	2023		2022	
	Book value RMB'000	Provision for impairment RMB'000	Book value RMB'000	Provision for impairment RMB'000
AENO	56,648	(799)	59,930	(282)
ALEC	–	–	384	(3)
YTMC	8	–	329	(2)
	56,656	(799)	60,643	(287)

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(All amounts in Renminbi thousand unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (continued)

(e) Commitments with related parties

	2023 RMB'000	2022 RMB'000
Provision of lease of service sectors:		
AEPC	111,775	125,438
YTMC	25,944	35,913
AWQEC	53	82
ATRCM	5,299	–
AHEC	1,801	–
ATII	484	–
ATEGC	10	10
AJBF	462	–
ATMT	2,070	–
ABETC	671	671
ATHC	–	6
Purchases, construction, testing services and property management:		
ATMT	534,289	–
ATCD	130,705	45,973
ATII	2,439	2,083
ATCG	281	331
ATRCM	3,043	–
ASGEC	–	67
ATEGC	470,573	50,703
AZPMC	485	118
AERC	12,806	562
AQPT	58	948
ATPMC	2,061	5,575
AENO	–	10,000
ATUCC	–	15,000

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37. RELATED PARTY TRANSACTIONS (continued)

(e) Commitments with related parties (continued)

	2023 RMB'000	2022 RMB'000
Provision of administration service for toll roads:		
ATHC	–	11,080
ALEC	–	620
AYEC	–	220
AWQEC	–	150
ALGEC	–	110
AWEC	–	50
AHEC	–	1,600
Investments:		
ATZIIF	46,492	66,417
ATGFM	–	375
ATGEIF	–	33,208
ATGEEF	190,000	–

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2023

Financial assets

	Financial assets at amortised cost RMB'000
Receivables and prepayments	267,539
Cash and cash equivalents	962,380
Time deposits with original maturity over three months	2,842,728
	4,072,647
Financial assets at FVOCI	4,850
Financial assets at FVPL	678,660

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38. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and other payables	757,302
Borrowings	6,477,407
Long-term payables (including current portion)	77,560
	7,312,269

2022

Financial assets

	Financial assets at amortised cost RMB'000
Receivables and prepayments	532,050
Cash and cash equivalents	2,903,848
Time deposits with original maturity over three months	1,767,673
	5,203,571
Financial assets at FVOCI	115,509
Financial assets at FVPL	711,599

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and other payables	733,002
Borrowings	6,643,748
Long-term payables (including current portion)	97,060
	7,473,810

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Financial liabilities				
Borrowings (Note 29)	6,477,407	6,643,749	6,475,349	6,641,624
Long-term payables (Note 28)	77,560	97,060	77,560	97,060

Management has determined that the carrying amounts of cash and cash equivalents, receivables and prepayments, other financial assets at amortised cost, trade and other payables based on their notional amounts, reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of the unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the interest-bearing banks and other borrowings and the non-current portion of other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk, and remaining maturities. The changes in fair value because of the Group's own-performance risk for borrowings and the non-current portion of other payables as of 31 December 2023 and 31 December 2022 were assessed to be insignificant.

Notes to the Consolidated Financial Statements

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable input (Level 3) RMB'000	
Financial assets at FVPL	288,210	–	390,450	678,660
Financial assets at FVOCI	–	–	4,850	4,850
	288,210	–	395,300	683,510

As at 31 December 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable input (Level 3) RMB'000	
Financial assets at FVPL	408,411	–	303,188	711,599
Financial assets at FVOCI	–	–	115,509	115,509
	408,411	–	418,697	827,108

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The following table presents the changes in level 3 instruments for the year ended 31 December 2023 and 2022:

	Financial assets at FVOCI RMB'000	Financial assets at FVPL RMB'000	Total RMB'000
Year ended 31 December 2022			
Opening balance	115,138	304,213	419,351
Acquisitions	–	916,416	916,416
Disposals	–	(932,875)	(932,875)
Gains recognised in profit or loss	–	15,434	15,434
Gains recognised in OCI	371	–	371
Closing balance	115,509	303,188	418,697
Year ended 31 December 2023			
Opening balance	115,509	303,188	418,697
Acquisitions	–	213,133	213,133
Disposals	(89,867)	(137,317)	(227,184)
Gains recognised in profit or loss	–	11,446	11,446
Losses recognised in OCI	(20,792)	–	(20,792)
Closing balance	4,850	390,450	395,300

Quantitative information about fair value measurements using significant unobservable inputs (level 3):

	Fair value as at 31 December 2023	Valuation technique	Unobservable input	Range (weighted average)
Financial assets at FVOCI	4,850	Income approach	Discount rate	13.3%~11.8%/ (13.5%)

Financial assets at FVPL are the fund shares of ATGBF, ATZIIF, ATGEIF, ATGEEF, and Anhui Conch Goldstone Innovation Development Investment Fund LP subscribed by the Company. The fair values of such investments were determined by reference to the net assets of ATGBF, ATZIIF, ATGEIF, ATGEEF and Anhui Conch Goldstone Innovation Development Investment Fund LP as of 31 December 2023, which have applied the HKFRS 9 *Financial Instruments*, based on the proportion of fund shares to which the Company is entitled.

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

The nominal value less impairment provision of receivables, trade and other payables and current borrowings is assumed to approximate their fair value due to short period of maturity dates. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group's profit after tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	(Decrease) / increase in profit after tax RMB'000	(Decrease) / increase in equity RMB'000
2023			
RMB	50	(23,165)	(23,165)
RMB	(50)	23,165	23,165
2022			
RMB	50	(24,449)	(24,449)
RMB	(50)	24,449	24,449

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group principally operates in Mainland China and RMB is the currency of the primary economic environment in which the Group operates. However, upon the initial listing of H shares, proceeds from the IPO are in HKD. Foreign exchange risk arises from cash and cash equivalents denominated in a currency other than the functional currency of the Group.

The Group currently does not have a foreign currency hedging policy and manages its foreign currency risk by closely monitoring the movements of the foreign currency rates.

