



Anhui Expressway Company Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0995)



2020
INTERIM REPORT

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IMPORTANT NOTICE

1. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and the senior management of the Company hereby warrant that the contents of the interim report are true, accurate and complete, and that there are no false accounts, misleading statements or significant omissions of information and jointly and individually accept the legal responsibility.
2. All the Directors of the Company attend the Board meeting.
3. The interim report was unaudited but was reviewed by the audit committee of the Company.
4. Mr. Xiang Xiaolong, the Chairman of the Company, Mr. Tang Jun, responsible person for the accountant work and Ms. Qian Juanfeng, the person in charge of an accounting institution (accountant in charge) hereby confirm that the financial statements contained in this annual report are true, accurate and complete.
5. The profit appropriation plan or the plan of transferring reserves to capital for the Reporting Period approved by the Board of Directors: Nil
6. The forward-looking risk statement

Applicable Not applicable

Please refer to Section IV, "Discussion and Analysis on Business Operations" for the potential risks of the Company. Forward looking statements, including the future plan and development strategy, contained in this report do not constitute a real commitment to investors by the Company. Investors should be reminded of such investment risks and invest rationally.

7. Whether there was any extraordinary use of funds by the controlling shareholder and its related parties for purposes other than for operations?

No

8. Whether there were any provisions of external guarantee in violation of specified decision making procedures?

No

9. Major Risk Notice

The major risks have been concretely described in the report. Please refer to Section IV "Discussion and Analysis on Business Operations" for the possible risk factors and the corresponding tackling measures as set out in the discussion and analysis in respect of the future development of the Company.

10. Other

Applicable Not applicable

Unless otherwise specified, the currency used in this report is RMB.

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

SECTION I DEFINITIONS

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

Definitions

“the Company”, “Company”	Means	Anhui Expressway Company Limited
“the Group”	Means	the Company, its subsidiaries and associated companies
“ATHC” or “Anhui Transportation Holding Group”	Means	Anhui Transportation Holding Group Company Limited (formerly known as Anhui Expressway Holding Group Company Limited and Anhui Expressway Holding Corporation)
“China Merchants Highway”	Means	China Merchants Highway Network Technology Holding Company Limited (formerly known as China Merchants Hua Jian Highway Investment Company Limited)
“SSE”	Means	Shanghai Stock Exchange
“SEHK” or “Hong Kong Stock Exchange”	Means	The Stock Exchange of Hong Kong Limited
“Xuanguang Company”	Means	Xuanguang Expressway Company Limited
“Expressway Media”	Means	Anhui Expressway Media Company Limited
“Xin’an Financial”	Means	Anhui Xin’an Financial Group Company Limited
“Xin’an Capital”	Means	Anhui Xin’an Capital Operating Management Group Company Limited
“Xuancheng Transportation Investment” or “XCIC”	Means	Xuancheng Transportation Investment Company Limited (formerly known as Xuancheng Highway Construction Management Company Limited)

“Ningxuanhang Company”	Means	Anhui Ningxuanhang Expressway Investment Company Limited
“Guangci Company”	Means	Xuancheng City Guangci Expressway Limited Liability Company
“Wantong Pawn”	Means	Hefei Wantong Pawn Company Limited
“Wantong MicroCredit”	Means	Hefei City Wantong MicroCredit Company Limited
“Huatai Group”	Means	Hefei Huatai Group Corporation Limited
“AEHK”	Means	Anhui Expressway (H.K.) Limited
“China Merchants Fund”	Means	Anhui Transportation China Merchants Industrial Fund (Limited Partnership)
“Jinshi Merger and Acquisition Fund”	Means	Anhui Transportation Jinshi Merger and Acquisition Fund (Limited Partnership)
“China Merchants Fund Management Company”	Means	Anhui Transportation China Merchants Investment Private Fund Management Company Limited
“Jinshi Fund Management Company”	Means	Anhui Transportation Jinshi Private Fund Management Co., Ltd.
“Information Industry Company”	Means	Anhui Transportation Information Industry Company Limited
“CMU”	Means	China Merchants Union (BVI) Limited
“Zhejiang Expressway”	Means	Zhejiang Expressway Company Limited
“Jiangsu Expressway”	Means	Jiangsu Expressway Company Limited
“Sichuan Expressway”	Means	Sichuan Expressway Company Limited
“Anhui Expressway Network Operations”	Means	Anhui Expressway Network Operations Company Limited

"General Meeting"	Means	a general meeting of Anhui Expressway Company Limited
"Board"	Means	the board of directors of Anhui Expressway Company Limited
"Directors"	Means	the directors of Anhui Expressway Company Limited
"Supervisory Committee"	Means	the supervisory committee of Anhui Expressway Company Limited
"Supervisors"	Means	the supervisors of Anhui Expressway Company Limited
"Reporting Period"	Means	the six-month period ended 30 June 2020
"Listing Rules"	Means	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"SFO"	Means	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"CSRC"	Means	China Securities Regulatory Commission
"PRC" or "Mainland China"	Means	the People's Republic of China, for the purposes of this report, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
"Articles of Association"	Means	the Amended and Restated Articles of Association of Anhui Expressway Company Limited
"Company Law"	Means	the Company Law of the People's Republic of China
"Securities Law"	Means	the Securities Law of the People's Republic of China
"HKAS"	Means	Hong Kong Accounting Standards

SECTION II CORPORATE PROFILE AND MAIN FINANCIAL INDICATORS

1. Company Information

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

2. Contact Person and Contact Details

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

3. Introduction of Basic Information

Registered address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of registered address	230088
Office address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of office address	230088
Website of the Company	http://www.anhui-expressway.net
E-mail address of the Company	wtgs@anhui-expressway.net
Query index for changes	Nil

4. Information Disclosure and Addresses for Keeping Report

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

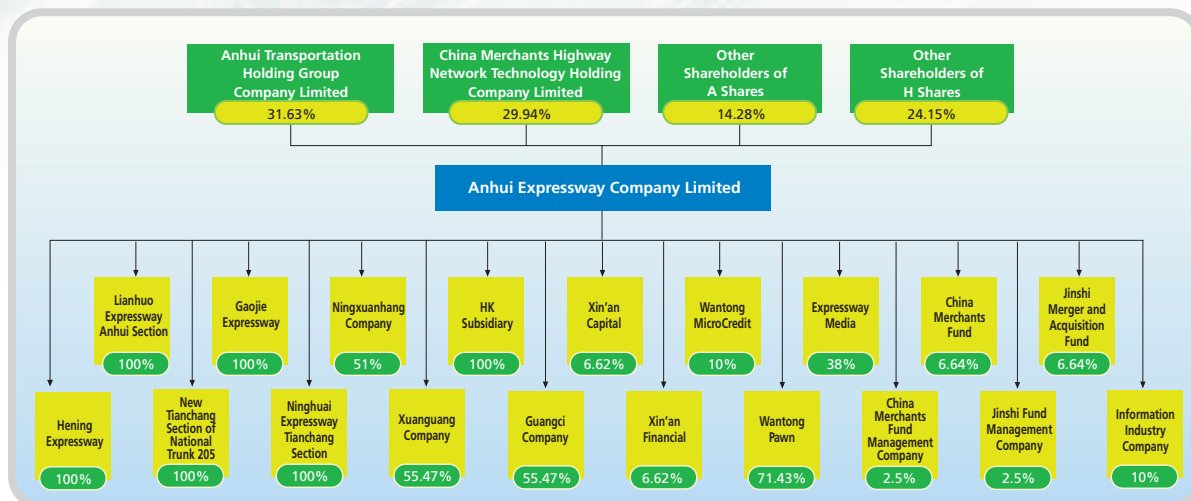
5. Company Stock Information

Stock Category	Stock Exchange	Stock Abbreviations	Stock Code	Stock Abbreviations before alteration
A Shares	Shanghai Stock Exchange	Anhui Expressway	600012	–
H Shares	The Stock Exchange of Hong Kong Limited	Anhui Expressway	0995	–

6. Other Related Information

✓ Applicable Not applicable

As of 30 June 2020, the structure of the Company, its subsidiaries and associated companies (the "Group") and other equity investments is as follows:



7. Main Accounting Data and Financial Indicators (in accordance with accounting principle generally accepted in the PRC ("the PRC Accounting Standards"))

(1) Main Accounting Data

Unit: yuan Currency: RMB

Main Accounting Data	2020	2019	Change as compared to the corresponding period of last year (%)
	(January-June)	(January-June)	
Revenue	818,868,119.89	1,467,501,106.08	-44.20
Net profit attributable to shareholders of the Company	109,670,341.04	547,875,668.55	-79.98
Net profit after extraordinary items attributable to shareholders of the Company	93,856,675.48	547,016,641.85	-82.84
Net cash flows from operating activities	320,895,649.05	935,505,582.63	-65.70

	As at 30 June 2020	As at 31 December 2019	Change as compared to the end of last year (%)
Net assets attributable to shareholders of the Company	10,466,099,044.98	10,737,909,003.94	-2.53
Total assets	16,036,838,891.66	15,920,011,667.90	0.73

(2) *Main Financial Indicators*

Main Financial Indicators	2020 (January-June)	2019 (January-June)	Change as compared to the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.0661	0.3303	-79.99
Diluted earnings per share (RMB/share)	0.0661	0.3303	-79.99
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.0566	0.3298	-82.84
Returns on net assets (weighted average) (%)	1.04	5.33	A decrease of 4.29 percentage point
Returns on net assets after deduction of non-recurring profit or loss (weighted average) (%)	0.89	5.32	A decrease of 4.43 percentage point

Explanations on Main Accounting Data and Financial Indicators

Applicable Not applicable

8. Differences between financial statements prepared in accordance with different domestic and overseas accounting standards

✓ Applicable Not applicable

(1) *Differences of net profit and net assets attributable to shareholders of the Company between international accounting standards and the PRC accounting standards*

Applicable ✓ Not applicable

(2) *Differences of net profit and net assets attributable to shareholders of the Company between the HKAS and the PRC accounting standards*

✓ Applicable Not applicable

Unit: ' 000 Currency: RMB

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount of current period	Amount of previous period	Amount at the end of the Reporting Period	Amount at the beginning of the Reporting Period
PRC accounting standards	109,670	547,876	10,466,099	10,737,909
Items and amounts adjusted in accordance with HKAS: Valuation, depreciation/amortization of assets and related deferred taxes	-1,470	-4,209	38,920	40,390
HKAS	108,200	543,667	10,505,019	10,778,299

(3) *Explanation on the major differences between the PRC accounting standards and HKAS*

✓ Applicable Not applicable

In order to issue and list "H" shares in Hong Kong, the highway franchise, fixed assets and related land use rights of the Company were valued by a PRC certified public valuer and an international certified public valuer on 30 April and 15 August 1996 respectively and the results were included in the relevant prescribed financial statements and the financial statements prepared in accordance with Hong Kong Financial Reporting Standards. As per the said valuation, the valuation result of the international certified public valuer is higher than that of the PRC certified public valuer's result by RMB319,000,000. Such differences have impacts on the business performance (i.e. the depreciation and amortization figures) of the highway franchise, fixed assets, and land use rights and the related deferred tax of the Group and the Company, which resulted in the above adjustments.

