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江蘇寧滬高速公路股份有限公司  
**JIANGSU EXPRESSWAY COMPANY LIMITED**

*(Established in the People's Republic of China as a joint-stock limited company)*

**(Stock Code: 00177)**

**PRELIMINARY ANNOUNCEMENT 2022 ANNUAL RESULTS**

The contents of this announcement are disclosed pursuant to Rule 13.49(1) and Paragraph 45 to Appendix 16 of the Hong Kong Listing Rules.

**I. IMPORTANT NOTICE**

- (I) The board of directors, the supervisory committee and the directors, supervisors and senior management of Jiangsu Expressway Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement; and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

The contents of this announcement are extracted from the full text of the annual report, which will be posted on the websites of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.jsexpressway.com](http://www.jsexpressway.com)). Investors should read the full text of the annual report carefully for details.

**(II)** All directors attended the board meeting.

**(III)** The audit committee of the Company has reviewed and confirmed the full text and summary of the annual report for the year ended 31 December 2022. KPMG has issued a standard unqualified auditor's report for the Company. The annual financial statements of the Company has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and is in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Hong Kong Listing Rules.

**(IV) Company profile**

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

Secretary to the Board		Representatives of securities affairs
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**(V)** Unless otherwise specified, the financial figures involved in this announcement are expressed in RMB.

**(VI)** For the items and company abbreviation involved in this announcement, please refer to Section XI of this announcement.

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

## **II. PROFIT DISTRIBUTION PLAN**

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

## **III. OVERVIEW OF PRINCIPAL BUSINESSES OR PRODUCTS DURING THE REPORTING PERIOD**

The Group was incorporated in Jiangsu Province of the People's Republic of China on 1 August 1992 and is principally engaged in the investment, construction, operation and management of toll roads and bridges in Jiangsu Province and the development of service areas along expressways. In addition, the Group is also actively exploring and developing its transportation+, new energy business and finance industry that promotes production with finance, in order to further expand its profitability and achieve sustainable development for the Group. As at the end of the Reporting Period, the Group directly owned seven wholly-owned subsidiaries, four holding subsidiaries and 15 associates and joint ventures, with total assets of approximately RMB78,458 million and net assets attributable to shareholders of the listed company of approximately RMB31,941 million.

The Group's operating areas are located in the Yangtze River Delta, which is the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Group involve the roads and bridges serving as the major transport corridors linking roads stretching east-to-west and south-to-north across the Jiangsu Province. The Jiangsu Section of Shanghai-Nanjing Expressway, being the Group's core assets, links six large and medium cities namely Shanghai, Suzhou, Wuxi, Changzhou, Zhenjiang and Nanjing, and is one of the busiest expressways in the PRC. In addition to the Jiangsu section of the Shanghai-Nanjing Expressway, the Group has full or partial interests in toll roads and bridges in Jiangsu Province, including the Ningchang Expressway, Zhenli Expressway, Guangjing Expressway, Xicheng Expressway, Xiyi Expressway, Zhendan Expressway, Yanjiang Expressway, Jiangyin Bridge, Sujiahang Expressway, Changyi Expressway, Yichang Expressway and Wufengshan Bridge. As at the end of the Reporting Period, 17 road and bridge projects were directly operated and invested by the Group, and over 910 kilometers of the roads and bridges open to traffic were owned or invested by the Group.

The total share capital of the Company comprised 5,038,000,000 shares, of which 1,222,000,000 H Shares were issued and listed on the Stock Exchange on 27 June 1997, accounting for approximately 24.26% of the total share capital of the Company; on 16 January 2001, the Company issued 150,000,000 A Shares which were listed on the SSE, representing approximately 2.98% of the total share capital of the Company; the Group established the Level I American Depositary Receipt (ADR) Program which became effective on 23 December 2002, traded in the over-the-counter market in the United States of America. The Company is the only listed road and bridge company in Jiangsu Province. The controlling shareholder is Jiangsu Communications Holding, which currently holds 54.44% of the Company's shares.

#### IV. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

*Unit: Yuan    Currency: RMB*

Major accounting data	2022	2021		Increase/ decrease in the Reporting Period as compared to the corresponding period of the previous year (%)	2020		2019		2018	
		After adjustment	Before adjustment		After adjustment	Before adjustment	After adjustment	Before adjustment	After adjustment	Before adjustment
Operating revenue	13,255,603,107.72	14,260,532,858.18	13,792,587,242.50	-7.05	8,138,606,879.35	8,032,466,746.34	10,185,097,639.26	10,078,181,218.81	10,046,133,165.96	9,969,011,165.19
Net profit attributable to the shareholders of the Company	3,724,115,165.87	4,280,010,033.09	4,178,794,496.71	-12.99	2,493,157,887.45	2,464,213,675.74	4,233,161,625.08	4,199,704,371.82	4,402,901,608.64	4,376,603,924.73
Net profit attributable to the shareholders of the Company, net of non-recurring profit or loss	3,423,828,879.88	3,763,332,484.59	3,678,823,218.12	-9.02	2,369,290,066.87	2,339,998,349.98	4,220,443,364.24	4,186,308,062.59	3,879,163,583.60	3,853,866,528.73
Net cash flow from operating activities	5,527,921,046.44	5,702,769,303.25	5,467,265,535.69	-3.07	3,174,626,755.01	3,137,401,530.39	5,807,694,458.17	5,763,283,624.15	5,733,784,872.56	5,715,489,506.54
	The end of 2022	The end of 2021		Increase/ decrease at the end of the Reporting Period as compared to the end of the previous year (%)	The end of 2020		The end of 2019		The end of 2018	
		After adjustment	Before adjustment		After adjustment	Before adjustment	After adjustment	Before adjustment	After adjustment	Before adjustment
Net assets attributable to the shareholders of the Company	31,940,807,710.11	32,042,387,869.42	30,230,283,751.28	0.32	29,874,365,910.98	28,209,961,098.83	29,792,270,207.59	28,546,983,607.15	26,548,227,078.80	26,137,197,731.62
Total liabilities	40,508,013,176.12	36,609,247,476.85	32,302,127,737.00	10.65	30,337,858,456.19	28,046,290,724.15	23,364,459,494.54	22,942,211,489.26	19,235,654,254.08	18,808,871,890.93
Total assets	78,458,345,074.07	74,246,831,643.32	67,662,020,722.45	5.67	65,433,359,329.20	61,095,560,365.16	57,524,609,240.13	55,625,048,624.75	49,039,282,440.00	48,162,728,832.15

Explanation of reasons for retrospective adjustment or restatement:

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

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

## V. MAJOR FINANCIAL DATA FOR 2022 BY QUARTERS

*Unit: Yuan    Currency: RMB*

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

## VI. SHARE CAPITAL AND SHAREHOLDERS

### (I) Shareholders of ordinary shares and shareholding of the top ten shareholders

*Unit: Share*

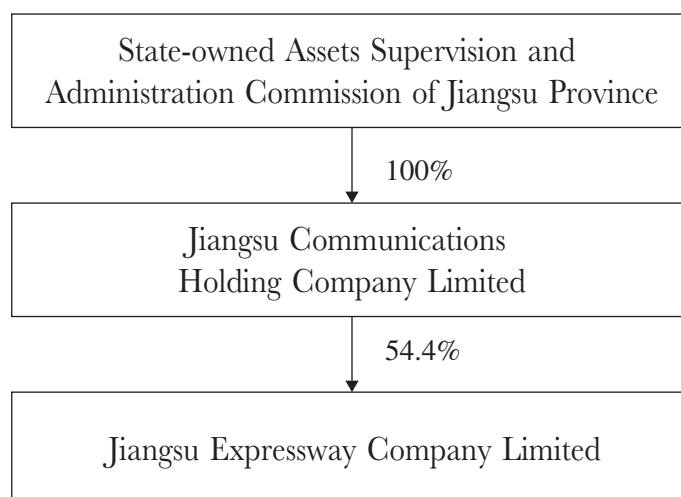
Total number of shareholders as at the end of the Reporting Period (Number of shareholders of H Shares: 402 (inclusive))	28,826
Total number of ordinary shareholders as at the end of last month before the date of disclosure of the annual report (Number of shareholders of H Shares: 400 (inclusive))	29,178

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

**The top ten holders of shares not subject to lock-up**

Name of shareholder	Number of the shares not subject to lock-up	Categories and amount of shares	
		Category	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holding Co., Ltd.	589,059,077	RMB ordinary shares	589,059,077
Mitsubishi UFJ Financial Group, Inc.	146,754,597	Overseas-listed foreign shares	146,754,597
BlackRock, Inc.	134,467,514	Overseas-listed foreign shares	134,467,514
JP Morgan Chase & Co.	78,891,826	Overseas-listed foreign shares	78,891,826
Citigroup Inc.	73,709,235	Overseas-listed foreign shares	73,709,235
China Life Insurance Company Limited - Traditional - Normal insurance product - 005L - CT001 Hu	38,519,522	RMB ordinary shares	38,519,522
China Merchants Securities Co., Ltd. - SSE Bonus Exchange-traded Stock Investment Funds	31,913,356	RMB ordinary shares	31,913,356
China Galaxy Asset Management Co., Ltd.	21,410,000	RMB ordinary shares	21,410,000
China Life Insurance Company Limited - Dividends - Individual insurance dividends	11,000,000	RMB ordinary shares	11,000,000
Accounts designated for share repurchase of the top ten shareholders	Nil		
The aforesaid shareholders entrusting voting rights, being entrusted with voting rights, and waiving voting rights	(1) The Company is not aware of the existence of related relationship or acting-in-concert arrangement with respect to the above shareholders; (2) During the Reporting Period, none of the related parties, strategic investors of the Company and general legal persons became the top ten shareholders of the Company because of placing of new shares; and (3) The number of shares of H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance of Hong Kong.		
Related relationship or acting-in-concert	Nil		
Preference shareholders with voting rights restored and the shareholding thereof	Nil		

**(II) Flowchart of the shareholding and controlling relationship between the Company and the de facto controller**



**VII. DISCUSSION AND ANALYSIS OF THE OPERATIONS**

**(I) Discussion and analysis of the operations of the Company**

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

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



## **1. Road and bridge operations**

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

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

*Note 1:* “1+N” means that physical isolation is adopted to increase or decrease the number of lanes, to mitigate the impact of meeting of vehicles on smooth flow, improve the traffic efficiency and reduce the possibility of accidents

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

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

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

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

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

## **2. *Ancillary business***

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

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

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

### **3. *New energy business***

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

### **4. *Financial investments***

In order to diversify operational risks and enhance development momentum, the Group continued to focus on the opportunities to participate in high quality financial targets and actively promoted the optimization and adjustment of industrial layout. During the Reporting Period, the Company and its wholly-owned subsidiary, Ninghu Investment Company, contributed RMB1,273,407,380 to increase its equity interest in Bank of Jiangsu, and as at the end of the Reporting Period, the two companies held a total of 782,870,800 shares in Bank of Jiangsu (approximately 5.3005% of the total number of shares currently in issue, the market value of which during the Reporting Period accounts for approximately 7.28% of the total assets of the Group). Subsequent to the Reporting Period, the Company (as the principal) entered into a termination agreement of "Fuxiang No. 15" with Fuanda Fund Management Co., Ltd. (as the manager of the Asset Management Scheme) and Bank of Jiangsu, Shanghai Branch (as the custodian of the Asset Management Scheme) to complete the liquidation process of the Asset Management Scheme. Subsequent to the Reporting Period, Ninghu Investment Company, Jiangsu Communications Holding, YS Capital and Factoring Company entered into the Transfer Agreement, and Ninghu

Investment Company, a wholly-owned subsidiary of the Company, shall transfer its 100% equity interest in the Factoring Company. Upon completion of this transfer, the Company will no longer hold equity interests in the Factoring Company and will cease to consolidate it in the scope of the Company's consolidated financial statements (as at the disclosure date of this report, the above transaction is subject to review and approval by the local financial supervision and administration bureau).