The Group does not have any significant exposure to the risk of fluctuation in the exchange rate between HKD and RMB.

Credit risk

The Group's credit risk mainly arises from cash and other financial assets. The carrying amounts of financial assets represented the Group's maximum exposure in relation to financial assets.

The Group's cash are mainly bank deposits deposited with reputable state-owned banks and other large and medium-sized listed banks with high credit ratings, which the Group believes does not have significant credit risk and will hardly incur significant losses due to bank defaults.

Other financial assets at amortised cost include receivables (including pawn loans to customers). Except for pawn loans and the receivable due from Xuancheng People's Government, receivables are mainly due from related parties and government, and are considered be low credit risk where they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Please refer to Note 23 for details.

Except for the cash and receivables as mentioned above, the Group does not have any significant concentration of credit risk exposure associated with a particular single counterparty or a particular group of counterparties having similar characteristics.

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's toll road income is settled in cash.

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate bank borrowing facilities disclosed in Note 29.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet and balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2023				
	Within 1 year RMB'000	1 to 3 years RMB'000	3 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Bank borrowings, including interest	731,741	2,209,996	1,007,281	4,226,533	8,175,551
Trade and other payables, excluding other taxation payables, staff salaries and welfare, advance rent receipts, current portion of long term payables and interest payable	723,022	–	–	–	723,022
Long-term payables, including interest and current portion	27,579	7,601	79,517	–	114,697
	1,482,342	2,217,597	1,086,798	4,226,533	9,013,270
	2022				
	Within 1 year RMB'000	1 to 3 years RMB'000	3 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Bank borrowings, including interest	679,723	1,795,922	1,860,755	4,115,547	8,451,947
Trade and other payables, excluding other taxation payables, staff salaries and welfare, advance rent receipts, current portion of long term payables and interest payable	698,228	–	–	–	698,228
Long-term payables, including interest and current portion	47,301	7,611	83,318	–	138,230
	1,425,252	1,803,533	1,944,073	4,115,547	9,288,405

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at FVPL (Note 20) and equity investments at FVOCI (Note 21) as at 31 December 2023.

The following table demonstrates the sensitivity to every 10% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve.

	Carrying amount of equity investments <i>RMB'000</i>	Increase/ (decrease) in OCI after tax <i>RMB'000</i>	Increase/ (decrease) in equity <i>RMB'000</i>
2023			
Unlisted investments at fair value –Financial assets at FVOCI	4,850	364/ (364)	364/ (364)
2022			
Unlisted investments at fair value –Financial assets at FVOCI	115,509	8,326/ (8,326)	8,326/ (8,326)

Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Similar to the others in the industry, the Group monitors capital using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The gearing ratios as at the end of the reporting period were as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Borrowings (Note 29)	6,477,407	6,643,749
Long-term payables (Note 28)	77,560	97,060
Less: Cash and cash equivalents (Note 24)	(962,380)	(2,903,848)
Net debt	5,592,587	3,836,961
Total equity	14,145,291	13,537,172
Total capital	19,737,878	17,374,133
Gearing ratio	28.33%	22.08%

Deposits with banks

The table below shows the cash at bank balances (including time deposits with original maturity over three months) of the Group as at 31 December 2023 and 2022:

Counterparties	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Major financial institutes	3,805,108	4,671,521

The Group has policies to place its deposits only with major financial institutions. As at 31 December 2023 and 2022, most of cash was deposited with major financial institutions in Mainland China and Hong Kong. The Group's management does not expect any material loss from non-performance by these counterparties.

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41. BALANCE SHEET OF THE COMPANY

Information about the balance sheet of the Company at the end of the reporting period is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	842,666	801,655
Investment properties	228,389	280,797
Intangible assets	633	5,679
Right-of-use assets	56,633	6,045
Investments in subsidiaries	3,888,817	3,489,928
Concession intangible assets	5,304,382	5,593,388
Loans to subsidiaries	1,625,032	1,936,016
Investments in associates	155,221	24,999
Deferred tax assets	41,129	33,397
Financial assets at FVPL	678,660	711,599
Financial assets at FVOCI	4,850	115,509
Total non-current assets	12,826,412	12,999,012
CURRENT ASSETS		
Inventories	1,776	2,132
Receivables and prepayments	534,785	507,706
Time deposits with original maturity over three months	2,841,000	1,766,000
Cash and cash equivalents	741,144	1,658,255
Total current assets	4,118,705	3,934,093
Total assets	16,945,117	16,933,105

Notes to the Consolidated Financial Statements

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41. BALANCE SHEET OF THE COMPANY (continued)

	2023 RMB'000	2022 RMB'000
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,658,610	1,658,610
Share premium	1,415,593	1,415,593
Other reserves	35,987	(42,229)
Retained earnings	10,473,278	9,865,178
Total equity	13,583,468	12,897,152
NON-CURRENT LIABILITIES		
Borrowings	1,908,229	2,517,472
Deferred income	37,499	44,148
Total non-current liabilities	1,945,728	2,561,620
CURRENT LIABILITIES		
Trade and other payables	931,081	1,034,139
Current income tax liabilities	14,336	11,174
Provisions	59,733	66,492
Borrowings	410,771	362,528
Total current liabilities	1,415,921	1,474,333
Total liabilities	3,361,649	4,035,953
TOTAL EQUITY AND LIABILITIES	16,945,117	16,933,105

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For the year ended 31 December 2023

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41. BALANCE SHEET OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Attributable to owners of the parent	
	Retained earnings RMB'000	Other reserves RMB'000
At 1 January 2022	9,263,334	(42,467)
Profit for the year	1,514,040	–
Dividends paid relating to 2021	(912,236)	–
Usage of enterprise safety fund	40	(40)
Changes in fair value of financial assets at FVOCI, net of tax	–	278
At 31 December 2022 and 1 January 2023	9,865,178	(42,229)
Profit for the year	1,614,144	–
Dividends paid relating to 2022	(912,236)	–
Usage of enterprise safety fund	40	(40)
Transfer of fair value reserve upon the disposal of equity investments at FVOCI	(93,848)	–
Changes in fair value of financial assets at FVOCI, net of tax	–	78,256
At 31 December 2023	10,473,278	35,987

42. EVENT AFTER THE BALANCE SHEET DATE

Pursuant to a resolution of the meeting of board of directors on 28 March 2024, a cash dividend of RMB996,825 thousand was proposed for the year ended 31 December 2023. Please refer to Note 11 for details.