9. Non-recurring profit or loss items and amounts involved

✓ Applicable Not applicable

Unit: yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Gains and losses from disposals of non-current assets	-2,906.51	
Government subsidies charged to the current gains/losses,(excluding those closely related to the Company's normal operations, subsidized continuously in accordance with the applicable standards and in compliance with the government policies or regulations)	1,814,550.33	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Head quarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the income amount of construction funds subsidies of Hening Expressway and Gaojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) received in 2010 amortised in the Reporting Period.
In addition to effective hedging business related to the normal business of the Company, investment returns from trading financial assets, profit or loss from changes in the fair value of the trading financial liabilities, and the disposal of trading financial assets, trading financial liabilities and financial assets available for sale	24,790,127.84	The income is mainly generated from the floating rate structured deposits purchased by the Company from banks
Other non-operating income and expenses	-5,656,201.25	It is mainly the donation and expenditure of the Company to the headquarters of epidemic prevention and control in Anhui Province and other cities through the Red Cross of Anhui Province
Effects on minority shareholders' interests	104,487.74	
Effects on income tax	-5,236,392.59	
Total	<u>15,813,665.56</u>	

10. Other

✓ Applicable Not applicable

Main accounting data and indicators prepared in accordance with HKAS (unaudited)

Abstract of Results

Unit: ' 000 Currency: RMB

	For the six months ended 30 June		
	2020	2019	change(%)
Revenue	871,025	1,965,648	-55.69
Profit before income tax	95,956	757,664	-87.34
Profit attributable to owners of the Company	108,200	543,667	-80.10
Basic earnings per share attributable to owners of the Company (RMB)	0.0652	0.3278	-80.11

Abstract of Assets

Unit: ' 000 Currency: RMB

	As at 30 June 2020	As at 31 December 2019 (audited)	Change(%)
Total assets	16,083,798	15,970,259	0.71
Total liabilities	4,966,869	4,360,855	13.90
Total net assets (Capital and reserve attributable to owners of the Company)	10,505,019	10,778,299	-2.54
Net assets Value per share (RMB)	6.33	6.50	-2.62

SECTION III CORPORATE BUSINESS SUMMARY

I. Explanation on the principal business engaged by the Company, operating model and industry information during the Reporting Period

1. *Principal business engaged by the Group during the Reporting Period*

The Company was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the PRC, and is the first PRC highway company listed in Hong Kong. It is also the only listed highway company in Anhui Province. On 13 November 1996, 493.01 million of H shares issued by the Company were listed on The Stock Exchange of Hong Kong Limited. On 7 January 2003, 250 million of A Shares issued by the Company were listed on Shanghai Stock Exchange. As at 30 June 2020, the total share capital of the Company is 1,658,610,000 shares, each with a face value of RMB1.

The Company's principal businesses include the investment, construction, operation and management of certain toll roads within Anhui province. The Company acquires operational highway assets through various means such as investment and construction, acquisition or co-operative operation. The Company provides toll services for vehicles, collects vehicles toll fees according to the charging standards and maintains, repairs and carries out safety maintenance for the operating expressways. Toll roads are large-scale transportation infrastructures with long payback cycle and the investment return period is long and the income is relatively stable.

The Company owns all or part of the toll road equity in Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Tianchang Section of Ninghuai Expressway, Anhui Section of Lianhuo Expressway (G30 Anhui Section of Lianhuo Expressway) and Ningxuanhang Expressway, etc., all of which are located in Anhui Province. As at 30 June 2020, the Company has 557 kilometers of operating highway with total assets of about RMB16,036,839 thousand. Moreover, as expressways showed the features of network operations, the Group also provided entrusted management services (including the management of toll service, maintenance and repair, information and technology, safety of road assets, etc.) for some road sections to Anhui Transportation Holding Group and its subsidiaries. Currently, the total mileage of toll roads under the entrusted management amounted to 707 km.

In addition, the Group is also actively exploring and experimenting with advertising businesses along the expressway, financial business and fund investment businesses to further expand profit ability and achieve sustainable development of the Group.

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

Unit: '0,000 Currency: RMB

Stock code	Paper titles	Total assets	Net assets	Asset-liability ratio (%)	Revenue	Year-on-year growth of revenue (%)	Net profit	Year-on-year Growth of net profit (%)	Return on net assets (%)	Price earning ratio
Arithmetic mean		2,831,037.61	1,351,980.99	48.17	416,699.66	5.72	130,911.15	25.95	11.35	11.86
Media		1,654,623.11	1,055,088.95	46.49	292,527.86	7.76	102,504.90	9.09	10.34	10.11
600012.SH	Anhui Expressway	1,592,001.17	1,160,940.40	27.31	294,642.08	19.73	108,985.50	-3.41	10.43	8.89
000429.SZ	GPED A	1,767,454.53	1,025,059.69	42.00	305,793.56	-5.02	125,862.81	-23.84	12.97	13.72
000548.SZ	Hunan Investment	227,839.99	167,328.70	26.56	28,780.37	-0.36	5,535.56	48.26	3.29	37.79
000755.SZ	Shanxi Road Bridge	855,283.62	121,530.26	85.79	88,439.40	-44.57	14,982.41	226.79	13.25	12.37
000828.SZ	Dongguan									
	Development	1,180,082.28	740,234.40	37.27	163,982.59	1.02	107,388.35	1.49	15.60	7.98
000885.SZ	City Development									
	Environment	899,750.37	332,790.78	63.01	226,297.52	11.74	62,413.55	6.94	22.78	8.74
000900.SZ	Modern Investment	3,554,848.75	1,085,118.22	69.48	1,255,782.67	3.93	97,621.45	1.20	10.06	6.78
001965.SZ	China Merchants									
	Highway	9,091,320.86	5,393,808.23	40.67	818,507.39	21.01	432,660.81	11.31	9.12	12.52
600020.SH	Zhongyuan									
	Expressway	4,881,293.48	1,220,162.15	75.00	638,626.58	9.75	146,014.87	82.66	12.57	6.77
600033.SH	Fujian Expressway	1,717,245.05	1,173,470.30	31.67	290,413.64	9.04	82,757.72	12.78	8.90	10.18
600035.SH	Chutian Expressway	1,339,154.59	663,690.59	50.97	287,296.85	-4.15	71,682.97	43.83	11.16	9.06
600106.SH	Chongqing									
	Road Bridge	645,924.32	374,898.10	41.96	23,913.08	-0.39	25,016.26	11.23	6.87	15.02
600269.SH	Ganyue Expressway	3,500,240.26	1,706,286.28	51.25	503,944.20	10.29	111,288.47	-3.25	7.28	8.67
600350.SH	Shandong Expressway	8,035,962.54	3,438,743.84	57.21	744,476.84	9.70	304,359.15	-15.46	10.25	7.76
600368.SH	Wuzhou Traffic	1,094,212.42	425,556.00	61.11	214,743.53	12.42	87,769.94	113.26	22.24	5.80
600377.SH	Ninghu Expressway	5,562,504.86	3,268,283.71	41.24	1,007,818.12	1.54	419,970.44	-3.92	15.36	13.46
600548.SH	Shenzhen Expressway	4,492,373.43	2,072,327.23	53.87	618,582.51	6.49	249,948.50	-29.12	13.98	10.03
601107.SH	Sichuan Expressway	3,772,011.29	1,615,396.80	57.33	640,761.35	14.45	108,613.10	25.43	7.30	11.89
601188.SH	Longjiang Traffic	521,041.06	464,681.55	10.82	103,104.32	45.99	36,409.39	35.32	8.36	10.95
601518.SH	Jilin Expressway	651,170.96	398,271.94	38.84	78,086.69	-8.28	18,941.80	-22.41	5.18	18.82

Note: Source from Wind, and the information was as at 31 December 2019

II. Explanation on material changes in major assets of the Company during the Reporting Period (in accordance with the PRC Accounting Standards)

✓ Applicable Not applicable

At the end of the Reporting Period, the scope of the consolidated statement of the Group has not changed.

Unit: yuan Currency: RMB

Items	30 June 2020	31 December 2019	Percentage Change	Explanation on change
Financial assets at fair value through profit or loss	1,105,471,972.60	422,316,986.30	161.76	Mainly due to the Substantial increase of structured deposits with floating rates acquired by the Company from a bank during the Reporting Period;
Other Receivables	269,217,482.28	197,870,570.40	36.06	It was mainly caused by the delay of toll splitting due to the cancellation of provincial toll collection stations during the reporting period and the increase of toll revenue receivable by Anhui Expressway Network Operations Company Limited

Among which assets of RMB2,064,305.31 are in overseas, representing 0.01% of total assets.

III. Analysis on core competency during the Reporting Period

Applicable Not applicable

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

1. The transportation infrastructure concession is the core business of the Group. Our operating region is located in Anhui province, having superior geographical location and the geographical advantages. Our road sections are major transit national trunks across Anhui regions. With the implementation of the Yangtze River Delta integration national strategy and the Yangtze River Economic Belt development strategy, the network economic efficiency of the roads managed by the Group shall become more apparent.
2. The performance of the Group remains outstanding and stable, with high credit rating, low debt to assets ratio and strong solvency. At the same time, the operation of the Group is steady, and the outcomes of management on relations with investors are significant with a higher degree of concern in the capital market, resulting in a sound guarantee for future development by equity financing, continuous improvement in financing structure, and further expansion with the help of capital market.
3. Since its listing, the Company has shown a corporate image of openness and integrity to investors with information disclosure that is sufficient, fair and in compliance with relevant regulations, and has gained a good social response and influence in the PRC and overseas through active investor relationship management. Our persisting long-term high cash dividend ratio policy also gains favor and support from market and investors. The Company has a stable investor foundation and good market image in the domestic and overseas capital market.