## **(II) Industry of the Company during the Reporting Period**

### ***1. Basic Information of the Road Transportation Industry***

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

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

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



## **2. *Position of the Company in the industry***

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

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

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



### **3. *Policies relating to road transportation industry***

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

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

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

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

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

### **(III) Business of the Company During the Reporting Period**

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

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

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

representing a year-on-year increase of approximately 39.81%, being the full capacity of the Rudong H5 offshore wind power project of the subsidiary put into operation in the fourth quarter of 2021.

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

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

#### **(IV) Analysis of Core Competitiveness during the Reporting Period**

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

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

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

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

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

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

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



## (V) Primary Operating Conditions during the Reporting Period

### 1. Analysis of principal businesses

#### (1) Table of analysis of changes in the relevant items in income statement and cash flow statement

Unit: Yuan Currency: RMB

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

Note: For details, please refer to the explanation for the reasons for retrospective adjustment or restatement in “IV. Accounting Data and Financial Indicators” in this announcement.

*(2) Analysis of Revenue and Cost*

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



① Principal businesses classified by industries

Unit: Yuan Currency: RMB

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

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

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

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

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

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

② Analysis of costs

Unit: Yuan Currency: RMB

By Industry							Explanation
By Industry	Components of Costs	Amount for the Reporting Period	Percentage in Total Costs for the Reporting Period (%)	Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year (%)	Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year (%)	
Toll road business	–	3,370,981,816.85	38.13	3,640,585,191.45	40.46	-7.44	
–	Depreciation and amortisation	1,590,550,707.37	17.98	1,822,750,601.75	20.26	-12.74	Mainly due to the decrease in traffic volume during the Reporting Period, and the amortisation of toll operating rights of each road section under the management of the Group according to the new estimated total traffic volume from 1 April 2022, which resulted in the year-on-year decrease in the amortisation of road operating rights. For details, please refer to the announcement on changes in accounting estimates of the Company dated 29 April 2022.
–	Costs on maintenance	609,917,852.14	6.90	696,011,873.33	7.73	-12.37	Mainly due to the suspension of some maintenance projects during the Reporting Period, and the large base figure of the previous year because of the surface maintenance of Shanghai-Nanjing Expressway and the heavy maintenance of Wuxi Huantaihu Expressway and other sections, which resulted in the year-on-year decrease in road and bridge maintenance costs.
–	Costs on system maintenance	81,559,904.85	0.92	53,532,404.70	0.59	52.36	Mainly due to the upgrade of the toll collection system during the Reporting Period.

By Industry							
By Industry	Components of Costs	Amount for the Reporting Period	Percentage in Total Costs for the Reporting Period (%)	Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year (%)	Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year (%)	Explanation
–	Levy costs	188,341,488.19	2.13	218,775,453.34	2.43	-13.91	The year-on-year decrease in levy costs was mainly due to the decrease in the toll road income during the Reporting Period, the corresponding decrease in road network management fees and the decrease in maintenance and repair costs.
–	Labor costs	900,611,864.30	10.19	849,514,858.33	9.44	6.01	
Ancillary services business	–	1,288,604,543.24	14.57	1,380,090,064.44	15.34	-6.63	
–	Raw materials	855,865,519.39	9.68	968,776,505.63	10.77	-11.66	Mainly due to the decrease in oil sales during the Reporting Period and the corresponding decrease in oil procurement costs.
–	Depreciation and amortisation	66,872,218.72	0.76	57,637,695.85	0.64	16.02	Mainly due to factors such as the opening of the Wufengshan Toll Bridge for operation in June 2021 and the opening of the Guangling service area, which resulted in a corresponding increase in depreciation expenses.
–	Labor costs	253,946,197.45	2.87	230,091,233.11	2.56	10.37	Mainly due to the rigid increase in labor costs.
–	Other costs	111,920,607.68	1.27	123,584,629.85	1.37	-9.44	Mainly due to the decrease in maintenance and repair costs in the service area during the Reporting Period.
Property sales business	–	435,356,228.58	4.92	732,545,827.31	8.14	-40.57	During the Reporting Period, the scale of delivery and carry-forward of real estate projects decreased year-on-year, resulting in a year-on-year decrease in the cost of property sales business.

		By Industry					Explanation
						Changes in Percentage of the Amount for the Reporting Period Compared with the Same Period of the Previous Year	
By Industry	Components of Costs	Amount for the Reporting Period	Percentage in Total Costs for the Reporting Period (%)	Amount for the Same Period of the Previous Year	Percentage in Total Costs for the Same Period of the Previous Year (%)	(%)	
Electricity sales	–	328,148,600.23	3.71	216,258,598.17	2.40	51.74	Mainly due to the grid-connected operation at full capacity of the Rudong H5 offshore wind power project of the subsidiary in the fourth quarter of 2021.
Construction period costs	–	3,340,387,380.03	37.78	2,948,829,334.42	32.77	13.28	Mainly due to the year-on-year increase of investments in the construction of road and bridge projects during the Reporting Period.
Other businesses	–	77,970,753.96	0.89	80,296,740.92	0.89	-2.90	

## Explanation on other details of cost analysis

None.

### (3) *Expenses*

#### ① Administrative expenses

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

#### ② Financial expenses

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

#### ③ Selling expenses

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

④ Taxes and surcharges

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

⑤ Income tax

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

(4) *Cash flow*

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

*(5) Gain on changes in fair value*

During the Reporting Period, the Group recorded a loss on changes in fair value of approximately RMB142,950,000, mainly due to the decrease in fair value of other non-current financial assets held by subsidiaries of the Company.

*(6) Investment income*

During the Reporting Period, the Group's investment income was approximately RMB1,867,961,000, representing a year-on-year increase of approximately 53.90%. It was mainly attributable to significant year-on-year increase in the operating results due to the issuance of infrastructure public REITs by Yanjiang Company, an associate, by way of transferring 100% equity interest in Husuzhe Company. Also, the increase in investment income contributed by associate companies, which are financial companies, such as Zijin Trust Company led to the corresponding increase in investment income contributed by associates. At the same time, investments in other equity instruments, distribution of other non-current financial assets, and wealth management income increased year-on-year. During the Reporting Period, the associates and joint ventures invested by the Group contributed investment income of approximately RMB1,086,916,000, representing a year-on-year increase of approximately 41.35%. Operating results of some key associates are set out below:



*Unit: Yuan    Currency: RMB*

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

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

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

*(7) Other income*

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

*(8) Non-operating income and expenses*

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

## 2. Analysis of Assets and Liabilities

As of 31 December 2022, items of assets and liabilities of the Group are as follows:

*Unit: Yuan    Currency: RMB*

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period (Note 1)	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Cash and bank balances	932,931,344.38	1.19	623,637,321.80	0.84	49.60	Mainly due to the increase in capital reserve for loan repayment, payment and project construction by the Group at the end of the Reporting Period.
Held-for-trading financial assets	3,474,620,148.26	4.43	2,646,518,676.44	3.56	31.29	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared with the beginning of the period.
Bills receivable	950,000.00	0.00	13,024,839.80	0.02	-92.71	Mainly due to the decrease in bank acceptance receivable from subsidiaries at the end of the Reporting Period as compared to the beginning of the period.
Accounts receivable	1,127,669,970.08	1.44	868,672,668.89	1.17	29.82	Mainly due to the increase in the amount of state subsidies receivable from feed-in power stations at the end of the Reporting Period as compared to the beginning of the period.
Inventories	2,585,018,115.85	3.29	3,889,500,259.57	5.24	-33.54	Mainly due to the delivery and transfer of real estate projects by subsidiaries during the Reporting Period.
Other current assets	1,132,118,913.26	1.44	976,072,886.04	1.31	15.99	Mainly due to the increase in factoring receivable during the Reporting Period.
Long-term equity investments	11,089,989,971.83	14.13	10,155,546,826.36	13.68	9.20	Mainly due to the increase in investment income contributed by associates during the Reporting Period.
Investments in other equity instruments	6,989,448,132.00	8.91	5,805,587,078.89	7.82	20.39	Mainly due to the increase in book value of other equity instrument investments recognized at fair value by the Group during the Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period (Note 1)	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Other non-current financial assets	2,877,355,787.11	3.67	3,004,141,868.26	4.05	-4.22	Mainly due to the partial recovery of the principal of other non-current financial assets, and the decrease in fair value of other non-current financial assets held during the Reporting Period as compared with the beginning of the period.
Investment property	308,801,243.53	0.39	91,363,105.92	0.12	237.99	Mainly due to the addition of investment properties by our subsidiary, Hanwei Company, during the Reporting Period.
Fixed assets	8,045,978,815.98	10.26	7,645,933,747.91	10.30	5.23	Mainly due to the completion and delivery of C5 Hotel, a subsidiary real estate project, which was transferred to the Company's self-owned assets during the Reporting Period.
Construction in progress	188,697,382.38	0.24	265,046,246.08	0.36	-28.81	Mainly due to the completion and transfer of certain projects under construction during the Reporting Period.
Right-of-use assets	29,471,084.75	0.04	39,288,043.61	0.05	-24.99	Mainly due to the provision for depreciation during the Reporting Period.
Intangible assets	39,160,901,716.97	49.91	37,144,247,928.52	50.03	5.43	Mainly due to the recognition of intangible assets for investment in road & bridge projects construction in progress during the Reporting Period.
Long-term deferred expenses	18,310,574.19	0.02	2,885,785.63	0.00	534.51	Mainly due to the additional decoration investment in C5 Hotel, a subsidiary real estate project, which was transferred to the self-owned assets upon the completion and delivery during the Reporting Period.
Long-term receivables	111,904,575.09	0.14	–	–	–	Mainly due to the collection of instalment from Hanrui Center project purchased by Communications Holding Commercial Operation Company during the Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period (Note 1)	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Other non-current assets	68,366,860.46	0.09	815,786,455.84	1.10	-91.62	Mainly due to the receipt of value-added tax credit refund by subsidiaries of the Company during the Reporting Period, and the decrease in input tax to be deductible as compared to the beginning of the period.
Short-term borrowings	2,434,124,067.61	3.10	1,077,145,209.09	1.45	125.98	Mainly due to the increase in short-term loans from financial institutions during the Reporting Period as compared to the beginning of the period.
Notes payable	366,000,000.00	0.47	134,040,089.33	0.18	173.05	Mainly due to the increase in bank acceptances issued by Factoring Company, a subsidiary of the Company, during the Reporting Period.
Accounts payable	2,813,441,518.75	3.59	3,217,552,682.30	4.33	-12.56	Mainly due to the decrease in construction payable and construction payable for real estate project at the end of the Reporting Period as compared to the beginning of the period.
Contract liabilities	162,928,919.15	0.21	427,561,162.30	0.58	-61.89	Mainly due to the delivery and transfer of real estate projects of subsidiaries during the Reporting Period.
Non-current liabilities due within one year	1,815,208,560.25	2.31	808,115,756.98	1.09	124.62	Mainly due to the transfer into of long-term borrowings due within one year in the Reporting Period.
Other current liabilities	5,359,728,092.37	6.83	7,671,965,597.07	10.33	-30.14	Mainly due to the redemption of ultra-short-term notes during the Reporting Period, the balance decreased as compared with the beginning of the period.
Bonds payable	9,972,337,481.34	12.71	5,777,418,959.86	7.78	72.61	Mainly due to the issuance of corporate bonds of RMB2,700,000,000 and medium-term notes of RMB1,500,000,000 during the Reporting Period.
Deferred tax liabilities	671,751,540.62	0.86	419,248,158.42	0.56	60.23	Mainly due to the adjustments to other comprehensive income and the corresponding adjustments to deferred tax liabilities based on the fair value of other equity instrument investments held by the Group during the Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period (Note 1)	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Other non-current liabilities	-	-	4,451,000.00	0.01	-100.00	Mainly due to the adjustment of other non-current liabilities due within one year to non-current liabilities due within one year during the Reporting Period.
Capital reserve	9,776,409,372.86	12.46	12,122,409,372.86	16.33	-19.35	Mainly due to the consolidation of YS Energy Company under common control during the Reporting Period.
Other comprehensive income	1,752,882,112.53	2.23	931,335,600.50	1.25	88.21	Mainly due to the adjustments to other comprehensive income based on the fair value of other equity instrument investments held by the Group during the Reporting Period.
Total assets	78,458,345,074.07	100.00	74,246,831,643.32	100.00	5.67	
Total gearing ratio	51.63%	-	49.31%	-	Increased by 2.32 percentage points	
Net gearing ratio	106.74%	-	97.27%	-	Increased by 9.47 percentage points	