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board on 28 March 2024.

Section X Documents Available for Inspection

Directory of documents Available for Inspection	The original copy of the annual report signed by the Chairman;
Directory of documents Available for Inspection	The accountant's report, signed by the legal representative, director in charge of accounting work, and director in charge of accounting firm and stamped with corporate seal;
Directory of documents Available for Inspection	The original copy of auditor's report, sealed by Ernst & Young Hua Ming LLP, signed by the registered accountant; the financial statement prepared in accordance with the PRC Accounting Standards; the original copy of auditor's report signed by Ernst & Young and the financial statement prepared in accordance with the Hong Kong Accounting Standards;
Directory of documents Available for Inspection	The original copies of corporate documents and announcements published in the Shanghai Securities News and China Securities Journal;
Directory of documents Available for Inspection	The annual report disclosed in the stock market of Hong Kong.

Chairman: Xiang Xiaolong

The date of the approval of the board: 28 March 2024

Appendix

I. PROFILE OF THE HIGHWAYS

Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas (pairs)	Toll collection period
Hening Expressway	134	8	12	4	Commencing from 16 August 1996 to 15 August 2026 (the toll collection period for the Reconstruction and Expansion of Hening Expressway Anhui Section is tentatively fixed at five years from the expiry date of toll collection period of Hening Expressway Anhui Section. The formal period for toll collection shall be determined according to assessment and relevant provisions.)
New Tianchang Section of National Trunk 205	30	4	1	–	Commencing from 1 January 1997 to 31 December 2026
Gaojie Expressway	110	4	3	4	Commencing from 1 October 1999 to 30 September 2029
Xuanguang Expressway	84	4	6	1	Commencing from 1 January 1999 to 31 December 2028 (South Ring Section: Commencing from 1 September 2003 to 31 December 2028)
Lianhuo Expressway Anhui Section	54	4	3	1	Commencing from 1 January 2003 to 30 June 2032
Guangci Expressway	14	4	–	1	Commencing from 20 July 2004 to 20 July 2029
Ninghuai Expressway Tianchang Section	14	6	1	1	Commencing from 18 December 2006 to 17 June 2032

Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas (pairs)	Toll collection period
Ningxuanhang Expressway (Anhui Section)	117	4	6	3	On 8 September 2013, the section of Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section was officially opened to traffic and the temporary granted toll collection period is starting from 8 September 2013 to 7 September 2043; In December 2015, the section of Ningguo to Qianqiuguan of Ningxuanhang Expressway was officially opened to traffic and the temporary granted toll collection period is starting from 19 December 2015 to 18 December 2045; In December 2017, the section of Liqiao to Xuancheng of Ningxuanhang Expressway was officially opened to traffic and the temporary granted toll collection period is starting from 30 December 2017 to 29 December 2047.
Anqing Yangtze River Expressway Bridge	6	4	1	0	Commencing from 26 December 2004 to 25 December 2033
Yuwu Expressway Anhui section	46	4	2	1	Commencing from 31 December 2015 to 30 December 2045

Hening Expressway (G40 Hushan Expressway Hening Section)

Hening Expressway is a 134km long dual carriageway eight-lane expressway owned by the Company in Anhui Province linking Dashushan and Zhouzhuang. This expressway forms an integral part of the “Two Verticals and Two Horizontals” National Trunk Highway from Shanghai to Chengdu in Sichuan Province, which also forms part of the National Trunk 312 linking Shanghai and Yining in Xinjiang. It is currently a major source of profit and cash flow for the Company.

The New Tianchang Section of National Trunk 205

The New Tianchang Section of National Trunk 205 is a dual carriageway four-lane vehicular highway of Class I standard of 30km long situated in Tianchang in Anhui Province. This section is a part of National Trunk 205, which starts in Shanhaiguan, Hebei Province and ends in Guangzhou, Guangdong Province. This section also forms part of the highway linking Lianyungang and Nanjing in Jiangsu Province.

Appendix

Ninghuai Expressway Tianchang Section

Ninghuai Expressway Tianchang Section is an important road section of Ninghuai Expressway, with a whole length of 13.989km, and has the standard of dual carriageway six-lane expressway. It was completed and opened to traffic on 18 December 2006. The road runs through Tianchang city east of Anhui Province, starting from the terminal of the Jiangsu Nanjing Section of Ninghuai Expressway in Tianchang city, and ending at the Jiangsu Huaian Section of the Ninghuai Expressway. It is an important part in the key highway and national “7918” expressway network from Changchun to Shenzhen and an important highway driving the economic development of the eastern Anhui and the whole of northern Jiangsu, at the same time is also an important part in the key backbone in the trunk road network in Anhui Province. It directly or indirectly links various National Trunks of Hurong, Jinghu, Tongsan, Lianhuo, Ninghang and national key planned highway constructions of Jiayin to Nanping, Shanghai to Luoyang.

Gaojie Expressway (G50 Huyu Expressway Gaojie Section)

The Gaohe to Jieqidun Expressway, with a length of approximately 110km, is a dual carriageway four-lane expressway that forms part of the “Two Verticals and Two Horizontals” National Trunk System between Shanghai to Chengdu in Sichuan. The expressway, originating from Gaohe Town, Huaining County, Anhui Province, links up with the Hening Expressway, operated by the Company, through Hefei-Anqing Highway and terminates at the border between Hunan and Anhui at Jieqidun, Susong County, Anhui Province. It further runs westward to link up with cities like Wuhan, Chongqing and Chengdu and is an important trunk road that links up the central and western region with the southeastern coastal region.

Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section)

The Xuanzhou to Guangde Expressway is an existing dual carriageway four-lane expressway located in the south-eastern part of Anhui Province with total mileage of 84km constructed in two phases. The Xuanzhou-Guangde Section, which is about 67km long, was opened to traffic in September 1997. Xuanzhou South Ring Road is a 17km long expressway, which links Xuanguang Expressway near Shuangqiao, Xuanzhou, and was opened to traffic in July 2001 and merged into the Company in August 2003. This expressway starts from Xuanzhou in Anhui Province and ends near Jiepai, Guangde in Anhui Province and forms part of the National Trunk 318 extending from Shanghai to Nyalam in Tibet. National Trunk 318 is a key transport artery, linking the coastal regions with the inland and the western boarder of the PRC.

Guangci Expressway (G50 Huyu Expressway Guangci Section)

Guangci Expressway is an important part of Hefei-Hangzhou Highway, as well as a significant component of one of the “horizontal roads” designed in the highway network of Anhui province -“two roads along the rivers, three vertical roads, six horizontal roads and nine roads between cities”. The 14km-long route starts from Xuanguang Expressway, and stretches all the way to Cishangang-Jiepai Expressway which has been open to traffic with its whole length within the territory of Guangde County. Guangci Expressway is an inter-provincial highway connecting Hefei to Hangzhou, Shanghai, Jiangsu to Mount Huangshan and Hangzhou, which plays an important role in promoting the opening up and development as well as the economic growth of southern region of Anhui province, and in strengthening the cooperation and exchange among Anhui, Jiangsu, Zhejiang and Shanghai.

Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section)

Lianhuo Expressway Anhui Section is a 54km long dual carriage four-lane expressway, part of the “Two Verticals and Two Horizontals” National Trunk between Lianyungang in Jiangsu and Korgas in Xinjiang. Connecting with the highways located in Henan and Jiangsu Province and the expressways between Beijing and Fuzhou, it plays an important role in China’s politics, economy, military affairs and National Truck Networks.

Ningxuanhang Expressway Anhui Section

Ningxuanhang Expressway is a 117km long dual carriage four-lane expressway with asphalt concrete road surface, which starts at Jinshankou at the border between Anhui and Jiangsu, passing through Xuancheng and Ningguo, terminates at Qianqiuguan at the boarder between Anhui and Zhejiang. This expressway forms an important part of the “Four Verticals and Eight Horizontals” of expressway network in Anhui Province, which is the tie communicating Anhui and Zhejiang and linking two big economic regions of Nanjing and Hangzhou. This expressway is planned to be constructed by three sections, the first is Xuancheng to Ningguo section with a total length of 46km, the second is Gaochun to Xuancheng section with a total length of 31km and the third is Ningguo to Qianqiuguan section with a total length of 40km.

Anqing Yangtze River Expressway Bridge

Anqing Yangtze River Expressway Bridge starts from the Dadukou interchange hub in the south, crossing the Yangtze River waterway and ends at Longmianshan South Road in the north. The total length of the line is 5,985.66 metres, and the main bridge is 1,040 metres. The bridge is designed as a two-way four-lane highway. It is one of the important projects listed in the Plan for Layout of Pathways Crossing the Mainline of Yangtze River (2020–2035) by the National Development and Reform Commission of the PRC. The Anqing Bridge connects Dongzhi County of Chizhou City and Yixiu District of Anqing City. The Anqing Bridge borders Anqing-Dongzhi Expressway (S27 in the Anhui expressway network) to the south, Hefei-Anqing Expressway (G42 in the national expressway network) to the north, with Shanghai-Chongqing Expressway (G50 in the national expressway network) passing through. The Anqing Bridge is an important part of the “four lengthwise expressways (四縱)” of the “four lengthwise and eight transverse (四縱八橫)” expressway network in Anhui Province as well as the transportation hub of He’an Expressway and Anjing Expressway (Anqing-Jingdezhen), connecting the Beijing-Tianjin-Hebei region, the Central Henan City Cluster, the middle reaches of Yangtze River City Cluster, the Pearl River Delta City Cluster and the Western Taiwan Straits City Cluster.

Yuewu Expressway Anhui section

Yuewu Expressway Anhui section begins at the Liuqian Expressway with the total length of 46.26 kilometres, ending at the Dafengshu Mountain at the provincial boundary between Anhui Province and Hubei Province, bridging the Wuying Expressway in Hubei Province. It adopts a two-way four-lane expressway standard. Passing through the hinterland of Dabie Mountain, there are 10 tunnels and 33 bridges, with a bridge-to-tunnel ratio of 57.2%. This project was appraised as the 2015 “Green Highway” thematic project by the Ministry of Transport of the PRC. Yuewu Expressway is an important part of the Lishui-Wuhan Expressway as planned by the Central Government of the PRC. It is an express route connecting the central and eastern regions of China, and also one of the most convenient inter-provincial regional main lines connecting Anhui Province and Hubei Province. It was awarded the title of “Safe Transportation” demonstration project in 2015.

Appendix

II. TOLL RATES FOR EXPRESSWAYS

(I) Toll Rates for Expressways (Ninghuai Expressway Tianchang Section excluded)

1. Toll Rates for Passenger Vehicles

Use the current toll rates for passenger vehicles. In accordance with the relevant regulations on the classification of passenger vehicles in “Vehicle Classification of the Toll for Highway”, the 8 and 9-seat passenger vehicles had been adjusted from “type 2” to “type 1”, and had implemented the charging standard of class 1 buses.