SECTION IV DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

I. Management Discussion and Analysis

During the Reporting Period, in light of the impact of the “COVID-19 epidemic” and the continued downward pressure of the economy, the Company insisted on normalizing the epidemic prevention and control while accelerating the high-quality business development, and continued to focus on its principal business while strictly controlling the epidemic to ensure orderly resumption of work and production, forging ahead, working hard, and basically completing various objectives and tasks.

Epidemic prevention and control were carried out in an orderly manner. The Company fully implemented the guidance and requirements of the Ministry of Transport on the resumption of work and production, and effectively fulfilled the responsibilities of free access of highway, monitoring and control of expressway crossings, and transfer of incoming personnel during the epidemic period, providing transportation guarantee for the resumption of work and production of enterprises, and ensuring “free toll rates with same service and accountability.” Among them, Jinzhai Road toll station of Hefei Ring Expressway, as a transit point for immigrants in Anhui Province, provided services such as site construction, logistics support, sanitation and disinfection, and atmosphere creation to provide all-round guarantees for the smooth transfer of immigrants. During the Reporting Period, the Company donated RMB5 million to the provincial and municipal emergency headquarters for epidemic prevention and control through the Anhui Provincial Red Cross, and organized Party members to donate a total of RMB67,370 to support the fight against the COVID-19 epidemic.

The network charging audit was fully launched. In response to the new changes in the toll model, the Company strengthened analysis and research on the new situation of national network tolls. In combination with the actual road network management of the province, the Company made use of big data resources to comprehensively investigate illegal behaviors of evading expressway tolls, and carried out data audit on vehicles “without card or with multiple cards”.

Various safety management tasks were solidly promoted. The Company effectively performed the normalization of epidemic prevention and control and safety responsibilities during the resumption of work and production; strengthened road inspection and control under the conditions of free traffic and large traffic, promptly investigated and rectified hidden dangers, and effectively prevented the occurrence of major accidents.

The level of electromechanical information technology continued to be optimized. The Company actively carried out the preliminary work of the “full-process video monitoring management system” and the “bad weather condition monitoring and pre-warning system”, optimized and improved the construction plan; continued to track the defects of the electromechanical engineering, and conducted periodic maintenance. Besides, the Company accelerated the promotion of the tunnel quality upgrade project, steadily promoted the innovation of operation informatization, and improved the level of operation management informatization.

Service transformation was actively promoted. Combining with the new requirements of the nationwide network charging policy, the Company focused on promoting “smiling service” from toll booths inside to outside, service areas, gas stations, etc., to build a large service system.

Important projects were implemented steadily. The Hening Reconstruction and Expansion Project was completed and opened to traffic at the end of 2019. During the Reporting Period, the Company obtained the approval to extend the toll period after the Reconstruction and Expansion of Hening Expressway, and it was agreed that the toll period of Anhui Section of Hening Expressway was tentatively set for 5 years, commencing from the date of expiration of the toll period for Anhui Section of Hening Expressway. The period of official charging operation would be determined based on the evaluation and relevant regulations.

The Company participated in the acquisition of Turkish highway projects by the Chinese investment consortium led by China Merchants Highway. At the end of last year, it signed an equity acquisition agreement with Turkish IC Holding Group in Beijing. At present, the project has basically completed and the filing with the National Development and Reform Commission and the Ministry of Commerce. As of the date of this report, the Company has not yet paid the investment amount.

Major operation status during the Reporting Period

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB818,868 thousand (corresponding period in 2019: RMB1,467,501 thousand), representing a decrease of 44.20% compared with that of the corresponding period of last year. The total profit was RMB97,916 thousand (corresponding period in 2019: RMB763,349 thousand), representing a decrease of 87.17% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the Company reached RMB109,670 thousand (corresponding period in 2019: RMB547,876 thousand), representing a decrease of 79.98% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.0661 (corresponding period in 2019: RMB0.3303), representing a decrease of 79.99% compared with that of the corresponding period of last year.

In accordance with HKAS, the Group achieved a revenue of RMB871,025 thousand (corresponding period in 2019: RMB1,965,648 thousand), representing a decrease of 55.69% compared with that of the corresponding period of last year; profit before income tax was RMB95,956 thousand (corresponding period in 2019: RMB757,664 thousand), representing a decrease of 87.34% compared with that of the corresponding period of last year; unaudited profit attributable to owners of the Company was RMB108,200 thousand (corresponding period in 2019: RMB543,667 thousand), representing a decrease of 80.10% compared with that of the corresponding period of last year; basic earnings per share was RMB0.0652 (corresponding period in 2019: RMB0.3278), representing a decrease of 80.11% compared with that of the corresponding period of last year.

Toll Expressway Business (In accordance with the PRC Accounting Standards)

In the first half of 2020, the COVID-19 epidemic had a significant impact on the production and operation activities of the Group. According to the national requirements, the toll-free policy for small passenger vehicles continued to be implemented during the Chinese New Year holidays. The toll-free period for small passenger cars was extended for a total of 16 days from 24 January to 24:00 on 8 February 2020. Due to the need for containment of the COVID-19 disease, the Ministry of Transport further required that from 0:00 midnight on 17 February 2020 to the end of containment measures (0:00 midnight on 6 May), all vehicles legally passing tolled roads are exempted from tolls, with the toll-free period totaling 79 days. In addition, the implementation of new toll calculation method and standard and the increase in the number of ETC users entitled to enjoy a discount of toll fees since 2020 both caused a certain impact on the toll revenue of each project of the Group. Given the combined effects from the above factors, the toll revenue of the Group decreased significantly on a year-on-year basis during the Reporting Period.

During the Reporting Period, the Group achieved a total toll income of RMB704,096 thousand (After tax) (corresponding period in 2019: RMB1,355,353 thousand), representing a decrease of 48.05% compared with that of the corresponding period of last year.

Economic development, policy exemption, the change of the highway network remain the principal factors which influenced the toll revenue of the Group.

During the Reporting Period, in face of the severe challenges brought by the COVID-19 epidemic and the complex and ever-changing domestic and foreign environments, China's government coordinated efforts towards facilitating both the prevention and control of the epidemic and the economic and social developments. Accordingly, the gross domestic product (GDP) saw a turnaround from negative to positive and recorded a year-on-year growth of 3.2% in the second quarter of 2020, with a year-on-year decrease of 1.6% for the first half of the year. The economic and social operations were basically in order and stable. In the first half of the year, Anhui Province's GDP amounted to RMB1,755.11 billion, representing a year-on-year increase of 0.7%.

The operating performance of the toll road is affected by changes in the surrounding competing or synergistic road network, linking or parallel road expansion and other factors. The impact varies according to each road project.

The operation details of each road section in the first half of 2020 are as follows:

Items	Interests	Toll income (RMB' 000)		Flux (%)
		First half of 2020	First half of 2019	
Hening Expressway	100%	256,587	406,636	-36.90
New Tianchang Section of National Trunk 205	100%	22,395	41,773	-46.39
Gaojie Expressway	100%	163,941	349,070	-53.03
Xuanguang Expressway	55.47%	130,976	266,748	-50.90
Anhui Section of Lianhuo Expressway	100%	66,080	153,400	-56.92
Tianchang Section of Ninghuai Expressway	100%	28,170	52,550	-46.39
Guangci Expressway	55.47%	26,460	53,625	-50.66
Ningxuanhang Expressway	51%	31,040	73,007	-57.48

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income per kilometer per day (RMB)		
		First half of 2020	First half of 2019	Flux (%)	First half of 2020	First half of 2019	Flux (%)
Hening Expressway	100%	27,583	24,390	13.09	17,730	16,766	5.75
New Tianchang Section of National Trunk 205	100%	5,822	6,561	-11.26	6,912	7,693	-10.15
Gaojie Expressway	100%	17,358	18,749	-7.42	13,800	17,532	-21.29
Xuanguang Expressway	55.47%	22,366	26,767	-16.44	14,437	17,545	-17.71
Anhui Section of Lianhuo Expressway	100%	16,468	17,183	-4.16	11,331	15,695	-27.81
Tianchang Section of Ninghuai Expressway	100%	41,691	35,525	17.36	18,631	20,754	-10.23
Guangci Expressway	55.47%	25,348	30,271	-16.26	17,500	21,162	-17.30
Ningxuanhang Expressway	51%	4,019	5,745	-30.04	2,456	3,447	-28.75

Notes: 1. Except Tianchang Section of Ninghuai Expressway, The data of converted average daily traffic volumes for entire journey does not include the data on small passenger vehicles insofar as the same were free from toll for 16 days from 0:00 a.m. on 24 January to 24:00 on 8 February 2020, and the data on all vehicles insofar as the same were free from toll for 79 days from 0:00 a.m. on 17 February to 24:00 on 5 May 2020, as a result of the continuation of toll-free policy for small passenger vehicles during the Spring Festival holiday and due to the need for containment of the COVID-19 disease, respectively.

2. The traffic data mentioned above is provided by Anhui Expressway Network Operations. In 2020, freight cars will be charged according to models instead of by weight, and the change of road network charging method caused a certain difference in the statistical model of traffic volume compared with last year, which is only for investors' reference.

3. The toll income data above are tax included.

With the orderly recovery of the economy, the regional road transportation and logistics demand resumed in general. For the period from resumption of collection of toll fees on 6 May to 30 June 2020, the average daily traffic volume of and toll revenue from each expressway operated by the Group both showed an upward trend on a quarter-on-quarter basis.

Hening Expressway

During the Reporting Period, after completion of the “four-lane to eight-lane” expansion project, Hening Expressway witnessed a steadily rising trend in both traffic volume and toll revenue.

Since the resumption of collection of toll fees on 6 May, the work and production have resumed in a larger scale and at a quicker speed in Hefei than those in the neighboring cities. The continuing recovery of local economy has stimulated the recovery of passenger transport, logistics and other sectors closely related to the transportation. Due to the effect from this factor, the toll revenue from Hening Expressway increased by 23.93% and 37.41%, year-on-year, in May and June, respectively.