**Note 1:** For details, please refer to the explanation for the reasons for retrospective adjustment or restatement in “IV. Accounting Data and Financial Indicators” in this announcement.

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

## Other explanations

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

### (1) *Investment expenditure*

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

Name of Investment Expenditure	Amount (RMB)
Longtan Bridge	2,775,251,439.70
XIYI Expressway South Section Widening Project	565,135,940.33
Investment in CDB Kai Yuan Phase II Fund	104,223,693.42
Increase in shareholding in Bank of Jiangsu	1,273,407,380.00
Acquisition of equity interest in YS Energy Company	2,457,000,000.00
Capital increase in Factoring Company	100,000,000.00
Investment in Jiangsu Clean Energy Company (Note 2)	14,700,000.00
Investment in Rudong Company (Note 2)	111,280,000.00
Alteration and addition of service areas and toll collection points	94,893,792.41
Three major systems and information construction project	10,033,934.59
Photovoltaic power generation projects	14,234,456.07
Other capital expenditure of the Group	121,819,641.63
<b>Total</b>	<b>7,641,980,278.15</b>

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

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

*(2) Capital structure and solvency*

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

*(3) Financial strategy and financing arrangement*

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and reduced financing costs. Through adopting a proactive financing strategy, the Company was able to meet the funding needs of its operation and management and project investment and controlled the financing costs effectively. The Group's borrowing requirements are not subject to seasonality. During the Reporting Period, an additional fund of RMB29,866,170,000 was obtained through direct financing. As at 31 December 2022, the Group's borrowings amounted to RMB20,166,171,000, of which RMB5,274,317,000 were fixed loans. As at the end of the Reporting Period, the balance of the principal of the interest-bearing liabilities was approximately RMB35,426,657,000, representing an increase of approximately RMB4,146,627,000 as compared with the beginning of the period. The consolidated borrowing cost on interest-bearing liabilities of the Group was approximately 3.41%, representing a year-on-year decrease of approximately 0.26 percentage point, which was lower than the loan prime rate (LPR) of approximately 0.77 percentage point (the amounts stated above are exclusive of interest).



*(4) Credit policy*

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

*(5) Contingencies*

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

*(6) Foreign exchange risks*

The Group currently operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and major capital expenditures are all settled in Renminbi except for dividend payments for H Shares and the Group has no investment in foreign currency. In 1998, the Group obtained a loan from the Spanish government of US\$9,800,000 at an interest rate of 2% per annum with interest payable annually and due on 18 July 2027. As at 31 December 2022, the balance of the loan was equivalent to approximately RMB10,353,000, against which no foreign exchange hedging arrangements were made by the Group. Fluctuation in exchange rates will have no material impact on the Group's results.

(7) Reserves

Unit: Yuan Currency: RMB

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

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

### 3. Analysis of investment

During the Reporting Period, the Group's total equity investment was approximately RMB6,156,000,000, representing an increase of approximately 78.54% over 2021. The major items are as follows:

#### (1) Material equity investments

Unit: Yuan Currency: RMB

Name of Investee Corporation	Principal Business	Whether the Target is Principally Engaged in the Investment Business	Investment Method	Invested Amount	Shareholding Percentage (%)	Whether to Consolidate	Statement Item (if applicable)	Sources of Funds	Partner (if applicable)	Investment Term (if any)	Status as at the Balance Sheet Date	Estimated Earnings (if any)	Effect of Profit or Loss for the Period	Whether Involved in any Legal Actions	Date of Disclosure (if any)	Disclosure Index (if any)
YS Energy Company	Photovoltaic and wind power generation	No	Acquisition	2,457,000,000.00	100.00%	Yes	-	Self-owned funds	-	-	The transfer of equity interest and the registration of industrial and commercial changes were completed.	-	186,686,249.15	No	18 June 2022	For details, please refer to the announcements on the resolutions of the Shareholders' general meetings published by the Company on the website of the SSE at www.sse.com.cn on 18 June 2022 and on the website of the Stock Exchange at www.hkexnews.hk on 17 June 2022.
Bank of Jiangsu	Banks	No	Capital increase	1,273,407,380.00	5.3005%	No	Investments in other equity instruments	Self-owned funds	-	-	Full capital contribution was completed	-	238,199,920.00	No	27 October 2022	For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn on 27 October 2022 and on the website of the Stock Exchange at www.hkexnews.hk on 26 October 2022.

Name of Investee Corporation	Principal Business	Whether the Target is Principally Engaged in the Investment Business	Investment Method	Invested Amount	Shareholding Percentage (%)	Whether to Consolidate (if applicable)	Sources of Funds	Partner (if applicable)	Investment Term (if any)	Status as at the Balance Sheet Date	Estimated Earnings (if any)	Effect of Profit or Loss for the Period	Whether Involved in any Legal Actions	Date of Disclosure	Disclosure Index (if any)
Factoring companies (Note)	Factoring	No	Capital increase	100,000,000.00	100.00%	Yes	Self-owned funds	-	-	Full capital contribution was completed	-	16,116,720.19	No	23 December 2021	For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn on 23 December 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 22 December 2021.
Longtan Bridge Company	Roads and bridges	No	Capital increase	2,095,370,000.00	57.33%	Yes	Self-owned funds	Nanjing Highway Development (Group) Co., Ltd., Yangzhou Communications Industry Group Co., Ltd.	-	As at the end of 2022, a capital increase of RMB900 million had been completed, with the remaining capital contribution to be completed by 30 June 2024.	-	559,018.43	No	28 March 2022	For details, please refer to the announcement on resolution of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 28 March 2022.
CDB Kai Yuan Phase II Fund	Fund	Yes	Others	104,223,693.42	8.20%	No	Other non-current financial assets	China Development Unit Kai Yuan Equity Investment Fund Management Co., Ltd.	November 2027	Full capital contribution was completed	-	28,941,266.12	No	29 April 2017	For details, please refer to the announcements on the resolutions of the Board of Directors published by the Company on the website of the SSE at www.sse.com.cn on 29 April 2017 and on the website of the Stock Exchange at www.hkexnews.hk on 28 April 2017.
Total	/	/	/	3,934,631,073.42	/	/	/	/	/	/		470,503,173.89	/	/	/

Note: See further explanation in “IX. Others – (XIII) Events after the Reporting Period” of this announcement.

(2) *Material non-equity investments*

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

(3) *Financial assets measured at fair value*

*Unit: Yuan    Currency: RMB*

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

*Note :* The private equity funds comprise the CDB Kai Yuan Phase II Fund, Zhongbei Zhiyuan Fund and Luode Huizhi Fund held by the Company during the reporting period. For details, please refer to the following section headed “Private Equity Fund Investment”. Shares include shares of Bank of Jiangsu and Jiangsu Leasing Company held by the Company during the reporting period. For details, please refer to the table headed “Securities Investment”.

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

#### (4) Securities Investment

Unit: Yuan Currency: RMB

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

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

*(5) Private Equity Fund Investment*

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



## (VI) Discussion and Analysis of the Company on Its Future Development

### (i) *Industry landscape and development trends*

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

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

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

***(ii) Development strategies of the Company***

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

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

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

***(iii) Operating plan***

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

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

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

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

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

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

**Love and care will be extended for public welfare.** Continue to deepen “Happy Jiangsu Expressway” and “Harmonious Jiangsu Expressway”. Volunteering activities for co-building will be carried out on a regular basis. The “Dream Transformation+” Care Campaign will be constantly conducted. Furthermore, cooperation and exchange will be actively conducted with suppliers and industry associations to share fruitful results and strengthen the demonstration and leading effects. Donations and the village-enterprise assistance activity will be continuously carried out to demonstrate the Company’s responsibility fulfilment.

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

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

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

On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategy based on the financing condition of the capital market, while further optimizing its debt structure and reducing capital risks so as to satisfy its own funding needs for operation and development. Meanwhile, the Group is actively exploring various types of financing channels such as convertible bonds and overseas bonds, which will not only provide the Group with efficient funds support for its present stage of development, but also make prior arrangements for its future development strategies. As of the end of the Reporting Period, the Group's ultra short-term notes registered in National Association of Financial Market Institutional Investors but not issued with a valid term over one year were approximately RMB5.78 billion; the medium-term notes registered in National Association of Financial Market Institutional Investors but not issued with a valid period over one year were RMB4.5 billion; the green corporate bonds approved for registration by China Securities Regulatory Commission but not issued with a valid period over one year were RMB1.0 billion; and the available unutilized bank loan facilities with a time limit over one year were not less than RMB10.0 billion. The credit line will be sufficient for supporting capital expenditure, debt roll-over and business development of the Group. If other capital expenditure is required under special circumstances, the Group will adjust its financing plan based on the size of expenditure and the actual cash flow condition.

## VIII. MATTERS RELEVANT TO THE FINANCIAL REPORT

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

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

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

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



- (a) The main impact of the Group's adoption of the above provisions and guidelines

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

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

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

- (ii) Judgment on loss-making contracts

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

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



(iii) Caikuai [2022] No.13

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **(2) Reasons for the changes in accounting estimates**

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

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

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

**(II) There is no significant accounting errors which required to be amended during the Reporting Period**

**IX. OTHERS**

**(I) Purchase, sale and redemption of shares of the Company**

During the Reporting Period, there was no purchase, sale or redemption of the shares of the Company by the Company or any of its subsidiaries; there was no person who exercised any conversion right or subscription right over convertible securities, options, warrants or other similar rights issued or granted by the Company or any of its subsidiaries at any time.