Passenger Vehicles type	Vehicles classification	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	Microbus, minibus	≤9	0.45
Type 2	medium bus passenger/car trailer combination	10-19 —	0.8
Type 3	motorbus	≤39	1.1
Type 4		≥40	1.3

2. Toll Rates for Goods vehicles

Vehicle type classification	JT/T489-2019 Standard of Classification	Toll rates (RMB/km)
Type 1	With 2 axles, the vehicles length is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	0.45
Type 2	With 2 axles, the vehicles length is not less than 6,000mm or the maximum allowable total mass is not less than 4,500kg	0.90
Type 3	With 3 axles	1.35
Type 4	With 4 axles	1.70
Type 5	With 5 axles	1.85
Type 6	With 6 axles	2.20

For goods vehicles with more than six axles, on the basis of the toll rates for goods vehicles of type 6, the toll rates shall be determined according to a factor of 1.1 for each additional axle; the toll rates for goods vehicles with 10 axles and above shall be implemented according to the toll rates for goods vehicles with 10 axles.

3. Toll Rates for Special Motor Vehicle

The toll rates for expressway special motor vehicle shall be charged according to the toll rates for the same type of goods vehicles.

(II) Toll Rates for Ninghuai Expressway Tianchang Section (charged according to the toll rates of Jiangsu Province)

1. Toll Rates for Passenger vehicles

Passenger Vehicles type	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	≤9	0.45
Type 2	10-19	0.675
Type 3	20-39	0.90
Type 4	≥40	0.90

2. Toll Rates for Goods vehicles

Goods vehicles type	Total axles (including suspension axle)	Length and maximum allowable total mass	Toll rates (RMB/vehicle km)
Type 1	2	The vehicle length is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	0.45
Type 2	2	The vehicle length is not less than 6,000mm or the maximum allowable total mass is not less than 4,500kg	1.05
Type 3	3		1.57
Type 4	4		1.90
Type 5	5		1.94
Type 6	6		2.32

Appendix

(III) Toll Rates for Standard Highways

1. Toll Rates for Passenger Vehicles of the New Tianchang Section of National Trunk 205

Passenger Vehicles	Vehicles classification	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	Microbus, minibus	≤9	10
Type 2	medium bus passenger/car trailer combination	10-19 –	
Type 3	motorbus	≤39	12
Type 4		≥40	24

2. Toll Rates for Goods vehicles of the New Tianchang Section of National Trunk 205

Vehicle type classification	JT/T489-2019 Standard of Classification	Toll rates (RMB/vehicle per trip)
Type 1	With 2 axles, the vehicle length is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	10
Type 2	With 2 axles, the vehicle length not be less than 6,000mm or the maximum allowable total mass not be less than 4,500kg	20
Type 3	With 3 axles	30
Type 4	With 4 axles	40
Type 5	With 5 axles	50
Type 6	With 6 axles	60

For goods vehicles with more than six axles, on the basis of the toll rates for goods vehicles of type 6, the toll rates shall be RMB10 per vehicle per trip; the toll rates for goods vehicles with 10 axles and above shall be implemented according to the toll rates for goods vehicles with 10 axles.

(IV) Additional toll standards for extra-large bridges/tunnels (charged according to vehicle (axle) type classification, effective from 0:00 a.m 1 January 2020)

According to the Notice of the Anhui Department of Transport, Anhui Development and Reform Commission and Anhui Department of Finance on the Issuance of the Adjustment Plan of Vehicle Toll Method for Toll Roads in Anhui Province (Wan Jiao Lu [2019] No. 144), “Grand bridges and tunnels on motorways with bridge lengths greater than 1,000 metres and tunnel lengths greater than 3,000 metres will be subject to additional tolls. The additional charge is calculated by the proportion of the actual mileage of the vehicle in that motorway project to the total mileage of the road, and is collected per vehicle per trip by type together with the motorway toll.” Taking into account the actual tolling of the project, the Lixuan Expressway and the Anhui section of the Yuewu Expressway are each subject to an additional toll for one grand bridge and tunnel.

— **The additional toll rates applicable to Lixuan Expressway and Yuewu Expressway Anhui Section**

JT/T489-2019 Standard of Classification				Additional Toll Rates (RMB/ vehicle per trip)
Vehicle type classification	Passenger Vehicles (Vehicles classification and Approved passengers capacity)	Goods vehicles		
Type 1	Microbus minibus	≤9	With 2 axles, the vehicle length is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	10
Type 2	medium bus	10-19	With 2 axles, the vehicle length is not less than 6,000mm or the maximum allowable total mass is not less than 4,500kg	15
	passenger/ car trailer combination	—		
Type 3	motorbus	≤39	3 axles	20
Type 4		≥40	4 axles	25
Type 5	—	—	5 axles	30
Type 6	—	—	6 axles	30

Goods vehicles of type 5 or above shall be implemented to charge according to the additional toll rates for type 5.

Appendix

(V) Toll Rates for the Yangtze River Expressway Bridge

– Toll Rates for Anqing Yangtze River Expressway Bridge

Passenger Vehicles	Vehicles classification	Approved passengers capacity	Toll rates (RMB/vehicle km)
Type 1	Microbus,minibus	≤9	20
Type 2	medium bus passenger/car trailer combination	10-19 –	40
Type 3	motorbus	≤39	60
Type 4		≥40	80

– Toll Rates for Goods vehicles of Anqing Yangtze River Expressway Bridge

Vehicle type classification	JT/T489-2019 Standard of Classification	Toll rates (RMB/time)
Type 1	With 2 axles. The length of the vehicle is less than 6,000mm and the maximum allowable total mass is less than 4,500kg	20
Type 2	With 2 axles. The length of the vehicle is not less than 6,000mm or the maximum allowable total mass is not less than 4,500kg	30
Type 3	With 3 axles	45
Type 4	With 4 axles	70
Type 5	With 5 axles	75
Type 6	With 6 axles	100

For trucks with more than six axles: based on the charging standard for Class 6 trucks, for each additional axle, the charging standard is determined by a factor of 1.1. For trucks with 10 axles and above, the charging standard for trucks with 10 axles shall be applied.