New Tianchang Section of National Trunk 205

National Trunk 205 is an ordinary north-south bypass road. With the removal of two neighboring toll stations in the south and north in 2018 and 2019 respectively, the traffic volumes and toll income are relatively stable.

Gaojie Expressway

After the completion of the “four-lane to eight-lane” project of Fangxing Avenue-Mayan Section of Hean Expressway, some vehicles returned back, which had a positive impact on the benefits of relevant sections of the north-south transit passage.

Xuanguang Expressway

During the Reporting Period, some sections of Xuanguang Expressway were affected by diversion because the surrounding county roads were opened to traffic after upgrading and reconstruction. The traffic police in Xuanguang Expressway area controlled the traffic flow of Xuanguang Expressway, and enforced the prohibition of truck traffic at the entrance of all toll stations in Xuanguang Expressway area in some time periods, which had a certain impact on the truck flow of Xuanguang Expressway.

Anhui Section of Lianhuo Expressway

Due to the opening to traffic of Xiao County Section of National Trunk 310 and National Trunk 311 upon completion of vast maintenance thereof at the end of 2019, some trucks chose to pass through national highways instead of Lianhuo Expressway Xuzhou-Henan Section. With the higher national regulatory requirements on environmental protection of enterprises, mines and mining factories in areas surrounding Xiao County ceased production altogether, which resulted in a remarkable decrease in the truck traffic volume.

Tianchang Section of Ninghuai Expressway

Ninghuai Expressway is one of the major passages in south and north of Jiangsu. Its traffic volume tends to flow back and grow after the impact from the opening to traffic of Suyang Expressway has been stabilized. Due to the preferential policy of differentiated charging for trucks implemented for networked expressways in Jiangsu that trucks with more than six axles are charged with reference to the charging standards for Type 6 trucks, some trucks were attracted to choose to pass through Ninghuai Expressway. As such, toll revenue therefrom increased by 6.75% and 13.13%, year-on-year, in May and June, respectively.

Ningxuanhang Expressway

During the Reporting Period, Xuanning Section of Ningxuanhang Expressway was continuously affected by the diversion of Lining Expressway, some vehicles chose to go to Shanghai, Zhejiang and other places via the section of Lining Expressway.

General achievements of the pawn business

In June 2012, the Company and Huatai Group jointly set up Hefei Wantong Pawn Company Limited, in which the Company injected capital in the sum of RMB150 million, accounting for 71.43% of its registered capital; Huatai Group invested RMB60 million, accounting for 28.57% of its registered capital. In 2015, both shareholders reduced capital of Wantong Pawn by RMB52.50 million by the same proportion, and the current registered capital of Wantong Pawn is RMB157.50 million.

During the Reporting Period, Wantong Pawn has continued the disposal of underperforming loans while steadily advanced the business of personal real estate backed pawn loans. The company has collected a total of RMB1.7893 million (repaid with real property), and the actual mortgage loan business has actually granted 13 loans with a total amount of RMB13.46 million. All newly processed projects were no significant risk signal.

During the Reporting Period, Wantong Pawn has reversed the provision for impairment of Wantong Pawn accrued for the previous year of RMB1.1714 million, and the accumulated provision reached RMB99 million. Because of the continuous and steady operation, the total profit was RMB1.6624 million, the net profit was RMB1.6624 million, representing an increase of RMB0.2259 million as compared with the same period of the previous year.

II. Major Operation Status during the Reporting Period

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

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

(Unit: yuan Currency: RMB)

Items	Current period	Last year	Flux (%)
Revenue	818,868,119.89	1,467,501,106.08	-44.20
Cost of sales	663,472,914.27	640,586,269.08	3.57
Administration costs	40,392,214.40	45,862,494.68	-11.93
Finance costs	44,459,292.57	24,713,716.05	79.90
Profit arising from fair value changes	24,790,127.84	3,698,287.68	570.31
Cash flows from operating activities	320,895,649.05	935,505,582.63	-65.70
Cash flows from investing activities	-912,763,489.36	-722,234,293.93	26.38
Cash flows from financing activities	222,685,452.57	-101,139,060.67	N/A

Reason for a change of revenue: mainly due to a large decrease in the toll revenue as a result of COVID-19 during the Reporting Period as compared with the same period of the previous year.

Reason for a change of cost of sales: The reconstruction and expansion project of Hening Expressway has been completed in late 2019. This Reporting Period begins to carry out depreciation and amortization for it.

Reason for a change of administration costs: mainly due to the decrease in the number of the Company's management personnel during the Reporting Period as compared with that of the corresponding period of the previous year.

Reason for a change of finance costs: The main reason is that the income from the purchase of floating rate structured deposits during the Reporting Period is included in the account of profit arising from fair value changes.

Reasons for a change of profit arising from fair value changes: The main reason is that the income from the purchase of floating rate structured deposits during the Reporting Period is included in this item.

Reason for a change of cash flows from operating activities: mainly due to a large decrease in the toll revenue during the Reporting Period as compared with the same period of the previous year.

Reason for a change of net cash flows used in investing activities: mainly due to the increase in the balance of the Company's structured bank deposit during the Reporting Period as compared with the same period of the previous year.

Reason for a change of net cash flows used in financing activities: mainly due to the increase in the short term bank loans during the Reporting Period as compared with the same period of the previous year.

(1) Operating income

During the Reporting Period, the Group achieved an operating income of RMB818,868 thousand (corresponding period in 2019: RMB1,467,501 thousand), the income decreased significantly on a year-on-year basis during the Reporting Period. The toll income is the main revenue source of the Group. The concrete analysis about the revenue is as follows:

(Unit: '000 Currency: RMB)

Operating income	The first half of 2020	Percentage (%)	The first half of 2019	Percentage (%)	Flux (%)
Expressway business	817,172	99.79	1,465,129	99.84	-44.23
– Toll income	704,096	85.98	1,355,353	92.36	-48.05
– Service area income	16,440	2.01	16,357	1.11	0.51
– Other business income	96,636	11.80	93,419	6.37	3.44
Pawn business	1,696	0.21	2,372	0.16	-28.50
Total	818,868	100.00	1,467,501	100.00	-44.20

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

(Unit: yuan Currency: RMB)

Industries	Revenue	Cost of sales	Gross profit rate(%)	Principal businesses in terms of industries		
				Change in revenue (compared with the previous year) (%)	Change in cost of sales (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year) (%)
Toll highway business	720,535,731.45	584,157,328.67	18.93	-47.47	2.55	A decrease of 39.54 percent
Pawn business	1,695,965.05	0	N/A	-28.50	N/A	N/A

Principal businesses in terms of products						
Products	Revenue	Cost of sales	Gross profit rate(%)	Change in	Change in	Change in
				revenue	cost of sales	gross profit rate
				(compared with	(compared with	(compared with
				the previous year)	the previous year)	the previous year)
				(%)	(%)	(%)
Hening Expressway	257,661,401.93	186,052,028.61	27.79	-36.11	8.84	A decrease of 29.82 percent
New Tianchang Section of National Trunk 205	21,328,727.80	21,733,543.29	-1.90	-46.39	7.35	A decrease of 51.01 percent
Gaojie Expressway	164,797,059	80,719,063.22	51.02	-52.17	-13.34	A decrease of 21.94 percent
Xuanguang Expressway	127,158,636.68	76,002,121.65	40.23	-50.90	0.3	A decrease of 30.51 percent
Anhui Section of Lianhuo Expressway	65,246,470.88	61,136,544.50	6.30	-56.51	-1.74	A decrease of 52.23 percent
Tianchang Section of Ninghuai Expressway	28,518,611.26	17,792,176.43	37.61	-45.34	-10.81	A decrease of 24.16 percent
Guangci Expressway	25,689,042.45	9,909,504.91	61.43	-50.66	3.01	A decrease of 20.09 percent
Ningxuanhang Expressway	30,135,781.45	130,812,346.06	-334.08	-57.48	11.11	A decrease of 267.98 percent
Wantong Pawn	1,695,965.05	0	N/A	-28.50	N/A	N/A
Total	722,231,696.50	584,157,328.67	19.12	-47.44	2.55	A decrease of 39.42 percent

Principal businesses in terms of region						
Regions	Revenue	Cost of sales	Gross profit rate(%)	Change in	Change in	Change in
				revenue	cost of sales	gross profit rate
				(compared with	(compared with	(compared with
				the previous year)	the previous year)	the previous year)
				(%)	(%)	(%)
Anhui Province	722,231,696.50	584,157,328.67	19.12	-47.44	2.55	A decrease of 39.42 percent

(3) Expenses

Administration costs

During the Reporting Period, the Group's administration costs were RMB40,392 thousand (corresponding period in 2019: RMB45,862 thousand), representing a decrease of 11.93% as compared to the same period last year. Such decrease was mainly caused by the decrease of the number of the Company's administrative staff compared with the same period of last year.

Finance costs

During the Reporting Period, the Group's finance costs were RMB44,459 thousand (corresponding period in 2019: RMB24,714 thousand), representing an increase of 79.90% as compared to the same period last year. The main reason for the increase in finance costs was that the income from the purchase of floating rate structured deposits during the Reporting Period is included in the account of gain from fair value changes and then the interest income went down.

Gain from fair value changes

During the Reporting Period, gain from fair value changes of the Group was RMB24,790 thousand (corresponding period in 2019: RMB3,698 thousand). The increase in gain from fair value changes was mainly attributable to the profit on structured deposits bearing floating interest acquired from banks by the Company during the Reporting Period.

Income tax

During the year, except for AEHK, the applicable PRC Corporate Income Tax rate for the Company, the Company's subsidiaries and associated companies was 25% (2019: 25%).

During the Reporting Period, the Group's income tax expenses were RMB65,821 thousand (corresponding period in 2019: RMB218,601 thousand) with a decrease of 69.89% compared to the same period last year, which was caused by the substantial decline in profits during the Reporting Period.

Value-Added Tax

Since 1 May 2016, the Group has fully implemented the levying of value-added tax in lieu of business tax. The Company, Xuanguang Company, Ningxuanhang Company and Guangci Company levied the value-added tax by 3% and 5% of the toll revenue by simple approach; 0% tax rate is applied to compensation income due to road damage; the sales tax rate of road assistance service income, entrusted expressway management income, and operating income of service areas was 6%; value-added tax was levied by simple approach based on 5% of the rental income; the sales tax rate of Wantong Pawn's loan interest income was 6%.