**(II) Pre-emptive right**

There are no provisions for pre-emptive rights under the laws of the People's Republic of China and Company's Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

**(III) Public float**

Based on publicly available information and as far as the directors are aware, the board of directors is of the view that the public float of the Company as at 24 March 2023 (as the latest practicable date before the date of this announcement) complied with the requirements of the Hong Kong Listing Rules.

**(IV) Shareholders' waiver or consent to dividend arrangements**

During the Reporting Period, there were no arrangements on waiver of any dividend by any shareholder.

**(V) Management Contracts**

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

## **(VI) Model Code for Securities Transactions by directors**

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

## **(VII) Corporate Governance Code**

As at the date of this announcement, the Board has reviewed the daily governance of the Company with reference to Part II of the Corporate Governance Code in Appendix 14 to the Hong Kong Listing Rules, and is of the view that the Company fully adopted all code provisions in Part II of the Corporate Governance Code and strived to fulfill the recommended best practices other than the code provisions B2.2 and C2.7 in Part II stated below, the Company has been in compliance with all the code provisions in Part II under the Corporate Governance Code and no material deviation or breach of the provisions of the Corporate Governance Code was found.

<b>Code provision</b>	<b>Compliance</b>	<b>Corporate governance procedures</b>
B2.2 Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.	No	All directors were elected or replaced at general meetings. The Company has introduced the cumulative voting system for the election of directors. According to the Company Law and the Articles of Association, each session of the board of directors is for a term of three years, with each director appointed for a term of three years, and all directors should retire upon the expiry of the three-year term, instead of retirement by rotation. Any re-appointment is subject to re-election at a general meeting.
C2.7 The chairman should at least hold a meeting annually with the independent non-executive directors, in the absence of other directors	No	During the Reporting Period, the Board has 13 members, of whom only 3 are executive directors and the rest are non-executive directors. 10 directors were appointed externally. This ensures adequate independence of the board of directors and safeguards the decisions of the board of directors from being prejudiced by the opinions of executive directors.

### **(VIII) Audit Committee**

The audit committee of the Company has reviewed and confirmed the preliminary results announcement for the year ended 31 December 2022. The annual financial statements of the Company has been prepared in accordance with the PRC Accounting Standards and is in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Hong Kong Listing Rules.

### **(IX) Remuneration policy**

Based on the characteristics of road-and-bridge enterprises, the Group determines the employees' salaries according to their specific positions and their performance. The Group continues to innovate the cadre management mechanism to improve the performance appraisal system based on the strategic objectives and work highlights for the year, so as to stimulate the working enthusiasm of our employees through the matching of salaries, incentive-oriented assessment and improvement of welfare. During the Reporting Period, the Group continued to implement various efforts in the reform of state-owned enterprises, formulated five new systems, including the Management Measures for Gross Payroll of Subsidiaries (Trial)", and revised five existing systems, including the Remuneration Management Measures of the Company. The total salary of employees amounted to approximately RMB831,667,400. Meanwhile, the Group nurtured multi-dimensional skillful business professionals and improved all staff members' performance by ways of the station brand-building as well as research and development of QC groups, certification of the qualifications and skill level identification of production positions and hindrance clearance workers and the on-the-job training, work rotation and communication of management members, etc. During the year, the Company selected a total of 152 outstanding staff members, production veterans and management stars and 26 outstanding teams and guided by benchmarking learning, creating a positive and enterprising working atmosphere and environment.

### **(X) Training programs**

Staffs are the primary productive force of business development. By closely combining with the development goals, talent needs and the status of the staffs, and adhering to the principle of teaching according to needs and seeking effectiveness, the Group has made proposal of comprehensive quality and competency training for senior management, mid-levels and managers, newly-promoted management, and junior youth backbone employees featuring with multiple dimensions and levels, respectively: Firstly, the Group organized the management to participate in professional manager training and promoted the high-quality development of state-owned



enterprises; secondly, the Group organized the Company's mid-levels and key management personnel to participate in competency training in batches, to learn the innovative ideas and management concepts of benchmark companies; thirdly, the Group organized business training for attendants, toll collectors, team leader competency, front-line management personnel, maintenance management personnel, etc., to comprehensively improve the business quality and professional ability of the staff; fourthly, the Group organized training for safety management personnel and special operators to ensure a 100% certification holding rate; fifthly, taking into account the national development strategy for important skilled talents, the Group conducted full and comprehensive training for skilled personnel to promote skills upgrading and employment with certificates. In 2022, a total of 260 obstacle cleaners, 215 toll collectors, 125 gas station operators and 24 maintenance workers to participated in the vocational skills level evaluation organised by the Human Resources and Social Security department and obtained certificates. During the Reporting Period, approximately RMB10.7457 million was spent on training, and the staff attendance at the trainings amounted to nearly 23,000, covering all levels from the front-line production line workers to senior management, enhancing staff awareness and improving their capabilities through systematic trainings, further improving the talent team empowerment construction of the Group, reserving power sources, thus to provide talent support for the sustainable and rapid development of the Group.

#### **(XI) Outsourcing of labour**

Total working hours of outsourced labour	1 Year
Total remuneration paid to outsourced labour	25,974,400

#### **(XII) Explanation of other significant matters that have a significant impact on the value judgments and investment decisions made by investors**

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



### **(XIII) Events after the Reporting Period**

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

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

## X. FINANCIAL STATEMENTS (PRC STANDARDS)

### (I) Consolidated balance sheet

As at 31 December 2022

Unit: Yuan Currency: RMB

Item	31 December 2022	31 December 2021	Item	31 December 2022	31 December 2021
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash at bank and on hand	932,931,344.38	623,637,321.80	Short-term loans	2,434,124,067.61	1,077,145,209.09
Financial assets held for trading	3,474,620,148.26	2,646,518,676.44	<b>Bills payable</b>	<b>366,000,000.00</b>	134,040,089.33
Bills receivable	950,000.00	13,024,839.80	Accounts payable	2,813,441,518.75	3,217,552,682.31
Accounts receivable	1,127,669,970.08	868,672,668.89	Advance payments received	15,148,842.33	18,397,566.42
Prepayments	7,737,346.20	9,423,703.60	Contract liabilities	162,928,919.15	427,561,162.30
Other receivables	62,758,902.02	77,090,371.90	Employee benefits payable	7,114,523.65	3,518,843.11
Inventories	2,585,018,115.85	3,889,500,259.57	Taxes payable	383,023,669.03	414,605,221.89
Non-current assets due within one year	62,000,000.00	–	Other payables	288,042,394.72	269,097,635.04
Other current assets	1,132,118,913.26	976,072,886.04	Non-current liabilities due within one year	1,815,208,560.25	808,115,756.98
<b>Total current assets</b>	<b>9,385,804,740.05</b>	<b>9,103,940,728.04</b>	Other current liabilities	5,359,728,092.37	7,671,965,597.07
<b>Non-current assets:</b>			<b>Total current liabilities</b>	<b>13,644,760,587.86</b>	<b>14,041,999,763.54</b>
Long-term receivables	111,904,575.09	–	<b>Non-current liabilities:</b>		
Long-term equity investments	11,089,989,971.83	10,155,546,826.36	Long-term loans	16,053,597,366.94	16,167,775,891.48
Investments in other equity instruments	6,989,448,132.00	5,805,587,078.89	Debentures payable	9,972,337,481.34	5,777,418,959.86
Other non-current financial assets	2,877,355,787.11	3,004,141,868.26	Lease liabilities	20,300,291.44	25,850,314.84
Investment properties	308,801,243.53	91,363,105.92	Long-term payables	71,404,993.74	73,003,435.69
Fixed assets	8,045,978,815.98	7,645,933,747.91	Deferred income	73,860,914.18	99,499,953.02
Construction in progress	188,697,382.38	265,046,246.08	Deferred tax liabilities	671,751,540.62	419,248,158.42
Right-of-use assets	29,471,084.75	39,288,043.61	<b>Other non-current liabilities</b>	<b>–</b>	4,451,000.00
Intangible assets	39,160,901,716.97	37,144,247,928.52	<b>Total non-current liabilities</b>	<b>26,863,252,588.26</b>	<b>22,567,247,713.31</b>
Long-term deferred expenses	18,310,574.19	2,885,785.63	<b>Total liabilities</b>	<b>40,508,013,176.12</b>	<b>36,609,247,476.85</b>
Deferred tax assets	183,314,189.73	173,063,828.26	<b>Owners' equity</b>		
Other non-current assets	68,366,860.46	815,786,455.84	<b>(or shareholders' equity):</b>		
			Paid-in capital (or share capital)	5,037,747,500.00	5,037,747,500.00
			Capital reserve	9,776,409,372.86	12,122,409,372.86
			Other comprehensive income	1,752,882,112.53	931,335,600.50
			General risk reserve	9,737,731.83	6,505,092.88
			Specific reserve	577,468.02	–
			Surplus reserve	4,019,593,072.94	3,834,110,631.26
			Retained earnings	11,343,860,451.93	10,110,279,671.92
			<b>Total equity attributable to owners (or shareholders) of the Company</b>	<b>31,940,807,710.11</b>	<b>32,042,387,869.42</b>
			<b>Non-controlling interests</b>	<b>6,009,524,187.84</b>	<b>5,595,196,297.05</b>
<b>Total non-current assets</b>	<b>69,072,540,334.02</b>	<b>65,142,890,915.28</b>	<b>Total owners' (or shareholders') equity</b>	<b>37,950,331,897.95</b>	<b>37,637,584,166.47</b>
<b>Total assets</b>	<b>78,458,345,074.07</b>	<b>74,246,831,643.32</b>	<b>Total liabilities and owners' (or shareholders') equity</b>	<b>78,458,345,074.07</b>	<b>74,246,831,643.32</b>

Legal representative:  
**Chen Yunjiang**

The person in-charge of  
accounting affairs:  
**Dai Qian**

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

## (II) Consolidated income statement

For the year ended 31 December 2022

		Unit: Yuan	Currency: RMB
Item		2022	2021
<b>I. Operating income</b>		<b>13,255,603,107.72</b>	14,260,532,858.18
Including: Operating income		<b>13,255,603,107.72</b>	14,260,532,858.18
<b>II. Operating costs</b>		<b>10,412,613,916.51</b>	10,404,582,289.06
Including: Operating costs		<b>8,841,449,322.89</b>	8,998,605,756.71
Taxes and surcharges		<b>168,927,615.17</b>	266,701,703.32
Selling and distribution expenses		<b>14,501,739.24</b>	26,111,192.22
General and administrative expenses		<b>293,508,570.18</b>	245,992,998.91
Financial expenses		<b>1,094,226,669.03</b>	867,170,637.90
Including: Interest expenses		<b>1,098,642,030.08</b>	869,888,309.40
Interest income		<b>23,262,551.07</b>	16,464,368.49
Add: Other income		<b>31,982,996.77</b>	30,036,194.33
Investment income (“-” for losses)		<b>1,867,961,513.05</b>	1,213,714,101.38
Including: Income from investments in associates and joint ventures		<b>1,086,915,705.37</b>	768,954,027.30
Gains from changes in fair value (“-” for losses)		<b>-142,950,442.33</b>	489,879,008.21
Credit losses (“-” for losses)		<b>-5,354,679.05</b>	-8,829,242.92
Impairment losses (“-” for losses)		<b>—</b>	-5,497,868.60
Gains from asset disposals (“-” for losses)		<b>25,731,786.68</b>	7,868,251.48
<b>III. Operating profit (“-” for loss)</b>		<b>4,620,360,366.33</b>	5,583,121,013.00
Add: Non-operating income		<b>10,630,200.48</b>	12,948,983.37
Less: Non-operating expenses		<b>49,967,992.41</b>	29,670,574.13
<b>IV. Profit before income tax (“-” for losses)</b>		<b>4,581,022,574.40</b>	5,566,399,422.24
Less: Income tax expenses		<b>833,033,706.01</b>	1,289,660,707.85
<b>V. Net profit for the year (“-” for losses)</b>		<b>3,747,988,868.39</b>	4,276,738,714.39
(1) Net profit classified by continuity of operations (“-” for net loss)			
1. Net profit from continuing operations (“-” for net loss)		<b>3,747,988,868.39</b>	4,276,738,714.39
2. Net profit from discontinued operations (“-” for net loss)		<b>—</b>	—