INFORMATION DISCLOSURE INDEX

Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
	H Share Announcement – Continuing Connected Transactions: (1) Cement Purchase Contract; (2) Civil Engineering Construction Contract; and (3) Central Laboratory Contract		January 19, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Date of Board Meeting		March 13, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Continuing Connected Transaction: Precast Concrete Component Work Contract		March 17, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-2022 Annual Results Announcement		March 31, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Final Dividend for the Year Ended 31 December 2022		March 31, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-001	Announcement of Resolutions of the 29th Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	March 31, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-002	Announcement of Resolutions of the 21st Meeting of the Ninth Supervisory Committee of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	March 31, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-003	Announcement of Anhui Expressway on the Profit Distribution Plan for 2022	China Securities Journal, The Shanghai Securities News	March 31, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-004	Announcement of Anhui Expressway on Projected Daily Related Transactions in 2023*	China Securities Journal, The Shanghai Securities News	March 31, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-005	Announcement of Anhui Expressway on Re-appointment of Domestic Auditor in 2023*	China Securities Journal, The Shanghai Securities News	March 31, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement – (1) Trading Halt in H Shares and (2) Suspension of Trading in A Shares		April 3, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
	H Share Announcement – Inside Information: (1) Agreement of Intent in relation to the Proposed Acquisition; (2) Possible Application for Whitewash Waiver; and (3) Resumption of Trading in H Shares		April 3, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-006	Announcement of Suspension of Trading of Anhui Expressway on Planning to Issue Shares and Pay Cash to Purchase Assets and Raise Matching Funds and Related Transactions*	China Securities Journal, The Shanghai Securities News	April 4, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-007	Announcement of Anhui Expressway on the progress of Suspension of Trading in Planning to Issue Shares and Pay Cash to Purchase Assets and Raise Matching Funds and Related Transactions*	China Securities Journal, The Shanghai Securities News	April 11, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement- (1) Major and Connected Transaction-Acquisition Agreement (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds (3) Application for Whitewash Waiver and (4) Resumption of Trading in A Shares		April 17, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-008	Announcement of Resolutions of the 30th Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	April 18, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-009	Announcement of Resolutions of the 22nd Meeting of the Ninth Supervisory Committee of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	April 18, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-010	Announcement of Anhui Expressway on Special Arrangements for Future Cash Dividends of the Company*	China Securities Journal, The Shanghai Securities News	April 18, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-011	General risk warning of Anhui Expressway on the issue of shares and payment of cash to purchase assets and raise matching funds and indicative announcement on the resumption of trading of the company's shares*	China Securities Journal, The Shanghai Securities News	April 18, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-012	Announcement of Anhui Expressway on the Shareholdings of the Top Ten Shareholders and the Top Ten Circulating Shareholders on the Trading Day before the Suspension of Trading*	China Securities Journal, The Shanghai Securities News	April 18, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement-Date of Board Meeting		April 19, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement - (1) Major and Connected Transaction-Acquisition Agreement (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds (3) Application for Whitewash Waiver Appointment of Independent Financial Adviser		April 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-013	Announcement of Resolutions of the 31st Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	April 28, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-014	Announcement of Anhui Expressway on Receiving the Inquiry Letter from Shanghai Stock Exchange on the Company's Issuance of Shares and Payment of Cash to Purchase Assets and Raise Matching Funds and Related Transaction Plan*	China Securities Journal, The Shanghai Securities News	April 28, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement – Delay in Dispatch of Circular Relating to (1) Major and Connected Transaction – Acquisition Agreement (2) Proposed Non-public Issuance of A Shares Raise Ancillary Funds and (3) Application for Whitewash Waiver		May 5, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Shares Announcement-Notice of the 2022 Annual General Meeting		May 10, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Final Dividend for the Year Ended 31 December 2022		May 10, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Final Dividend for the Year Ended 31 December 2022		May 11, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-015	Notice on 2022 Annual General Meeting of Shareholders of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	May 11, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-016	Announcement of Anhui Expressway on the Reply of Shanghai Stock Exchange to the Inquiry Letter on the Company's Issuance of Shares and Payment of Cash to Purchase Assets and Raise Matching Funds and Related Transaction Plan	China Securities Journal, The Shanghai Securities News	May 17, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-017	Announcement of Anhui Expressway on Issuing Shares and Paying Cash to Purchase Assets and Raising Matching Funds and Revision of Related Transaction Plan*	China Securities Journal, The Shanghai Securities News	May 17, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-018	Announcement of Anhui Expressway on the Progress of Disclosing the Plan of Issuing Shares and Paying Cash to Purchase Assets and Raising Matching Funds and Related Transactions*	China Securities Journal, The Shanghai Securities News	May 17, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-019	Announcement of Anhui Expressway on Holding Performance Explanation Meeting	China Securities Journal, The Shanghai Securities News	May 19, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-020	Announcement of Anhui Expressway on the Convening of the Performance Presentation Meeting*	China Securities Journal, The Shanghai Securities News	May 27, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Continuing Connected Transactions: Maintenance Works Contracts		June 8, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Voting Results of the Annual General Meeting Held on 9 June 2023		June 9, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Final Dividend for the Year Ended 31 December 2022		June 9, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-021	Announcement on Resolutions of 2022 Annual General Meeting of Shareholders of Anhui Expressway* H Share Announcement- (1) Announcement-Continuing Connected Transactions: Bridge Maintenance Work Contracts; and (2) Supplemental Announcement-Continuing Connected Transactions: Maintenance Work Contracts H Share Announcement- Update Announcement on (1) Major and Connected Transaction-Proposed Acquisition; (2) The Proposed Non-public Issuance of A Shares to Raise Ancillary Funds; and (3) Application for Whitewash Waiver	China Securities Journal, The Shanghai Securities News	June 10, 2023 June 19, 2023 June 20, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-022	Announcement of Resolutions of the 32nd Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	June 21, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-023	Announcement of Resolutions of the 24th Meeting of the Ninth Supervisory Committee of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	June 21, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-024	Announcement of Anhui Expressway on Dilution of Current Return in the Transaction and Relevant Measures Taken to Fill the Dilution of Current Return in the Transaction*	China Securities Journal, The Shanghai Securities News	June 21, 2023	Website of The Shanghai Stock Exchange:
Lin 2023-025	General Risk Warning Announcement of Anhui Expressway on Issuing Shares and Paying Cash to Purchase Assets and Raising Matching Funds and Related Transactions*	China Securities Journal, The Shanghai Securities News	June 21, 2023	Website of The Shanghai Stock Exchange:
Lin 2023-026	Indicative Announcement of Anhui Expressway on Changes in Shareholders' Equity* H Share Announcement-Announcement on Postponement of Election of the new session of the Board of Directors and the Supervisory Committee	China Securities Journal, The Shanghai Securities News	June 21, 2023 July 12, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-027	Announcement of Anhui Expressway on Postponement of the Board of Directors and the Supervisory Committee*	China Securities Journal, The Shanghai Securities News	July 13, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-028	Announcement on the Implementation of the Distribution of Rights and Interests of Anhui Expressway in 2022*	China Securities Journal, The Shanghai Securities News	July 13, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement – Proposed Adoption of the New Shareholders’ Return Policy for 2023 to 2025 and Monthly Update Announcement in connection with (1) Major and Connected Transactions – The Proposed Acquisitions; (2) The Proposed Non-public Issuance of A Shares and Raising Ancillary Funds; and (3) Application for Whitewash Waiver		July 21, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-029	Announcement of Anhui Expressway on Adjusting the Company’s Special Arrangement for Future Cash Dividends*	China Securities Journal, The Shanghai Securities News	July 22, 2023	Website of The Shanghai Stock Exchange:
Lin 2023-030	Announcement of Resolutions of the 25th Meeting of the Ninth Supervisory Committee of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	July 22, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement – Dispatch of Circular in relation to (1) Major and Connected Transaction – the Proposed Acquisition, (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds; and (3) Application for Whitewash Waiver		July 25, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Notice of Extraordinary General Meeting		July 25, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Notice of H Shares Class Meeting		July 25, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-031	Notice of Anhui Expressway on Convening the First Extraordinary General Meeting of Shareholders in 2023, the First Class Meeting of a Shareholders in 2023 and the First Class Meeting of H Shareholders in 2023*	China Securities Journal, The Shanghai Securities News	July 26, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement – Cancellation of the Extraordinary General Meeting, A Share Class Meeting and the H Share Class Meeting in relation to (1) Major and Connected Transaction – Proposed Acquisition, (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds; and (3) Application for Whitewash Waiver		August 11, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-032	Announcement of Anhui Expressway on Cancellation of the First Extraordinary General Meeting of Shareholders in 2023, the First Class Meeting of Shareholders of a Shares in 2023 and the First Class Meeting of Shareholders of H Shares in 2023 to be Held Separately at a Selected Date*	China Securities Journal, The Shanghai Securities News	August 12, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Date of Board Meeting		August 14, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-033	Announcement of Anhui Expressway on the Proposed Investment and Equity Participation in the Establishment of Anhui Conch Goldstone Innovation and Development Investment Fund*	China Securities Journal, The Shanghai Securities News	August 24, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-034	Announcement of Resolutions of the 35th Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	August 24, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Announcement of the Interim Results for the Six Months Ended 30 June 2023		August 30, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-035	Announcement of Anhui Expressway on Participating in the Collective Performance Explanation Meeting of Listed Companies in Shanghai Expressway Industry*	China Securities Journal, The Shanghai Securities News	September 8, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-036	Progress Announcement of Anhui Expressway on Investment and Equity Participation in the Establishment of Anhui Conch Goldstone Innovation and Development Investment Fund* H Share Announcement- Monthly Update Announcement in relation to (1) Major and Connected Transaction-The Proposed Acquisition; (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds and (3) Application for Whitewash Waiver H Share Announcement-Connected Transaction: Disposal of Equity Interests in Three Companies	China Securities Journal, The Shanghai Securities News	September 9, 2023 September 11, 2023 September 21, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-037	Announcement of Resolutions of the 36th Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	September 21, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-038	Announcement of Anhui Expressway on the Connected Transaction of the Company's Transfer of Equity Interests in Quasi-Financial Companies to Subsidiaries of the Controlling Shareholder*	China Securities Journal, The Shanghai Securities News	September 21, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-039	Announcement of Resolutions of the 27th Meeting of the Ninth Supervisory Committee of Anhui Expressway* H Share Announcement – (1) Major and Connected Transaction – Proposed Acquisition; (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds; and (3) Application for Whitewash Waiver – Satisfaction of Certain Conditions Precedent to the Effectiveness of the Acquisition Agreement and the Proposed Non-public Issuance of A Shares	China Securities Journal, The Shanghai Securities News	September 21, 2023 September 25, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-040	Announcement of Anhui Expressway on Obtaining the Approval of Anhui Communications Holding Group Co., Ltd. on Issuing Shares and Paying Cash to Purchase Assets and Raising Matching Funds*	China Securities Journal, The Shanghai Securities News	September 26, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement – (1) Resignation of Directors and General Manager; and (2) Appointment of General Manager		September 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-List of Directors and Their Roles and Functions		September 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Continuing Connected Transactions: Design and Construction General Contracting Agreements for Building Facilities Renovation and Upgrading		September 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-041	Announcement of Anhui Expressway on Resignation of Directors and General Manager and Appointment of General Manager*	China Securities Journal, The Shanghai Securities News	September 29, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement-Date of the Board Meeting		October 13, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H share announcement – Despatch of Supplemental Circular in relation to (1) Major and Connected Transaction – Proposed Acquisition, (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds and (3) application for Whitewash Waiver		October 13, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Notice of Extraordinary General Meeting		October 13, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Notice of H Shares Class Meeting		October 13, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	Announcement of Resolutions of the 38th Meeting of the Ninth Board of Directors of Anhui Expressway*		China Securities Journal, The Shanghai Securities News	October 14, 2023