(4) Cash flows

During the Reporting Period, the Group's net cash flows from operating activities were RMB320,896 thousand (corresponding period in 2019: RMB935,506 thousand), representing a decrease of 65.70% as compared with that in 2019, mainly due to the large decrease of the toll revenue of the Group during the Reporting Period as compared with that of the corresponding period of last year.

During the Reporting Period, the Group's net cash flows from investing activities were RMB-912,763 thousand (corresponding period in 2019: RMB-722,234 thousand), primarily attributable to the increase in amount of structured deposits purchased by the Company during the Reporting Period as compared to the same period of the previous year.

During the Reporting Period, the Group's net cash flows from financing activities were RMB222,685 thousand (corresponding period in 2019: RMB-101,139 thousand), it was mainly due to the increase in bank loans obtained during the Reporting Period.

2. Others**(1) Detailed explanation on major changes in profit structure or profit source of the Company**

Applicable Not applicable

(2) Other

Applicable Not applicable

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

Applicable Not applicable

(III) Analysis of assets and liabilities

√ Applicable □ Not applicable

1. Assets and Liabilities

Unit: yuan Currency: RMB

Items	Amount at the end of the Reporting Period	Percentage of amount at the end of the Reporting Period to the total assets (%)	Amount at the end of last period	Percentage of amount at the end of last period to the total assets (%)	Percentage of amount at the end of the Reporting Period as compared to that of last year (%)
Trading financial assets	1,105,471,972.60	6.89	422,316,986.30	2.65	161.76
Other notes receivable	269,217,482.28	1.68	197,870,570.40	1.24	36.06
Accounts payable	981,647,734.84	6.12	1,210,422,954.45	7.6	-18.90
Short-term borrowing	295,361,590.27	1.84	0.00	0.00	N/A
Other payables	694,582,312.95	4.33	161,952,176.80	1.02	328.88
Tax payable	77,663,288.08	0.48	174,109,774.91	1.09	-55.39
Long-term account payable	507,425,855.31	3.16	392,499,619.04	2.47	29.28
Long-term loan	1,799,346,146.69	11.22	1,812,697,552.94	11.39	-0.74

Other explanations

The increase of trading financial assets was mainly caused by the substantial increase of structured deposits of floating interest rate purchased from Banks during the Reporting Period.

The increase of other receivables was mainly due to the delay of toll splitting due to the cancellation of provincial toll stations during the Reporting Period and the increase of toll revenue receivable from Anhui Expressway Network Operations Company Limited.

The decrease in accounts payable is mainly due to project settlement during the Reporting Period.

The increase in other payables were mainly due to the declaration of dividends during the Reporting Period.

The decrease in tax payable is mainly due to the final settlement of enterprise income tax in 2019 and the substantial decline in profits in 2020.

The increase of long-term account payable is mainly caused by the new shareholder loan of Ningxuanhang Company during the Reporting Period.

The decrease in long-term loan is mainly due to the repayment of bank loans on schedule during the Reporting Period.

The increase in short-term borrowing was mainly due to the increase in bank loans obtained during the Reporting Period.

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

Applicable Not applicable

3. *Other explanation*

Applicable Not applicable

(IV) Investment Analysis

1. Overall analysis of external equity investments

Applicable Not applicable

No new equity investment of the Company during the Reporting Period (corresponding period of 2019: nil)

(1) Material equity investments

Applicable Not applicable

The Company participated the investment consortium led by China Merchants Expressway to acquire 51% of the shares and shareholder loans of the Third Bridge and the Northern Motorway in Istanbul, Turkey and its operation and maintenance company. The Company would contribute US\$48,195 thousand and hold 7% of the shares of the Consortium Hong Kong SPV. As at the date of this announcement, the Company has not paid the contribution amount. For details, please refer to the part of "Significant connected/related party transactions on joint external investment" in Section V "Major Events".

(2) Material non-equity investments

Applicable Not applicable

(3) Financial assets measured at fair value

Applicable Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increases during the Reporting Period	Decreases during the Reporting Period	Changes in fair value during the Reporting Period	Ending balance
Trading financial assets- structured deposits	422,316,986.30	2,820,000,000.00	2,161,635,141.54	24,790,127.84	1,105,471,972.60
Equity instruments – shares of unlisted companies					
– Xin'an Financial	75,308,679.31	0.00	0.00	0.00	75,308,679.31
– Xin'an Capital	25,222,208.79	0.00	0.00	0.00	25,222,208.79
– Wantong MicroCredit	15,000,000.00	0.00	0.00	0.00	15,000,000.00
– China Merchants Fund	99,625,000.00	0.00	0.00	0.00	99,625,000.00
– Jinshi Merger and Acquisition Fund	99,625,000.00	0.00	0.00	0.00	99,625,000.00
– China Merchants Fund Management Company	375,000.00	0.00	0.00	0.00	375,000.00
– Jinshi Fund Management Company	375,000.00	0.00	0.00	0.00	375,000.00
Total	737,847,874.40	2,820,000,000.00	2,161,635,141.54	24,790,127.84	1,421,002,860.70

(V) Material Asset and Equity Interest Disposal

Applicable Not applicable

(VI) Analysis of Main Shares Holding Companies and Joint Stock Companies

Applicable Not applicable

Unit: '000 Currency: RMB

Name of company	Equity capital the Group possesses	Registered Capital	30 June 2020		The six months ended 30 June 2020		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	111,760	873,220	464,998	141,347	28,778	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	4,737,497	621,531	47,111	-196,574	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	217,589	203,721	26,546	12,254	The construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	477,233	376,501	64,490	27,874	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	335,506	255,933	9,186	4,270	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	198,694	112,110	46,758	2,030	Internet financial services, network information services, pawn business, etc.
Wantong Pawn	71.43%	157,500	85,943	74,733	1,696	1,662	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service
Wantong MicroCredit	10%	150,000	119,289	117,088	3,136	2,061	Distributing petty loans, small size enterprises management consulting and financial advisory
AEHK	100%	1,981	1,969	1,904	0	27	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin
China Merchants Fund	6.64%	3,000,000	1,646,396	1,616,236	11,713	-3,070	Investment in transportation, services, energy conservation and environmental protection
Jinshi Merger and Acquisition Fund	6.64%	3,000,000	1,554,244	1,542,364	-1,484	-13,795	Investment in equity, asset management and investment consultation
China Merchants Fund Management Company	2.5%	30,000	38,513	34,156	11,554	2,919	Daily management and investment consultation of China Merchants Fund
Jinshi Fund Management Company	2.5%	30,000	59,057	57,423	11,097	8,358	Daily management and investment consultation of Jinshi Merger and Acquisition Fund
Information Industry Company	10%	60,000	39,681	31,647	12,473	1,008	Construction, operation and service of traffic charging system; Computer software development; Information system integration services and so on

(VII) Status of the Structured Entity controlled by the Company

Applicable Not applicable

III. Other disclosure

1. *Warnings and explanations on the forecast that the cumulative net profit for the period commencing from 1 January 2020 to the end of the next reporting period may be a loss or that substantial changes occur compared with the corresponding period of last year*

Applicable Not applicable

In view of the great impact of the toll free policy during the epidemic on the Group's net profit in the first half of 2020, and that the current related supporting policy has not yet been determined, the Group's operation results from the beginning of the year to the next reporting period will have greater uncertainty. Please refer to the actual release of the periodic report data. Investors should pay attention to the risk.

2. *Possible risk factors*

Changes in Macroeconomic Environment and Industry Policies

Applicable Not applicable

The toll road industry is sensitive to change in macro-economy. Macroeconomic changes directly affect the demand for highway transport, which in turn affects the traffic flow performance of all toll projects and results of operation of the Group. Against the background of the impact of the COVID-19, China's economy slowed down and then recovered in the first half of 2020. In the second quarter, economic growth turned from negative to positive, with a growth rate of 3.2%. The economic operation was steadily recovering, but there remained greater uncertainty. The 2020 National Transportation Working Conference pointed out that China's transportation development this year will continue to maintain a steady progress and improvement, but the situation is more severe and the tasks more difficult. During the epidemic, the Ministry of Transport has successively issued policies such as toll free during the epidemic to ensure the smooth passage of vehicles with emergency materials for epidemic prevention and control, which provided strong support for supporting enterprises to resume work and production and stabilize the overall economic and social condition. The implementation of this policy has had a greater impact on the performance of expressway companies. In addition, the implementation of policies such as national road network connection switching, increased ETC utilization rate, and toll billing methods adjustment of truck will help improve the efficiency of toll roads in the long run, but in the short and medium term, the amount of highway toll exempted and cost input will continue to increase, which is expected to have an impact on the Company's business performance.

Responding measures: The Group analyzes and researches on relevant policies, actively communicates and coordinates with government authorities, minimizes the negative impact of the epidemic, and tries its best to protect the interests of the Company and investors; The Group actively faces the changes in operation management, and carefully studies and judges the characteristics of traffic flow and vehicle model structure changes on the road network, improve the management model for emergency toll collection, enhance the capacity of traffic and lower the management costs and expenses for executing the policies through fine management.

The Growth Space of the Main Business Revenue Narrowed

With the further perfected intensification of highway networks, parallel routes and alternative routes will continue to increase, and network diversion will have a negative impact on the growth of toll revenue of the Company. In addition, the total length of high-speed railway in Anhui province has entered the first tier in China, the integration of private cars and urban and rural passenger transport has also developed rapidly, the substitution of and diversion from highway passenger transport is serious, and the diversification of freight has a negative impact on the Company. At present, most highway sections of the Group have been open to traffic for a long time and have entered the mature stage, with increasingly serious damage to road condition and increasing road maintenance cost in the later stage. The road network effect has not yet been developed on the newly opened road sections, and the amount of various policy exemptions continues to rise. All of them have had an impact on the operating performance of toll road projects of the Group.

Responding measures: All road sections of the Group were trunk highways across the Anhui region. The Group will strengthen communication with the government and major shareholders, and keep abreast of the network planning and project construction schedule so as to conduct a special analysis of the highway network in advance and put a reasonable forecast for the impact of the relevant projects on the existing traffic flow of the Company. We will make full use of regional traffic advantage in Anhui province and, through the improvement of road signs, expand the promotion of the routing publicity, turn passive to active use of the advantages of informationization to carry out segment marketing.