Item	2022	2021
(2) Net profit classified by ownership (“-” for net loss)		
1. Shareholders of the Company (“-” for net loss)	<b>3,724,115,165.87</b>	4,280,010,033.09
2. Non-controlling interests (“-” for net loss)	<b>23,873,702.52</b>	-3,271,318.70
<b>VI. Other comprehensive income, net of tax</b>	<b>847,357,806.80</b>	151,824,228.78
(1) Other comprehensive income (net of tax) attributable to owners of the Company	<b>837,091,056.80</b>	158,800,353.78
1. Items that will not be reclassified to profit or loss	<b>837,189,417.43</b>	158,800,353.78
(1) Other comprehensive income recognised under equity method	<b>-3,743,295.51</b>	-20,210,435.46
(2) Changes in fair value of investments in other equity instruments	<b>840,932,712.94</b>	179,010,789.24
2. Items that may be reclassified to profit or loss	<b>-98,360.63</b>	–
(2) Other comprehensive income (net of tax) attributable to non-controlling interests	<b>10,266,750.00</b>	-6,976,125.00
<b>VII. Total comprehensive income</b>	<b>4,595,346,675.19</b>	4,428,562,943.17
(1) Attributable to owners of the Company	<b>4,561,206,222.67</b>	4,438,810,386.87
(2) Attributable to non-controlling interests	<b>34,140,452.52</b>	-10,247,443.70
<b>VIII. Earnings per share</b>		
(1) Basic earnings per share (RMB/share)	<b>0.7392</b>	0.8496
(2) Diluted earnings per share (RMB/share)	<b>0.7392</b>	0.8496

*Legal representative:*  
**Chen Yunjiang**

*The person in-charge of  
accounting affairs:*  
**Dai Qian**

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

### (III) Consolidated cash flow statement

For the year ended 31 December 2022

Unit: Yuan      Currency: RMB

Item	2022	2021
<b>I. Cash flows from operating activities:</b>		
Proceeds from sale of goods and rendering of services	9,657,865,802.24	10,744,934,960.41
Refund of taxes	1,127,937,142.47	71,941,067.49
Proceeds from other operating activities	1,175,062,817.41	811,790,273.72
Sub-total of cash inflows	11,960,865,762.12	11,628,666,301.62
Payment for goods and services	2,273,624,208.27	2,016,763,427.43
Payment to and for employees	1,284,237,259.94	1,209,041,317.76
Payment of various taxes	1,396,026,964.96	1,527,991,962.44
Payment for other operating activities	1,479,056,282.51	1,172,100,290.74
Sub-total of cash outflows	6,432,944,715.68	5,925,896,998.37
Net cash flows generated from operating activities	5,527,921,046.44	5,702,769,303.25
<b>II. Cash flows from investing activities:</b>		
Proceeds from disposal of investments	16,242,271,244.68	16,764,302,394.15
Investment returns received	916,007,126.42	616,698,176.11
Net proceeds from disposal of fixed assets	51,755,200.88	12,610,218.85
Sub-total of cash inflows	17,210,033,571.98	17,393,610,789.11
Payment for acquisition of fixed assets, intangible assets and other long-term assets	4,039,105,625.86	4,777,231,902.11
Payment for acquisition of investments	17,140,572,709.15	20,636,694,224.57
Net payment for acquisition of subsidiaries and other business units	2,457,000,000.00	—
Sub-total of cash outflows	23,636,678,335.01	25,413,926,126.68
Net cash flows used in investing activities	-6,426,644,763.03	-8,020,315,337.57
<b>III. Cash flows from financing activities:</b>		
Proceeds from investors	511,000,000.00	441,900,000.67
Including: Proceeds from non-controlling shareholders of subsidiaries	400,000,000.00	401,900,000.67
Proceeds from borrowings	7,026,403,472.09	5,926,003,334.00
Proceeds from issuance of debentures	29,357,400,000.00	21,835,447,890.89
Sub-total of cash inflows	36,894,803,472.09	28,203,351,225.56
Repayments of borrowings	32,259,970,646.60	22,712,024,685.27

Item	2022	2021
Payment for dividends, profit distributions or interest	3,422,409,878.25	3,173,879,263.52
Including: Profits paid to non-controlling shareholders of subsidiaries	19,885,678.86	11,107,452.34
Payment for other financing activities	5,993,174.91	9,503,833.18
Sub-total of cash outflows	35,688,373,699.76	25,895,407,781.97
Net cash flows generated from financing activities	1,206,429,772.33	2,307,943,443.59
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	—	—
<b>V. Net increase in cash and cash equivalents</b>	<b>307,706,055.74</b>	<b>-9,602,590.73</b>
Add: Cash and cash equivalents at the beginning of the period	617,306,798.75	626,909,389.48
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>925,012,854.49</b>	<b>617,306,798.75</b>

<i>Legal representative:</i>	<i>The person in-charge of accounting affairs:</i>	<i>The head of the accounting department:</i>
<b>Chen Yunjiang</b>	<b>Dai Qian</b>	<b>Yao Qunfang</b>

**(IV) Notes to items in the consolidated financial statements:**

**1. Operating income and operating costs**

*(1) Operating income and operating costs*

*Unit: Yuan Currency: RMB*

Item	2022		2021	
	Income	Cost	Income	Cost
Principal activities	11,786,933,521.91	7,958,674,859.74	12,649,032,397.83	7,969,504,590.31
Other operating activities	1,468,669,585.81	882,774,463.15	1,611,500,460.35	1,029,101,166.40
Total	13,255,603,107.72	8,841,449,322.89	14,260,532,858.18	8,998,605,756.71
Including: Revenue from contracts with customers (2)	13,162,146,352.67	8,624,182,102.72	13,979,585,569.17	8,793,940,193.43
Lease income	93,456,755.05	217,267,220.17	280,947,289.01	204,665,563.28

(2) *Disaggregation of revenue from contracts with customers*

	<i>Unit: Yuan    Currency: RMB</i>	
<b>Type of contract</b>	<b>2022</b>	<b>2021</b>
By type of business		
Toll road income	<b>7,323,016,523.07</b>	8,263,073,263.06
Construction service income	<b>3,340,387,380.03</b>	2,948,829,334.42
Income from ancillary services	<b>1,060,057,453.18</b>	1,198,494,447.83
Income from real estate development	<b>674,078,627.89</b>	1,028,544,320.23
Income from sales of electricity	<b>651,675,244.34</b>	466,126,979.92
Income from advertisement and other services	<b>112,931,124.16</b>	74,517,223.71
<b>Total</b>	<b><u>13,162,146,352.67</u></b>	<b><u>13,979,585,569.17</u></b>
By timing of revenue recognition		
Revenue recognised at a point in time	<b>9,718,487,782.07</b>	10,967,610,940.17
Revenue recognised over time	<b>3,443,658,570.60</b>	3,011,974,629.00
<b>Total</b>	<b><u>13,162,146,352.67</u></b>	<b><u>13,979,585,569.17</u></b>

**2. *Income tax expenses***

(1) *Income tax expenses*

	<i>Unit: Yuan    Currency: RMB</i>	
<b>Item</b>	<b>2022</b>	<b>2021</b>
Current tax expense for the year based on tax law and regulations	<b>878,723,329.99</b>	1,160,962,094.42
Changes in deferred tax assets/liabilities	<b>-36,298,618.66</b>	129,333,237.62
Tax filing differences for previous years	<b>-9,391,005.32</b>	-634,624.19
<b>Total</b>	<b><u>833,033,706.01</u></b>	<b><u>1,289,660,707.85</u></b>



(2) *Reconciliation of accounting profits and income tax expenses*

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>2022</b>	<b>2021</b>
Profits before taxation	<b>4,581,022,574.40</b>	5,566,399,422.24
Expected income tax expense at tax rate of 25%	<b>1,145,255,643.60</b>	1,391,599,855.56
Tax filing differences for previous years	<b>-9,391,005.32</b>	-634,624.19
Effect of non-taxable income	<b>-395,126,315.88</b>	-244,193,006.82
Effect of non-deductible costs, expense and losses	<b>22,342,199.50</b>	62,799,836.62
Effect of using deductible losses for which no deferred tax asset was recognised in previous periods	<b>-236,912.35</b>	-28,621.51
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this period	<b>93,850,541.63</b>	99,464,425.18
Effect of preferential tax rates applied by subsidiaries	<b>-33,621,501.39</b>	-31,151,818.19
Income tax for investments in partnership	<b>9,961,056.22</b>	11,804,661.20
Income tax expenses	<b>833,033,706.01</b>	1,289,660,707.85

3. *Net profit for the year, net of the following items*

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>2022</b>	<b>2021</b>
Employee salaries (including directors' emoluments)	<b>1,112,152,576.33</b>	1,042,834,875.71
Basic pension insurance and annuity	<b>175,680,364.15</b>	161,188,442.25
Total employee benefits	<b>1,287,832,940.48</b>	1,204,023,317.96
Audit fees	<b>3,000,000.00</b>	3,000,000.00
Depreciation and amortisation (included in operating costs, selling and distribution expenses and general and administrative expenses)	<b>2,048,472,217.60</b>	2,175,523,496.20
(Gains)/losses from disposal or scrapping of non-current assets	<b>25,731,786.68</b>	7,868,251.48
Amortisation of land use rights (included in operating costs and general and administrative expenses)	<b>64,721,568.48</b>	64,721,568.48
Sales costs of inventories	<b>1,354,519,323.27</b>	1,728,697,463.85



#### 4. Breakdown of non-recurring profit or loss

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Gains or losses on disposal of non-current assets	25,731,786.68	
Government grants recognised through profit or loss (excluding those that are closely related to the Group's operations and enjoyed in a fixed amount or quantity according to uniform national standards)	31,982,996.77	Mainly the construction compensation of Ningchang Expressway, the deductible portion of value added tax (VAT), and the compensation concerning the construction of transformation project of expressway toll stations at provincial boundaries recognised during the reporting period.
Profit or loss of subsidiaries generated before the acquisition date of a business combination involving entities under common control	125,330,455.92	Mainly refers to Jiangsu Yunshan Green Energy Investment Holding Company Limited (YS Energy Company) for a business combination involving entities under common control during the reporting period.
Changes in fair value of financial assets and liabilities held for trading and derivative financial assets and liabilities, and disposal of financial assets and liabilities held for trading, derivative financial assets and liabilities and other debt investments, other than those held for effective hedging related to normal operations	144,800,179.62	Mainly refers to gains from changes in fair value of other non-current financial assets held by subsidiaries of approximately RMB-142,950,000 and dividends income of approximately RMB174,229,000; as well as gains from short-term bank wealth management of approximately RMB113,522,000 recognised during the reporting period
Custody fees received for entrusted operations	32,351,845.35	
Other items that qualify as extraordinary gains and losses	13,595,265.73	Investment income from the acquisition of Nanjing Hanwei Property Development Company Limited (Hanwei Company)'s equity in previous years
Other non-operating income and expenses besides the items above	-39,337,791.93	Mainly refers to the costs for repair of damaged road assets during the reporting period.
Less: Income tax effect	40,056,503.31	
Effect on non-controlling interests	-5,888,051.16	
<b>Total</b>	<b>300,286,285.99</b>	