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-043	Announcement of Resolutions of the 28th Meeting of the Ninth Supervisory Committee of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	October 14, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-044	Announcement on the Revised Explanation of Anhui Expressway's Report on Issuing Shares and Paying Cash to Purchase Assets and Raising Matching Funds and Related Transactions*	China Securities Journal, The Shanghai Securities News	October 14, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-045	Announcement of Anhui Expressway on Dilution of Current Return in the Transaction and Relevant Measures Taken to Fill the Dilution of Current Return in the Transaction*	China Securities Journal, The Shanghai Securities News	October 14, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-046	Announcement of Anhui Expressway on the Self-inspection Report on the Trading of Stocks by Insiders Related to the Transaction*	China Securities Journal, The Shanghai Securities News	October 14, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-047	Notice of Anhui Expressway on Convening the First Extraordinary General Meeting of Shareholders in 2023, the First Class Meeting of a Shareholders in 2023 and the First Class Meeting of H Shareholders in 2023*	China Securities Journal, The Shanghai Securities News	October 14, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-048	Announcement of Anhui Expressway on Holding Performance Explanation Meeting*	China Securities Journal, The Shanghai Securities News	October 26, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement-Connected Transaction: Feasibility Study Contract for Reconstruction and Expansion Project of the Anqing Gezidun to Susong Section of G50 Huyu Expressway		October 30, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement – (1) 2023 Third Quarterly Report; (2) Supplemental Announcement-Connected Transaction: Disposal of Equity Interests in Three Companies		October 30, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
	H Share Announcement- (1) Major and Connected Transactions-Proposed Acquisitions (2) Proposed Non-public Issuance of a Shares Supporting Funds Raising and (3) Application for Whitewash Waiver-Confirmation by the Independent Financial Adviser and the Independent Board Committee in relation to the Third Quarterly Report of the Company for the Three Months Ended 30 September 2023		October 31, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-049	Announcement of Resolutions of the 39th Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	October 31, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-050	Announcement of Anhui Expressway on the Convening of the Performance Presentation Meeting*	China Securities Journal, The Shanghai Securities News	November 1, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement-Connected Transaction: Establishment of Fund Partnership		November 2, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-051	Announcement of Anhui Expressway on the Progress of Investment and Equity Participation in the Establishment of Anhui Transportation Goldstone Emerging Industry Equity Investment Fund and Related Transactions*	China Securities Journal, The Shanghai Securities News	November 3, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement-Continuing Connected Transactions: Design and Construction General Contracting Agreements for Comprehensive Upgrading and Renovation Project of Service Areas		November 6, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-052	Announcement of Anhui Expressway on Completion of Private Investment Fund Filing and Registration of Anhui Conch Goldstone Innovation and Development Investment Fund*	China Securities Journal, The Shanghai Securities News	November 7, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement – (1) Major and Connected Transaction – Proposed Acquisition (2) Proposed Non-public Issuance of A Shares to Raise Ancillary Funds and (3) Application for Whitewash Waiver (A) Poll Results Announcement of the EGM and the Class Meetings and (B) Lapse of the Proposed Acquisition and Proposed Non-public Issuance of A Shares		November 9, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-053	Announcement of Resolutions of the First Extraordinary General Meeting of Shareholders of Anhui Expressway in 2023, the First Class Meeting of Shareholders of a Shares in 2023 and the First Class Meeting of Shareholders of H Shares in 2023*	China Securities Journal, The Shanghai Securities News	November 10, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
Lin 2023-054	Announcement of Anhui Expressway on the Progress of Issuing Shares and Paying Cash to Purchase Assets and Raising Matching Funds and Related Transactions*	China Securities Journal, The Shanghai Securities News	November 11, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn
	H Share Announcement – Continuing Connected Transaction: Thin Overlay Maintenance Work Contract		13 November 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement – Connected Transactions: Design and Construction General Contracting Agreements for Renovation and Upgrading of Safety Facilities		20 November 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Change of Deputy General Manager and Appointment of Chief Engineer		November 21, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-055	Announcement of Resolutions of the 40th Meeting of the Ninth Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	November 22, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-056	Announcement of Anhui Expressway on the Change of Senior Management of the Company*	China Securities Journal, The Shanghai Securities News	November 22, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Continuing Connected Transaction: Hening Intelligent Expressway Construction Work Contracts		November 29, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Continuing Connected Transaction: Bitumen Purchase Contract		November 30, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Connected Transaction: Construction General Contracting Agreement for the Renovation and Upgrading Project of Hefei Management Office Park		December 19, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Proposed Amendments to the Articles of Association and the Rules of Procedures		December 28, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Working Rules of the Audit Committee under the Board of Directors		December 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Working Rules of the Human Resources and Remuneration Committee under the Board of Directors		December 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Working Rules of the Strategic Development and Investment Committee under the Board of Directors		December 28, 2023	Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Date of publication	Website of Publication
Lin 2023-057	Announcement of Resolutions of the 41st Meeting of the 9th Board of Directors of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	December 29, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-058	Announcement of Resolutions of the 30th Meeting of the Ninth Supervisory Committee of Anhui Expressway*	China Securities Journal, The Shanghai Securities News	December 29, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Lin 2023-05 9	Announcement of Anhui Expressway on Amendments to the Articles of Association*	China Securities Journal, The Shanghai Securities News	December 29, 2023	Website of The Shanghai Stock Exchange: www.sse.com.cn Website of The Stock Exchange of Hong Kong Limited: www.hkex.com.hk

* Only available in Chinese

National Trunk Highways



Appendix

The Map of the Highway Network of Anhui Province



Legend

- Anhui Transportation Holding Group Co., Ltd
- - - Anhui Transportation Holding Group Co., Ltd
- Existing Expressways (Company)
- - - Expressways under Construction or to be Constructed (Company)
- Existing Expressways (Others)
- - - Expressways under Construction or to be Constructed (Others)
- Expressways to be opened soon
- Provincial Administrative Center
- Municipal Administrative Center
- County Administrative Center



Anhui Expressway Company Limited