The Risk of the Expiry of Franchise

Toll road assets have a relatively monopolistic nature due to their franchise mode of operation. However, their franchises are subject to a certain toll collection period after the expiration of which the road operation enterprises will face significant challenge in their sustainable development. At present, the Company's major road resources have entered a mature period, and less than half of the operating periods of other road assets except the Ningxuanhang project remain. If the Company's existing highway toll collection period expires and no other newly built or acquired operational highway projects are replenished in time, it will have a negative impact on the sustainable development of the Company.

Responding measures: The Group will seize the national strategic opportunity of the integration of the Yangtze River Delta, accelerate the promotion of opening the "missing links" across the provincial boundary, and improve the negative impact of the project on the Company's performance. After the epidemic, the country has accelerated the construction of 5G, data center and other new infrastructure, which has set off a new round of infrastructure investment boom nationwide and provided new development opportunities for the Company to carry out related diversified development.

3. Other disclosure

Applicable Not applicable

In the second half of 2020, the Group will make every effort to improve the standards for operation, management and maintenance of expressways.

1. The Company will firmly operate, manage and control the road network after the cancellation of the provincial boundary stations.

The Group will actively adapt to the changes in the operation management system and model after the cancellation of provincial boundary stations, increase the research on the charging policy and the new network charging system, focus on stopping of toll evasion and revenue increase, strengthen the toll audit, and cooperate with all parties to increase the crackdown on and exposure of toll evasion to ensure collection in full of toll rates.

2. Ensuring the road network is smooth

The Company will formulate emergency plans to ensure the road network is smooth, strengthen emergency plan management and drill effect evaluation, and continuously improve emergency response efficiency; it will strengthen the research and application of technology solutions for on-site rapid disposal, effectively improve the ability of clearing and rescue operations, and strive to create a good road network traffic environment.

3. Creating safe and good road conditions to meet the national assessment

The Company will focus on the improvement of the road surface environment, increase the inspection of road conditions, including the damage to the road sections in the recent flood period, actively organize the implementation of special repair projects, and welcome the "13th Five-Year Plan" national arterial highway maintenance and management evaluation with good road conditions.

4. Liquidity, financial resources and capital structure (in accordance with HKAS)

The goal of the Group's capital management policy is to ensure that the Group can operate continuously to provide returns to the shareholders and to benefit other stakeholders, while at the same time maintaining optimal capital structure so as to reduce capital costs. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payable to shareholders, return capital to shareholders, issue new shares or dispose of its assets in order to reduce the debt amount. The Group uses debt-to-capital ratio to monitor its capital, and the ratio is calculated by dividing net debt by total capital. Net debt equals to total borrowing (including current and non-current borrowing in the consolidated balance sheet) minus the cash and cash equivalents. Total capital equals to equity (as listed in the consolidated balance sheet) plus net debt. As at 30 June 2020, debt-to-capital ratio of the Group was 11.59% (31 December 2019: 6.24%).

During the Reporting Period, the Group's net cash flows from operating activities were RMB-14,120 thousand, representing a decrease of 104.56% as compared with that in the corresponding period last year. The change was mainly due to the large decrease of the toll revenue of the Group during the Reporting Period as compared with that of the corresponding period of last year.

During the Reporting Period, the Group's net cash flows from investing activities were RMB-629,586 thousand. This is mainly due to the increase in the purchase of bank structured deposits in the Reporting Period compared with the same period last year.

During the Reporting Period, the Group's net cash flows from financing activities were RMB274,477 thousand and mainly due to the increase in short-term bank loans obtained during the Reporting Period compared with the same period last year.

During the Reporting Period, the aggregated sum of bank loans obtained by the Group was RMB295 million (corresponding period 2019: RMB345 million). At the end of the Reporting Period, there was still a remaining bank loan of RMB2.366 billion (31 December 2019: RMB1.981 billion), including short-term loans of RMB295 million and long-term loans of RMB2.071 billion. They mainly comprised a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway and the CDB special loan for the road widening construction work of Hening Expressway with annual interest rates ranging from 1.2% to 4.9% (31 December 2019: from 1.2% to 4.9%). The principal will be repaid between 2020 and 2035.

The Group was awarded with good credit ratings. On 30 June 2020, the total credit facilities granted was RMB3.36 billion, and the facilities not yet utilized amounted to RMB1.605 billion.

For the currency unit of the Group's lending and cash holdings, please refer to note 14 to the consolidated financial statements, its composition and distribution are roughly the same as at 31 December 2019.

Since the revenue and expenditure of the Group are mainly in RMB, the Group does not expect to incur significant currency risk in the operational activities. The Group did not enter into any foreign exchange hedging arrangements to manage the foreign exchange risk (corresponding period in 2019: nil).

5. Charge of assets and contingent liabilities

As at 30 June 2020, bank borrowings of RMB560 million was secured by a pledge over the toll revenue entitled by the Group after the completion of the proposed reorganization and expansion construction of Hening Expressway (31 December 2019: RMB580 million). The bank borrowing of RMB870 million was secured by a pledge over the toll revenue entitled by the Group for the Ningxuanhang Expressway Liqiao to Xuancheng Section (31 December 2019: RMB830 million).

As at 30 June 2020, the Group had no contingent liabilities (31 December 2019: Nil).

6. Major investment, acquisition and disposal

During the Reporting Period, the Group did not have any major investment and acquisition or disposal of subsidiaries, associated companies and joint ventures (corresponding period in 2019: Nil).

SECTION V MAJOR EVENTS

I. Profile of the General Meeting

Session	Date	Query indexes for published resolutions	Disclosure date of the published resolution
The 2020 First Extraordinary General Meeting	4 February 2020	Shanghai Securities News China Securities Journal	5 February 2020
2019 Annual General Meeting	22 May 2020	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	23 May 2020

Statement of the general meeting of shareholders

Applicable Not applicable

Resolutions passed in The 2020 First Extraordinary General Meeting

- To elect Mr. Xiang Xiaolong as an executive director of the Board of the Company, whose term of office will be from the date of election (i.e. the date of the EGM) to 16 August 2020 (Ordinary resolution).

Resolutions passed in 2019 Annual General Meeting:

- To approve the report of the Board of Directors, the report of the Supervisory Committee, the audited financial report and the profit appropriation proposal of the Company for the year 2019 (Ordinary resolution);
- To approve the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the Company's PRC and Hong Kong auditors for the year 2020 and to authorize the Board to determine their remuneration (Ordinary resolution);
- To consider and approve the resolution in relation to donation of RMB5 million in support of the fight against the outbreak of the pneumonia caused by the novel coronavirus (Ordinary resolution);
- To approve the general mandate for the issue of additional A shares and/or H shares of the Company (Special resolution).

II. The profit appropriation plan or the plan of transferring reserves to capital

The interim profit appropriation plan or the plan of transferring reserves to capital

Whether to appropriate or transfer No

III. Fulfillment of Commitments

The commitments for the Company's actual controllers, shareholders, related persons, purchasers, the Company and other related parties during the Reporting Period or lasting until the Reporting Period.

Applicable Not applicable

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

IV. Appointment and Dismissal of Auditors

Explanation on the appointment and dismissal of auditors

Applicable Not applicable

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were approved to be appointed as the PRC auditors and Hong Kong auditors of the Company for the year 2020 respectively at the 2019 Annual General Meeting of the Company.

Explanation on the change of accounting firm during the auditing period

Applicable Not applicable

Explanation of the Company on the “non-standard audit report” prepared by the accounting firm

Applicable Not applicable

Explanation of the Company on the “non-standard audit report” issued by the certified public accountants in respect of the financial statements contained in the annual report last year

Applicable Not applicable

V. Bankruptcy or Reorganization

Applicable Not applicable

VI. Material Litigation and Arbitration

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

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

VII. Punishment by Regulatory Authorities on the Company, Directors, Supervisors, Senior Management, Controlling Shareholders, the Actual Controller of the Company and Acquirer

Applicable Not applicable

VIII. Explanation on the Credibility of the Company, its Controlling Shareholders and Actual Controllers during the Reporting Period

Applicable Not applicable

The Company, its controlling shareholders and actual controllers are in good standing with no events such as unsatisfied judgements and unsatisfied debt of substantial amounts during the Reporting Period.

IX. Information on Share Incentives Plan, Employee Share Ownership Plan or other Employee Incentives and their Impacts

1. *Relevant share incentive matters which have been disclosed in temporary announcement without any further changes*

Applicable Not applicable

2. *Incentive items which have not been disclosed in the temporary announcements or which have subsequent progress*

Share incentive

Applicable Not applicable

Other description

Applicable Not applicable

Employees' share ownership plan

Applicable Not applicable

Other incentives

Applicable Not applicable

X. Major Related Party/Connected Transactions

1. Related Party/Connected transactions in relation to daily operations

- (1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

√ Applicable □ Not applicable

Item overview	Indexes of announcements (being the date of uploading respective announcements on the website of the Company)
To provide expressway section entrusted management service	31 December 2019 "Announcement – Continuing Connected Transactions: Entrusted Management Agreements", 30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To receive expressway network toll settlement	31 December 2019 "Continuing Connected Transactions: Entering Into Network Services Agreement In Writing", 30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To receive construction management service	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions", 29 April 2020 "Announcement – Continuing Connected Transactions: 2020-2021 Expressway Maintenance and engineering Works Contracts"
To receive supervisory service of project construction	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To receive construction test service	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To receive property management service	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To provide the house rental services	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To provide service area rental services	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions"
To provide gas stations rental services	30 March 2020 "Announcement in relation to Contemplated 2020 Daily Related Party Transactions", 29 March 2018 "Continuing Connected Transactions: Lease of Operating Rights of Gas Stations"

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

(3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

2. *Related Party/Connected transactions in relation to assets or equity acquisition and disposal*

(1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

Applicable Not applicable

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

(3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

(4) Performance which shall be disclosed during the Reporting Period (if it involves an agreement of performance)

Applicable Not applicable

3. Significant related party/connected transactions on joint external investment

- (1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

Applicable Not applicable

Item overview

Indexes of announcements (being the date of uploading respective announcements on the website of the Company)

Participation in the establishment of a consortium to jointly purchase overseas assets 23 December 2019 "Joint Announcement–Connected Transaction: Formation of Joint venture"

The Company proposed to form a joint venture in Hong Kong (the "Consortium SPV") through joint contribution together with China Merchants Expressway, CMU, Zhejiang Expressway, Jiangsu Expressway and Sichuan Expressway as consortium members. The consortium intended to acquire 51% of the equity and shareholder loan of Istanbul third bridge and northern ring highway in Turkey and its operation and maintenance company through the Consortium Hong Kong SPV and its wholly-owned subsidiary. The Company intended to invest US\$48.195 million and hold 7% of the shares of the Consortium Hong Kong SPV. The matter was considered and adopted at the 17th meeting of the eighth board of directors held on 20 December 2019. For details, please refer to the announcement of the Company dated 23 December 2019 and headed "Joint Announcement – Connected Transaction: Formation of Joint Venture".