## 5. *Return on net assets and earnings per share*

*Unit: Yuan    Currency: RMB*

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	11.23	0.7392	0.7392
Net profit excluding extraordinary gains and losses attributable to the Company's ordinary equity shareholders	10.33	0.6796	0.6796

## 6. *Basic earnings per share and diluted earnings per share*

### (1) *Basic earnings per share*

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

*Unit: Yuan    Currency: RMB*

	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Company	<b>3,724,115,165.87</b>	4,280,010,033.09
Weighted average number of ordinary shares outstanding	<b>5,037,747,500.00</b>	5,037,747,500.00
Basic earnings per share ( <i>RMB/share</i> )	<b>0.7392</b>	0.8496

Weighted average number of ordinary shares is calculated as follows:

*Unit: Yuan    Currency: RMB*

	2022	2021
Issued ordinary shares at the beginning of the year	5,037,747,500.00	5,037,747,500.00
Weighted average number of ordinary shares at the end of the year	5,037,747,500.00	5,037,747,500.00

(2) *Diluted earnings per share*

The Company did not have dilutive potential ordinary shares during the reporting period. Diluted earnings per share is the same as basic earnings per share.

**7. Bills receivable**

(1) *Category of bills receivable:*

*Unit: Yuan    Currency: RMB*

Item	2022	2021
Bank acceptance bills	950,000.00	13,024,839.80
Less: Provision for bad and doubtful debts	—	—
<b>Total</b>	<b>950,000.00</b>	<b>13,024,839.80</b>

(2) *The Group has no pledged bills receivable at the end of the year.*

(3) *There is no endorsed or discounted bills receivable that is not yet matured at the end of the year.*

(4) *There is no bills receivable transferred to accounts receivable due to the non-performance of the issuers.*

## 8. *Accounts receivable*

(1) *Analysis by counterparty type is as follows:*

<i>Unit: Yuan    Currency: RMB</i>		
Type	2022	2021
Amounts due from related party	229,096,489.03	227,442,664.36
Amounts due from third party	913,095,712.25	650,397,556.68
Sub-total	1,142,192,201.28	877,840,221.04
Less: Provision for bad and doubtful debts	14,522,231.20	9,167,552.15
<b>Total</b>	<b>1,127,669,970.08</b>	<b>868,672,668.89</b>

(2) *The ageing analysis is as follows:*

<i>Unit: Yuan    Currency: RMB</i>		
Ageing	2022	2021
Within 1 year	818,830,075.45	731,140,485.01
Over 1 year but within 2 years	263,703,609.37	61,074,536.11
Over 2 years but within 3 years	33,468,052.66	55,376,238.17
Over 3 years but within 4 years	25,410,558.81	30,248,961.75
Over 4 years	779,904.99	–
Less: Provision for bad debts	14,522,231.20	9,167,552.15
<b>Total</b>	<b>1,127,669,970.08</b>	<b>868,672,668.89</b>

The ageing is counted starting from the date when accounts receivable are recognised.

(3) *Accounts receivable by provisioning method:*

*Unit: Yuan Currency: RMB*

Category	2022					2021				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Collective assessment	1,142,192,201.28	100	14,522,231.20	1.27	1,127,669,970.08	877,840,221.04	100.00	9,167,552.15	1.04	868,672,668.89
- Toll road fees receivable and others	396,148,435.57	34.68	596,358.26	0.15	395,552,077.31	442,203,904.12	50.37	129,013.48	0.03	442,074,890.64
- Electricity fees receivable	746,043,765.71	65.32	13,925,872.94	1.87	732,117,892.77	435,636,316.92	49.63	9,038,538.67	2.07	426,597,778.25
<b>Total</b>	<b>1,142,192,201.28</b>	<b>100</b>	<b>14,522,231.20</b>	<b>1.27</b>	<b>1,127,669,970.08</b>	<b>877,840,221.04</b>	<b>100.00</b>	<b>9,167,552.15</b>	<b>1.04</b>	<b>868,672,668.89</b>

(4) *Movements of provisions for bad and doubtful debts:*

*Unit: Yuan Currency: RMB*

	Note	2022	2021
Balance at the beginning of the year		9,167,552.15	338,309.23
Additions during the year		9,248,888.42	8,975,169.70
Recoveries or reversals during the year		-3,894,209.37	-145,926.78
Written-off during the year	(5)	—	—
Balance at the end of the year		14,522,231.20	9,167,552.15

(5) *Accounts receivable written off:*

Item	2022	2021
Accounts receivable written off	—	—

(6) *Five largest accounts receivable by debtor at the end of the period:*

The five largest accounts receivable of the Group amounted to RMB1,017,686,667.61, accounting for 89.10% of total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB13,713,153.30.

(7) *Derecognition of accounts receivable due to transfer of financial assets:*

The Group has no accounts receivable derecognised due to transfer of financial assets during the year (2021: None).

(8) *Assets and liabilities recognised due to continuing involvement in transferred accounts receivable:*

The group does not transfer receivables during the year and continues to involve in the formation of assets and liabilities (2021: None).

**9. Prepayments**

(1) *Prepayments by category:*

<i>Unit: Yuan    Currency: RMB</i>		
<b>Item</b>	<b>2022</b>	<b>2021</b>
Prepayments	<u>7,737,346.20</u>	<u>9,423,703.60</u>
<b>Total</b>	<b><u>7,737,346.20</u></b>	<b><u>9,423,703.60</u></b>

(2) *The ageing analysis of prepayments is as follows:*

*Unit: Yuan    Currency: RMB*

Ageing	2022		2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	7,096,853.21	91.73	7,500,157.91	79.59
Over 1 year but within 2 years	583,769.95	7.54	1,918,182.04	20.35
Over 2 years but within 3 years	56,723.04	0.73	5,363.65	0.06
<b>Total</b>	<b>7,737,346.20</b>	<b>100.00</b>	<b>9,423,703.60</b>	<b>100.00</b>

The ageing is counted starting from the date when prepayments are recognised.

(3) *Five largest prepayments by debtor at the end of the period:*

*Unit: Yuan    Currency: RMB*

Name of entity	Amount	Proportion of the amount to the total prepayments
		(%)
The Nanjing Branch of China Everbright Bank Co., Ltd.	1,205,401.81	15.58
Wuxi Power Supply Company	621,061.67	8.03
Beijing Shiji Information Technology Co., Ltd.	593,174.40	7.67
Suzhou City Water Co., Ltd.	479,200.00	6.19
The Jiangyin Branch of China Petroleum and Chemical Corporation	398,713.79	5.15
<b>Total</b>	<b>3,297,551.67</b>	<b>42.62</b>

## 10. Other receivables

Unit: Yuan    Currency: RMB

Item	Note	2022	2021
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	57,768,942.02	72,100,411.90
<b>Total</b>		<b>62,758,902.02</b>	<b>77,090,371.90</b>

### (1) Dividends receivable

Unit: Yuan    Currency: RMB

Item (or investee)	2022	2021
Kuailu Company	4,989,960.00	4,989,960.00
<b>Total</b>	<b>4,989,960.00</b>	<b>4,989,960.00</b>

### (2) Others

#### (a) Others by counterparty type:

Unit: Yuan    Currency: RMB

Customer type	2022	2021
Amounts due from related party	17,429,452.99	31,739,811.86
Amounts due from third party	56,278,602.03	56,299,713.04
Sub-total	73,708,055.02	88,039,524.90
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
<b>Total</b>	<b>57,768,942.02</b>	<b>72,100,411.90</b>



(b) The ageing analysis is as follows:

*Unit: Yuan Currency: RMB*

Ageing	2022	2021
Within 1 year		
Including: Sub-items within		
1 year		
Within 1 year	<b>7,784,678.16</b>	22,910,792.56
Sub-total	<b>7,784,678.16</b>	22,910,792.56
Over 1 year but within 2 years	<b>18,726,497.05</b>	29,748,993.24
Over 2 years but within 3 years	<b>13,251,033.52</b>	4,053,020.79
Over 3 years	<b>33,945,846.29</b>	31,326,718.31
Less: Provision for bad and doubtful debts	<b><u>15,939,113.00</u></b>	<u>15,939,113.00</u>
<b>Total</b>	<b><u><u>57,768,942.02</u></u></b>	<u><u>72,100,411.90</u></u>

(c) Others by provisioning method:

*Unit: Yuan Currency: RMB*

Category	2022					2021				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment	15,812,140.02	21.45	15,812,140.02	100.00	-	15,812,140.02	17.96	15,812,140.02	100.00	-
Collective assessment	<u>57,895,915.00</u>	<u>78.55</u>	<u>126,972.98</u>	<u>0.22</u>	<u>57,768,942.02</u>	<u>72,227,384.88</u>	<u>82.04</u>	<u>126,972.98</u>	<u>0.18</u>	<u>72,100,411.90</u>
<b>Total</b>	<b><u><u>73,708,055.02</u></u></b>	<b><u><u>100.00</u></u></b>	<b><u><u>15,939,113.00</u></u></b>	<b><u><u>21.63</u></u></b>	<b><u><u>57,768,942.02</u></u></b>	<b><u><u>88,039,524.90</u></u></b>	<b><u><u>100.00</u></u></b>	<b><u><u>15,939,113.00</u></u></b>	<b><u><u>18.27</u></u></b>	<b><u><u>72,100,411.90</u></u></b>

(d) Movements of provisions for bad and doubtful debts:

*Unit: Yuan Currency: RMB*

Provision for bad and doubtful debts	2022			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL – Not credit impaired	Lifetime ECL – Credit impaired	
Balance at 1 January 2022	126,972.98	-	15,812,140.02	15,939,113.00
Accrued for the current year	-	-	-	-
Balance at 31 December 2022	<u>126,972.98</u>	<u>-</u>	<u>15,812,140.02</u>	<u>15,939,113.00</u>

Provision for bad and doubtful debts	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL – Not credit impaired	Lifetime ECL – Credit impaired	
Balance at 1 January 2021	126,972.98	-	15,812,140.02	15,939,113.00
Accrued for the current year	-	-	-	-
Balance at 31 December 2021	<u>126,972.98</u>	<u>-</u>	<u>15,812,140.02</u>	<u>15,939,113.00</u>

(i) Provision for bad and doubtful debts

The Group had no significant individual amount of bad and doubtful debts to be recovered or reserved during the year.

(ii) Other receivables written-off during the year

The Group had no other receivables written-off during the year.

(e) Others categorised by nature

*Unit: Yuan    Currency: RMB*

<b>Nature of other receivables</b>	<b>2022</b>	<b>2021</b>
Liquidated damages	<b>11,000,000.00</b>	26,000,000.00
Landlord maintenance funds	<b>18,669,886.80</b>	19,865,394.55
Amounts of investment clearance	<b>15,812,140.02</b>	15,812,140.02
Project funds borrowed in advance	<b>6,651,121.50</b>	6,591,121.50
Petty cash	<b>4,018,786.60</b>	5,128,711.80
Mortgage deposits for housing fund loan	<b>2,864,000.00</b>	3,444,600.00
Others	<b>14,692,120.10</b>	11,197,557.03
Less: Provision for bad debts	<b>15,939,113.00</b>	15,939,113.00
<b>Total</b>	<b><u>57,768,942.02</u></b>	<b><u>72,100,411.90</u></b>

(f) Five largest other receivables by debtor at the end of the period:

*Unit: Yuan    Currency: RMB*

Debtor	Nature of the receivable	Balance at the end of the period	Ageing	Proportion to total closing balance of other receivables (%)	Provision for bad and doubtful debts
Load Fund Company	Liquidated damages and advances	16,598,493.35	2–3 years	22.52	–
Jiangsu Yixing Highway Administration	Amounts of investment clearance	15,812,140.02	More than 3 years	21.45	15,812,140.02
Department China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	6,088,716.00	Within 1 year, more than 3 years	8.26	–
Suzhou Housing Property Guarantee Co., Ltd.	Deposits	2,864,000.00	1–3 years	3.89	–
Nanjing Guohao Decoration & Installation Engineering Co., Ltd.	Deposits	890,000.00	Within 1 year	1.21	–
<b>Total</b>		<u>42,253,349.37</u>		<u>57.33</u>	<u>15,812,140.02</u>

## 11. Accounts payable

(1) Details of accounts payable are as follows:

<i>Unit: Yuan    Currency: RMB</i>		
Item	2022	2021
Amounts due to related party	186,615,902.53	265,513,545.74
Amounts due to third party	<u>2,626,825,616.22</u>	<u>2,952,039,136.57</u>
<b>Total</b>	<b><u>2,813,441,518.75</u></b>	<b><u>3,217,552,682.31</u></b>

(2) Significant accounts payable with ageing of more than one year:

<i>Unit: Yuan    Currency: RMB</i>		
Item	Balance at the end of the period	Reasons why not repaid or settled
Construction payables	1,624,784,891.28	Long settlement period
Construction payables for real estate projects	<u>236,846,343.00</u>	Long settlement period
<b>Total</b>	<b><u>1,861,631,234.28</u></b>	

## 12. Advance payments received

Details of advance payments received are as follows:

<i>Unit: Yuan    Currency: RMB</i>		
Item	2022	2021
Rental deposits received in advance	<u>15,148,842.33</u>	<u>18,397,566.42</u>
<b>Total</b>	<b><u>15,148,842.33</u></b>	<b><u>18,397,566.42</u></b>

As at 31 December 2022, the Group had no significant advance payments received with ageing of more than one 1 year (31 December 2021: None).

### 13. Contract liabilities

*Unit: Yuan    Currency: RMB*

Item	2022	2021
Advances from sales of property received	<u>162,928,919.15</u>	<u>427,561,162.30</u>
<b>Total</b>	<b><u>162,928,919.15</u></b>	<b><u>427,561,162.30</u></b>

Contract liabilities primarily relate to the Group's advances from real estate sales contracts of customers. The Group receives the advances when entering into the contract with customers. The revenue related to the contracts will be recognised when the Group satisfies its performance obligations.

Significant changes in the contract liabilities of the Group are as follows:

*Unit: Yuan    Currency: RMB*

Item	2022
Balance at the beginning of the year	<b>427,561,162.30</b>
Amount increased as a result of receipt of cash (excluding amount recognized as income in current year)	<b>56,565,246.69</b>
Revenue recognized by the amount contained in the book value of the contractual liability at the beginning of the year	<b>-321,197,489.84</b>
<b>Total</b>	<b>162,928,919.15</b>

#### 14. Other payables

Unit: Yuan    Currency: RMB

Item	Note	2022	2021
Dividends payable	(1)	<b>104,557,522.67</b>	95,543,399.25
Others	(2)	<b><u>183,484,872.05</u></b>	<u>173,554,235.79</u>
<b>Total</b>		<b><u>288,042,394.72</u></b>	<u>269,097,635.04</u>

##### (1) Dividends payable

Unit: Yuan    Currency: RMB

Item	2022	2021
Dividends for ordinary shares	<b><u>104,557,522.67</u></b>	<u>95,543,399.25</u>

##### (2) Others

Details of others by nature are as follows:

Unit: Yuan    Currency: RMB

Item	2022	2021
Lease deposit of service area	<b>49,178,438.65</b>	51,596,061.62
Performance and other security	<b>35,977,215.85</b>	42,023,897.49
Project quality deposit	<b>30,458,222.82</b>	24,611,493.71
House purchase bonus	<b>3,232,935.28</b>	3,279,848.07
Others	<b><u>64,638,059.45</u></b>	<u>52,042,934.90</u>
<b>Total</b>	<b><u>183,484,872.05</u></b>	<u>173,554,235.79</u>

As at 31 December 2022, the Group had no significant other payables with the ageing over 1 year (31 December 2021: None).

## 15. Retained earnings

Unit: Yuan Currency: RMB

Item	Note	2022	2021
Retained earnings at the beginning of the period (before adjustment)		10,110,279,671.92	8,208,531,658.34
Total adjustments for opening retained earnings (“+” for increase; “-” for decrease)		–	90,266,851.32
Retained earnings at the beginning of the period (after adjustment)		10,110,279,671.92	8,298,798,509.66
Add: Net profits for the period attributable to owners of the Company		3,724,115,165.87	4,280,010,033.09
Transfer of other comprehensive income to retained earnings	(1)	15,544,544.77	34,419,723.22
Less: Appropriation for statutory surplus reserve		109,545,738.94	116,913,988.60
Appropriation for discretionary surplus reserve		75,936,702.74	65,653,376.28
Appropriation for general risk reserve		3,232,638.95	3,017,379.17
Dividends to ordinary shares	(2)	2,317,363,850.00	2,317,363,850.00
Share dividends issued relating to ordinary shares		–	–
Retained earnings at the end of the period		<u>11,343,860,451.93</u>	<u>10,110,279,671.92</u>

(1) Transfer of other comprehensive income to retained earnings

Transfer of other comprehensive income to retained earnings mainly represented gains arising from the disposal of certain investments in other equity instruments held by the Group in 2022. Such financial assets are designated to be at fair value through other comprehensive income, the accumulated gains of RMB15,544,544.77 previously included in other comprehensive income were transferred to retained earnings.

(2) Dividends in respect of ordinary shares declared during the year

Pursuant to the approval of the general meeting of shareholders held on 18 June 2022, a cash dividend of RMB0.46 per share (2021: RMB0.46 per share), totalling RMB2,317,363,850.00 (2021: RMB2,317,363,850.00), was declared and paid to the Company’s ordinary shareholders on 23 June 2022.



## **16. *Segment reporting***

Based on the Group's internal organisation structure, management requirements and internal reporting system, the operations of the Group are classified into 13 operating segments, including Shanghai-Nanjing Expressway, Ningchang Expressway and Zhenli Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Zhendan Expressway, Wufengshan Bridge, Changyi Expressway, Yichang Expressway, Longtan Bridge, ancillary services (including petrol, food and retail in service zones along the expressways), real estate development, sales of electricity, advertising and others. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance.

### **(1) *Segment results and assets***

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible and other long-term assets, as well as current assets (such as receivables), attributable to the individual segments, with the exception of deferred tax assets and other unallocated corporate assets.

Segment financial performance is represented by operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders. Financial expenses, investment income, gains from changes in fair value, certain general and administrative expenses as well as certain non-operating income and tax expenses are not allocated to individual segments.

The information regarding the Group's reportable segments set out below includes data that is used to measure reportable segments' profit and assets, as well as data that is not used to measure segments' profit and assets but that is regularly provided to the Group's management:

Unit: Yuan Currency: RMB

Item	Shanghai-Nanjing Expressway	Guangdong Expressway and Xichang Expressway	Xiyi Expressway and Wuxi Huantaihu Expressway	Changri Expressway	Yichang Expressway	Ningchang Expressway and Zhenli Expressway	Zhendon Expressway	Wufangshan Bridge	Longtan Bridge	Ancillary services	Real estate development	Sales of electricity	Advertising and others	Unallocated items and elimination among segments	Total
Segment operating income	4,280,907,517.39	682,210,156.22	463,237,872.83	99,109,995.28	132,267,584.77	1,198,241,242.41	74,639,746.98	392,402,407.19	-	1,124,123,337.41	67,407,627.89	651,673,244.34	142,321,994.98	3,340,387,380.03	13,255,603,107.72
Operating costs	1,814,473,079.60	322,185,776.08	271,910,990.88	88,565,029.13	112,855,821.84	493,152,695.24	64,249,857.51	203,388,566.57	-	1,288,604,543.24	435,356,228.58	328,148,600.23	77,970,753.96	3,340,387,380.03	8,841,449,522.89
Including: Amortisation of toll roads operation rights	533,916,112.87	74,213,825.86	139,011,681.30	72,765,116.14	86,143,650.68	300,257,812.23	30,781,954.52	126,296,685.29	-	-	-	-	-	-	1,363,386,838.89
Costs of petrol and other goods sold in service areas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit/(loss)	2,466,434,437.79	360,024,380.14	191,326,881.95	10,544,966.15	19,411,762.93	705,088,547.17	10,389,889.47	188,813,840.62	-	919,163,094.69	238,722,399.31	323,526,644.11	64,351,241.02	-	919,163,094.69
Reconciling items:															
Less: Taxes and surcharges	23,578,755.87	3,827,469.46	2,598,948.14	-17,736.32	34,307.74	-	364,735.02	17,749.33	371,792.50	1,482,619.13	134,073,641.65	823,640.04	1,771,692.61	-	168,927,615.17
Selling and distribution expenses	-	-	-	-	-	-	-	-	-	-	14,435,134.42	-	66,604.82	-	14,501,739.24
General and administrative expenses	65,056,511.96	-	-	-	-	-	-	-	-	-	-	-	-	-	293,508,570.18
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,094,226,669.03
Add: Other income	8,464,824.96	2,003,012.50	-	-	-	1,575,935.65	-	-	-	-	141,387.43	-	-	-	31,982,996.77
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,867,961,513.05
Gains or losses from changes in fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-142,950,442.33
Credit losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-5,354,679.05
Impairment loss of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains from disposal of assets	1,134,700.00	29,159,344.30	188,727,933.81	10,562,702.47	19,377,455.19	706,664,482.82	10,025,154.45	188,796,091.29	-371,792.50	-165,963,824.96	90,355,010.67	-4,562,248.88	-	-8.74	25,731,786.68
Operating profit/(loss)	2,387,398,694.92	387,359,267.48	188,727,933.81	10,562,702.47	19,377,455.19	706,664,482.82	10,025,154.45	188,796,091.29	-371,792.50	-165,963,824.96	90,355,010.67	318,140,755.19	62,512,943.59	416,775,491.91	4,620,360,366.35
Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,630,200.48
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,967,992.41
Profit/(loss) before taxation	2,387,398,694.92	387,359,267.48	188,727,933.81	10,562,702.47	19,377,455.19	706,664,482.82	10,025,154.45	188,796,091.29	-371,792.50	-165,963,824.96	90,355,010.67	318,140,755.19	62,512,943.59	377,437,699.98	4,581,022,574.40
Income tax	2,387,398,694.92	387,359,267.48	188,727,933.81	10,562,702.47	19,377,455.19	706,664,482.82	10,025,154.45	188,796,091.29	-371,792.50	-165,963,824.96	90,355,010.67	318,140,755.19	62,512,943.59	833,033,706.01	833,033,706.01
Net profit/(loss) for the year	7,959,302,297.51	734,412,265.37	1,467,784,060.20	3,650,602,587.96	3,758,692,967.05	4,310,627,655.85	1,652,349,607.44	11,997,490,700.62	4,781,456,571.94	418,748,097.86	2,564,181,184.87	4,738,959,726.71	1,348,382,163.25	29,075,355,787.44	78,458,345,074.07
Total segment assets															
Supplementary information:															
Depreciation and amortisation	650,956,820.08	97,111,454.37	149,740,381.30	77,427,887.98	94,584,657.14	322,020,488.26	51,574,454.04	167,134,584.20	-	71,815,942.70	7,080,050.79	614,620,584.46	99,890,010.05	-335,485,077.77	2,048,472,217.60
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,262,551.07
Interest expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,098,642,030.08
Income from long-term equity investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	7,959,302,297.51	734,412,265.37	1,467,784,060.20	3,650,602,587.96	3,758,692,967.05	4,310,627,655.85	1,652,349,607.44	11,997,490,700.62	4,781,456,571.94	418,748,097.86	1,433,398,944.55	4,808,144,537.69	2,889,575,840.90	8,119,964,827.25	57,982,550,362.19
Capital expenditure	178,589,945.15	38,841,485.03	-	-	-	-	2,996,897.09	10,153,988.58	2,775,251,439.70	-	30,494,568.09	12,703,293.78	583,759.28	7,650,687.78	3,057,266,064.48

*(2) Geographical information*

All income and non-current assets of the Group are from/ located in Jiangsu Province.

*(3) Major customers*

The Group has no significant dependence on a single customer during the year.

## **XI. DEFINITIONS OF COMMONLY USED TERMS**

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

Definitions of commonly used terms

The Company, Company	refers to	Jiangsu Expressway Company Limited
The Group, Group	refers to	The Company and its subsidiaries
Controlling shareholder, or Jiangsu Communications Holding	refers to	Jiangsu Communications Holding Company Limited
China Merchants Expressway	refers to	China Merchants Expressway Network & Technology Holdings Co., Ltd.
Ningchang Zhenli Company	refers to	Jiangsu Ningchang Zhenli Expressway Company Limited
Ninghu International Company	refers to	Jiangsu Expressway International (Hong Kong) Company Limited
Yangtze River Management Company	refers to	Jiangsu Yangtze River Expressway Management Co., Ltd.
Ninghu Investment Company	refers to	Jiangsu Ninghu Investment Development Co., Ltd.

Factoring Company	refers to	Ninghu Commercial Factoring (Guangzhou) Co., Ltd.
Ninghu Properties Company	refers to	Jiangsu Ninghu Properties Co., Ltd.
Hanwei Company	refers to	Nanjing Hanwei Property Development Company Limited
Yangtze Commerce and Energy Company	refers to	Jiangsu Yangtze Commerce and Energy Co., Ltd.
Guangjing Xicheng Company	refers to	Jiangsu Guangjing Xicheng Expressway Company Limited
YS Energy Company	refers to	Jiangsu Yunshan Green Energy Investment Holding Company Limited
YS Energy Group	refers to	YS Energy Company, its 10 subsidiaries and 3 joint stock companies
YS Capital	refers to	Jiangsu YS Capital Management Co., Ltd.
Nantong Tiandian	refers to	Nantong Xinxing Heat and Power Co., Ltd.
Jiangsu Clean Energy Company	refers to	Jiangsu Traffic Control Clean Energy Jiangsu Co., Ltd.
Rudong Company	refers to	Jiangsu Traffic Control Rudong Offshore Wind Power Co., Ltd.
Zhendan Company	refers to	Jiangsu Zhendan Expressway Company Limited
Wufengshan Toll Bridge Company	refers to	Jiangsu Wufengshan Toll Bridge Company Limited
Longtan Bridge Company	refers to	Jiangsu Longtan Bridge Co., Ltd.
Yuexin Company	refers to	Jiangsu Yuexin Ninghu Gas Co., Ltd. (formerly known as Jiangsu Xiexin Ninghu Gas Co., Ltd.)

Kuailu Company	refers to	Jiangsu Kuailu Motor Transport Co., Ltd.
Suzhou Expressway Company	refers to	Suzhou Expressway Management Company Limited
Yangtze Bridge Company	refers to	Jiangsu Yangtze Bridge Co., Ltd.
Hutong Bridge Company	refers to	Jiangsu Hutong Bridge Co., Ltd.
Finance Company	refers to	Jiangsu Communications Holding Group Finance Co., Ltd.
Communication and Media Company	refers to	Jiangsu Communications & Culture Media Company Limited
Digital Research Institute	refers to	Jiangsu Traffic Control Digital Transportation Research Institute Co., Ltd.
Sundian or Xiandai R&B Company	refers to	Jiangsu Sundian Road & Bridge Co., Ltd.
Network Operation Company	refers to	Jiangsu Expressway Network Operation and Management Co., Ltd.
Bank of Jiangsu	refers to	Bank of Jiangsu Co., Ltd.
Zijin Trust Company	refers to	Zijin Trust Co., Ltd.
Yichang Company	refers to	Jiangsu Yichang Expressway Co., Ltd.
Changyi Company	refers to	Jiangsu Changyi Expressway Co., Ltd.
Suxichang South Expressway Company	refers to	Jiangsu Suxichang South Expressway Co., Ltd.
Nanlin Hotel Company	refers to	Suzhou Nanlin Hotel Co., Ltd.
Yanjiang Company	refers to	Jiangsu Yanjiang Expressway Co., Ltd.
Jiangsu Leasing Company	refers to	Jiangsu Financial Leasing Co., Ltd.

Railway Group Company	refers to	Jiangsu Railway Group Limited
Tongxingbao Company	refers to	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd.
Jinghu Company	refers to	Jiangsu Jinghu Expressway Company Limited
Expressway Petroleum Company	refers to	Jiangsu Freeway Petroleum Development Co., Ltd. (formerly known as Jiangsu Expressway Petroleum Development Co., Ltd.)
Taixing Oil Products Company	refers to	Taixing Hechang Oil Products Trading Co., Ltd.
Far East Shipping Company	refers to	Jiangsu Far East Shipping Co., Ltd.
Information Company	refers to	Jiangsu Expressway Information Engineering Co.,Ltd.
Maintenance Technology Company	refers to	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd.
Engineering Maintenance Company	refers to	Jiangsu Expressway Engineering Maintenance Company Limited
Human Resources Company	refers to	Jiangsu Communications Holding Human Resources Development Co., Ltd.
East Road & Bridge Company	refers to	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd.
Communications Holding Commercial Operation Company	refers to	Jiangsu Communications Holding Commercial Operation Management Co., Ltd.
Xitai Company	refers to	Jiangsu Xitai Tunnel Company Limited

Cuipingshan Hotel	refers to	Jiangsu Cuipingshan Hotel Management Co., Ltd.
Luode Fund Company	refers to	Jiangsu Luode Equity Investment Fund Management Company Limited
Zhongbei Zhiyuan Fund	refers to	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership)
Luode Huizhi Fund	refers to	Nanjing Luode Huizhi Equity Investment Partnership (Limited Partnership)
Ninghang Company	refers to	Jiangsu Ninghang Expressway Co., Ltd.
Ninghang Cultural Tourism Company	refers to	Jiangsu Ninghang Cultural Tourism Development Co., Ltd.
Husuzhe Company	refers to	Jiangsu Husuzhe Expressway Co., Ltd.
Huatong Engineering Company	refers to	Jiangsu Huatong Engineering Testing Co., Ltd.
Sutong Bridge Company	refers to	Jiangsu Sutong Bridge Co., Ltd.
Sundian Testing Company	refers to	Jiangsu Sundian Engineering Testing Co., Ltd.
Micro Video Company	refers to	Nanjing Micro Video Technology Company Limited
Tongchang Real Estate Investment Company	refers to	Jiangsu Tongchang Real Estate Investment Co., Ltd.
CDB Kai Yuan Phase II Fund	refers to	Suzhou Industrial Park CDB Kai Yuan Investment Centre Phase II (Limited Partnership)
PPP	refers to	Public – Private – Partnership, which is a mode of cooperation between the government and social capital

Shanghai-Nanjing Expressway	refers to	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	refers to	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	refers to	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	refers to	Jiangyin Yangtze Bridge
Sujiahang Expressway	refers to	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	refers to	Changzhou-Taicang Expressway
Changjia Expressway	refers to	Kunshan-Wujia Section of Changshu-Jiaxing Expressway
Zhendan Expressway	refers to	Zhenjiang-Danyang Expressway
Ningchang Expressway	refers to	Lishui Guizhuang Hub-Changzhou South Interchange Expressway
Zhenli Expressway	refers to	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	refers to	Wuxi North Hub–Yixing Xiwu Hub Expressway
Wuxi Huantaihu Expressway	refers to	Wuxi Shuofang Hub–Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	refers to	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Bridge	refers to	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	refers to	Changzhou-Yixing Expressway
Yichang Expressway	refers to	Jiangsu Section of Yixing–Changxing Expressway
Suxichang Expressway	refers to	Changzhou Qianhuang Hub–Wuxi Nanquanshui Hub



Longtan Bridge North Connection Project	refers to	The project of Shanghai-Shaanxi Expressway of Yizheng-Lukou Airport Expressway to the North Embankment Section of Yangtze River
Xiyi Expressway South Section Widening Project	refers to	The widening project of Xueyan Hub-Xiwu Hub section of Wuxi-Yixing Expressway
ICA Company	refers to	ICA IC İnşaat Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş., a joint stock company established and validly existing under the laws of Turkey
BIM	refers to	Building Information Modeling
GIS	refers to	Geographic Information System
ROE	refers to	Return on equity, the calculation formula is $ROE = \text{Net profit} / \text{Net assets}$
Reporting Period	refers to	The period from 1 January 2022 to 31 December 2022
Year-on-year	refers to	As compared with the same period of 2021
CSRC	refers to	China Securities Regulatory Commission
SFC	refers to	The Securities and Futures Commission of Hong Kong
SSE	refers to	Shanghai Stock Exchange
Stock Exchange	refers to	The Stock Exchange of Hong Kong Limited
A Shares	refers to	RMB-denominated ordinary shares issued by the Company and listed on the SSE
H Shares	refers to	Overseas-listed foreign shares issued by the Company and listed on the Stock Exchange

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

By Order of the Board  
**Yao Yongjia**  
*Secretary to the Board*

Nanjing, the PRC, 27 March 2023

*As at the date of this announcement, the Directors of the Company are:*

*Chen Yunjiang, Wang Yingjian, Wang Feng, Yao Yongjia, Wu Xinhua, Li Xiaoyan, Ma Chung Lai, Lawrence, Zhou Shudong\*, Liu Xiaoxing\*, Yu Mingyuan\*, Xu Guanghua\*, Ge Yang\**

\* *Independent non-executive Director*