Regarding the proposed acquisition of overseas assets, application needs to be made to the National Development and Reform Commission and the National Department of Commerce for record- filing on overseas investment, and to the relevant bank for foreign exchange registration procedures; approval needs to be obtained from the Turkey Ministry of Transportation Highway Administration, consent needs to be obtained from the target company's current financing bank, and anti-monopoly review must be passed, etc. There is uncertainty as to whether or not the aforementioned procedures can be successfully passed; the international market environment is complex and changeable, and there are many uncertainties. There is a risk that the overseas asset purchase cannot achieve the expected economic effect.

As of the date of this report, the Company has not made any payment for the investment. The project is going through the filing or approval procedures and other related procedures of the Chinese and Turkish government departments, and has completed the filing at the National Development and Reform Commission and the National Department of Commerce.

- (2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

- (3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

4. Related debtor and creditor accounts

(1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

Applicable Not applicable

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

(3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

Unit: '000 Currency: RMB

Related parties	Relationship with the parties	The Company provides capital to related parties			Related parties provide capital to the Company		
		Opening Balance	Amount incurred	Closing Balance	Opening Balance	Amount incurred	Closing Balance
ATHC	Controlling shareholder	0	0	0	358,420	46,107.9	404,527.9
XCIC	Other connected persons	0	0	0	222,248	0	222,248
	Total	0	0	0	580,488	46,107.9	626,775.9

The circumstances under which the relationship is formed

The total investment amount of ATHC and Xuancheng Transportation exceeded the registered capital of Ningxuanhang Company. The difference will be recorded as long-term payables and such an amount is unsecured and without fixed repayment date.

Impact on the Company's operating results and financial situation resulting from the relationship

5. Other Significant Related Party/Connected Transactions

Applicable Not applicable

6. Other

Applicable Not applicable

XI. Material Contracts and their Implementation

1. *Material custody, subcontracting and leasing items*

Applicable Not applicable

2. *Implementation of guarantee*

Applicable Not applicable

Unit: '00,000,000 Currency: RMB

Guarantees provided by the Company and its subsidiaries for its subsidiaries

Total amount of guarantees provided for the subsidiaries by the Company during the Reporting Period	-0.03
Total balance of guarantees provided for the subsidiaries as at the end of the Reporting Period	1.57
Total amount of guarantees provided by the Company (including guarantees provided for its subsidiaries)	
Total guarantee amount	1.57
Total guarantee amount as a percentage of net asset value (%)	1.42
Thereinto:	
Amount of guarantee provided for shareholders, actual controllers and their affiliates	0
Amount of debt guarantee directly or indirectly provided for the guaranteed objects with the ratio of liabilities to assets exceeding 70%	0
Amount of guarantee that exceeds 50% of the net assets	0
The total of the above three amount of guarantee	0
Several and joint liability which may have to be borne on the outstanding guarantees	
Clarification on guarantee	

The Company provided a guarantee of RMB500 million for the Company's subsidiary Ningxuanhang Company, which was approved at the 18th meeting of the fifth session of the Board held on 18 August 2010. As at the end of the Reporting Period, balance of guarantees provided by the Company amounted to RMB0.157 billion.

3. *Other major contracts*

Applicable Not applicable

XII. Poverty alleviation work of the Company

Applicable Not applicable

1. Targeted poverty alleviation plan

Applicable Not applicable

The Group will take full advantage of the feature that its highways and the grassroots units are running across suburbs and rural areas, and actively respond to the national policies of targeted poverty alleviation by mobilizing the management offices and subsidiaries to carry out poverty alleviation, making donations for the construction of infrastructure in rural areas, school funding and other social welfare undertakings. It will also fulfill its social responsibility, and effectively promote the interaction between grassroots units and local residents, so as to organize, manage and establish a mass public base and establish a good corporate image.

2. Summary of targeted poverty alleviation work during the Reporting Period

Applicable Not applicable

- (1) In May 2020, in accordance with the requirements of the "Notice on Printing and Distributing the Work Plan of Anhui Province: Explaining the Sale of Featured Agricultural and Livestock Products in Pishan County, Hotan Prefecture, Xinjiang to Facilitate Poverty Alleviation of Anhui Leading Group for Supporting Tibet and Xinjiang" (《安徽省對口支援西藏新疆工作領導小組關於印發安徽省說明新疆和田地區皮山縣銷售特色農畜產品助力打贏脫貧攻堅戰役工作方案的通知》) issued by Anhui Provincial State-owned Assets Supervision and Administration Commission, the Company's labor union actively assisted in sales and purchased a total of 860 kilograms, 860 kilograms and 86 kilograms of red dates, walnuts and shelled walnuts, respectively, at a total expenditure of RMB24,510.
- (2) In April 2017, the Company's management office in Gaojie established a village-based poverty alleviation work team to provide assistance to Lishu Village, Liufan Township, Taihu County. During the Reporting Period, the management office in Gaojie actively carried out poverty alleviation via consumption, and helped poor households in Taihu County sell beef, chicken, mushrooms, fungus and other agricultural products for more than RMB150,000 through employee subscriptions and canteen purchases; actively supported the poverty alleviation work team in Lishu Village, Liufan Township, Taihu County to conduct epidemic prevention and control, and donated epidemic prevention materials such as masks, disinfectants and medical alcohol worth of RMB10,000 to poor households in Lishu Village; continued to carry out in-depth party building poverty alleviation and donated 2 sets of tables and chairs and 2,000 books of various types to Lishu Village party organization; continued to organize cadres to engage in paired assistance, arranged for cadres to visit poor households on a regular basis, and distributed condolences and subsidies of RMB25,000 to 22 poor households covered by insurance.
- (3) During the epidemic in the first half of 2020, the Company's management office in Hefei actively contacted Anqing Changrun Rice Co., Ltd. (安慶常潤米業股份有限公司) in Taihu County, which accepts targeted assistance from Anhui Transportation Holding Group, and purchased rice worth RMB19,170 from poor counties that were severely affected by the epidemic. The rice was distributed to the canteens of all toll stations under its jurisdiction to help poverty-stricken areas solve the problem of difficulty in selling agricultural and sideline products due to the epidemic, which was unanimously praised by all employees and poverty-stricken areas.
- (4) In April 2020, in accordance with the relevant requirements of the Provincial State-owned Assets Supervision and Administration Commission and Anhui Transportation Holding Group, Chuzhou management office of the Company actively performed the work for promotion and purchase of unsalable agricultural products in poverty-stricken areas, and purchased agricultural products in four poverty-stricken areas, including Dashi Township and Jinxi Town in Anqing City with a total value of RMB193,450.
- (5) Liang Shihua, the general manager of Xuanguang Company, helped the elderly Wang Shenghong, a poor household and subject of targeted assistance in Jingxian County, in cash of RMB100 per month, and provided RMB600 in total in the first half of 2020.

3. Targeted poverty alleviation effect

Applicable Not applicable

Unit: '0,000 Currency: RMB

Index

Quantity and Progress

I. Overall Situation	
Among: 1. Funds	244.331
2. Goods	6.106
3. Registered poor population helped out of poverty (person)	551
II. The Component of Investment	
1. Industrial Poverty Alleviation	
Among: 1.1 industry poverty alleviation project types	<input checked="" type="checkbox"/> Agricultural industry poverty alleviation <input type="checkbox"/> Tourism poverty alleviation <input checked="" type="checkbox"/> E-commerce poverty alleviation <input type="checkbox"/> Asset income poverty alleviation <input type="checkbox"/> Technology poverty alleviation <input checked="" type="checkbox"/> Other
1.2 Number of industrial poverty alleviation projects	8
1.3 Total amount of investment in industrial poverty alleviation projects	203.713
1.4 Registered poor population helped out of poverty (person)	230
2. Transferring employment poverty alleviation	
Among: 2.1 Investment in vocational skills training	5
2.2 Number of vocational skills training (person/time)	50
2.3 number of registered poor population helped to achieve employment (person)	15

Index

Quantity and Progress

3. Relocation poverty alleviation	
4. Education and poverty alleviation	
Among: 4.1 amount of funding for poor students	9.004
4.2 number of poor students funded (persons)	80
5. Poverty alleviation through health	
6. Ecological protection and poverty alleviation	
7. Cover	
Among: 7.1 amount of investment for “three left-behind” personnel	2.519
7.2 number of the “three left-behind” persons who were helped (persons)	24
7.3 amount invested to help poor disabled persons	3.69
7.4 number of people with poverty and disability who were helped (persons)	18
8. Society poverty alleviation	
9. Other projects	
Among: 9.1. Number of projects	5
9.2 Investment amount	26.511
9.3 Registered poor population helped out of poverty (person)	184
9.4 Other project descriptions	
	1. Party construction poverty alleviation amount was RMB60,000;
	2. Flood disaster relief amount was RMB200,000.
III. Awards (Content, Level)	

4. *Progress in the implementation of social responsibility for targeted poverty alleviation*

√ Applicable □ Not applicable

Gaojie Management Office of the Company entered Lishu Village in 2017 to carry out targeted poverty alleviation work, and as of now:

- (1) According to the latest data on poverty alleviation from Gaojie Management Office, there are now 45 village groups, with a total of 987 households and 3,611 villagers, in Lishu Village, of which 326 households with a total of 1,097 persons are now registered as poverty-stricken households (persons). As of the end of 2019, an accumulation of 321 households, with a total of 1,085 persons, have been lifted out of poverty with the poverty rate decreasing to 0.33%, achieving all villages out of poverty list. At present, there are 5 households, with a total of 12 persons, which are still in poverty and enjoying minimum guarantees, and there are 7 marginal poor households, with a total of 27 persons, which are receiving continuous attention in the investigation of registry records.
- (2) Since the commencement of poverty alleviation work, Gaojie Management Office has cooperated with private cooperatives in 3 industrial projects, including the establishing of highland calf breeding base (with more than 130 calves), Huangheshan peach planting base (with an area of 350 mu) and ecological Luhua chicken breeding base (with 20 thousand chickens). Currently, there are two economic entities, including a photovoltaics company and the Sanhekou cooperatives, in village cooperatives.
- (3) Gaojie Management Office's working team stationed in the village actively assisted Lishu Village to implement high-end product strategy and branding strategy for raising the quality of agricultural products and therefore increasing sales income of Lishu Village significantly. Since this year, the team assisted Lishu Village in selling agricultural products for an accumulation of approximately RMB1 million. In May, Anhui Transportation Holding Group has appropriated RMB1.5 million to support the construction of the former site for the meeting of senior cadres of Liu-Deng Main Forces in Liujiafan as a red education base, which is now under construction in an active manner; the project of agricultural products processing plant as supported by Anhui Transportation Holding Group has completed the construction of main works, and is now under interior decoration and is able to handle the processing of Camellia Oleifera in this autumn; the renovation works for central villages advance steadily for a quick ending; the application for the construction of a new tea plantation of 200 mu and fungus planting in greenhouse project has received financial support, and completed preliminary planning and design, and is now advancing in full wing; as the national general survey on poverty alleviation will commence on 20 July, preliminary and full-coverage visit and investigation have been conducted in respect of the poor households in the entire village for thorough identification of problems and rectification thereof and improvement of various weak links, so as to ensure smooth passing and acceptance of the general survey.
- (4) Gaojie Management Office continued to enhance Party building, closely unite the "two village committees" and gather the power of all Party members from the village. It insisted on incorporating Party building leading poverty alleviation into the work, carried out normal theoretical study and policy education and successively held lifestyle-themed meetings of the general Party branch and the meetings of Party members for celebration of the 99th anniversary of the founding of the Party. It also organized visits to red education bases, and reviewed the oath to join the Party so as to continuously strengthen the Party spirit education, work style building and capability improvement for the Party members; coordinated the enterprises and local entities to solidly carry out pairing and joint construction of Party building activities, and continued to facilitate the in-depth implementation of joint construction activities through assisting in construction of standardized venues for Party building activities, donating publications for Party building studies, conducting experience sharing, Party members volunteer services, etc.

5. *Subsequent targeted poverty alleviation plans*

Applicable Not applicable

Subsequent plans of Gaojie Management Office of the Company for targeted poverty alleviation of Lishu Village:

- (1) To continuously deepen Party building and poverty alleviation, and develop a loyal working team. In particular, to consolidate the Party organizations at the grass root level and enhance the ability of Party building to lead the developments through focusing on themed education, consolidating the achievements of pairing and joint construction of Party building by enterprises and villages, and extending the connotation of “landscape of Lishu with red Party flag” brand; to make efforts to increase guidance for Party building in non-public industry branches, and train and support a number of Party members to become specialists in wealth creation through the combination of double training and double leading, with a view to giving play to the role of demonstration and leadership.
- (2) To continuously consolidate the achievements of poverty alleviation, ensure the stability of poverty alleviation to prevent returning to poverty, and complete the task of lifting 12 people out of poverty in the remaining 5 households of Lishu Village.
- (3) To continuously increase support for characteristic industries, strengthen training for village cadres and migrant workers from poor families, and help the industry to develop in the direction of standardization, branding and marketization, so as to improve the ability to adapt to the product market and prevent and control risks.
- (4) To focus on rural revitalization, increase support for infrastructure construction, seek to commence, as early as possible, the construction of the entire relocation of Lishu Primary School, ensure the putting into operation, as scheduled, of the newly-built village home-based pension service center and the library and reading room for villagers, actively coordinate with relevant departments to continuously improve services and facility construction, and advance the public service level; to complete building the village into an example of central village at provincial level as planned, and by taking this as an opportunity, to complete renovation of central village, foster village civilization and further improve the living environment.

XIII. Convertible Bonds

Applicable Not applicable

XIV. Environmental information

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

Applicable Not applicable

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

Applicable Not applicable

The Company strictly carried out the concept of “incorporating the idea of green development into the production and life of transportation development” set out in the Plan of Transport Energy Conservation and Environment Protection under 13th Five-year Plan to bring the environmental protection to various aspects, such as maintenance, service and office, striving to establish a green operating system and aiding green transport development while at the same time enhancing the quality of transportation.

1. The Company is committed to improving the level of road maintenance management, integrating the ideas of green construction and low-carbon operation into the whole process of road maintenance, and fully considering the impact of road maintenance and facility construction on the ecological environment. During the maintenance process, the Company strictly abides by the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes”, the “Regulations on Environmental Protection Management of Construction Projects”, the “Administrative Penalties Regulation for Environmental Protection” and other local laws and industry regulations, promotes the recycling of waste materials and minimize the damage to the environment by road usage.
2. In the first half of 2020, Xuanguang Company enhanced pavement cleaning by centralized collection and treatment of those threw on the pavement; strengthened the management and control of use of snow dissolved agents, and promoted the cyclic utilization of waste materials by recycling 100% of the 1,000 cubic meters of pavement milling materials for reuse; increased management of noise along the roads; enhanced slope protection and governance to prevent loss of water and soil by protection and governance of 500 square meters of slope. Xuanguang Company also actively advocated green office, refined management regulations on energy and water saving, and conveyed the concept of energy and water saving to create a “green” and “efficient” office environment.

(III) *Explanation of reasons for non-disclosure of environmental information by companies other than key emitters*

Applicable Not applicable

(IV) *Description of the subsequent progress or changes in the disclosure of environmental information during the Reporting Period*

Applicable Not applicable

XV. Analysis of Other Major Events

1. *The situation and impact of the change of accounting policy, accounting estimates and accounting methods compared with the previous accounting period*

Applicable Not applicable

2. *During the Reporting Period, the situation, corrected amount, reason and impact of the correction of the significant accounting error required to be restated during the Reporting Period*

Applicable Not applicable

3. *Other*

Applicable Not applicable

Adjustment to Calculation Method and Standard of Toll Payment

According to the Notice on the Publication of the Adjustment Plan for Calculation Method of Toll Payment by Vehicles Using Toll Roads in Anhui Province jointly issued by the Transport Department of Anhui Province, the Anhui Development and Reform Commission and the Finance Department of Anhui Province (Wan Jiao Lu [2019] No. 144) and the Notice on the Publication of the Adjustment Plan for Toll Standards for Vehicles Using Toll Roads in Jiangsu Province jointly issued by the Transport Department of Jiangsu Province, the Jiangsu Development and Reform Commission and the Finance Department of Jiangsu Province (Su Jiao Cai [2019] No. 124), and pursuant to these documents, the expressways owned by the Company shall collect tolls according to the new toll standards with effect from 00:00 midnight on 1 January 2020. For details, please refer to the "Announcement on Adjustment to Calculation Method and Standards of Toll Payment" (Lin 2019-017) published by the Company.

Toll-Free Policy During Chinese New Year Holidays and Containment of Novel Coronavirus Disease

During the Chinese New Year holidays of 2020, toll-free policy for small passenger vehicles continued to be implemented. Due to the needs for containment of the COVID-19 disease, the toll-free period for small passenger vehicles was extended until 8 February for a total of 16 days.

On 15 February 2020, according to the requirements of the "Notice on Exemption of Toll Payment for Vehicles Using Toll Roads During the Containment Period of Novel Coronavirus Disease" (Jiao Gong Lu Ming Fa [2020] No. 62) issued by the Ministry of Transport, with effect from 00:00 midnight on 17 February 2020 until 00:00 midnight on 6 May 2020, a toll-free policy was implemented for all vehicles using toll highways according to the laws. The government will study and promulgate related supporting policies separately to coordinate and protect the legitimate interests of the users, creditors, investors and operators of the toll highways. As of the disclosure date of this announcement, the related supporting policies have not been issued. The Group will actively communicate with the transportation authorities to minimize the negative impacts of the epidemic.

Application for Approval of Toll Collection Period of Hening Expressway

The expansion of Hening Expressway has been completed and opened to traffic at the end of 2019. On 1 April 2020, the Company has received the “Official Reply for the Operation of the Reconstruction and Expansion of the Expressway Anhui Section from Hefei to Nanjing” (Wan Zheng Mi [2020] No.62) issued by the People’s Government of Anhui Province, which agreed that the toll collection period for the Reconstruction and Expansion of Hening Expressway Anhui Section be tentatively fixed at five years from the expiry date of toll collection period of Hening Expressway Anhui Section. The formal period for toll collection shall be determined according to assessment and relevant provisions. For details, please refer to the “Announcement in relation to the operation of the Reconstruction and Expansion of the Expressway Anhui Section from Hefei to Nanjing” (Lin 2020-010) published by the Company.

Adjustment of Preferential Period for Truck Toll

According to the “Implementation of Views on Further Reducing Enterprises’ Costs of People’s Government of Anhui Province” and the “Notice on Conscientiously Implementing the Preferential Policies for Truck Toll issued by Anhui Provincial Department of Transportation”, the end date for the preferential policy whereby trucks with Anhui transportation cards could enjoy 15% discount on toll is extended from 11 July 2019 to the end of 2020. Please refer to the Company’s announcement dated 25 October 2018 and headed “Adjustment of Preferential Period for Truck Toll” for details.

Unified policy of 5% discount offering for ETC users

In accordance with the Notice of Implementing the Policy of Discount Offering for Vehicles using ETC on Toll Roads 《關於落實收費公路ETC車輛通行費優惠政策的通知》 issued by Anhui Provincial Department of Transportation and Development and Reform Commission of Anhui Province, vehicles from other provinces that use toll roads in Anhui Province and pay with e-pay cards enjoy a preferential policy of 5% discount on the toll from 1 July 2019.

XVI. Corporate Governance

The Company has strictly complied with the requirements of laws, regulations and regulatory documents including the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and the Guidelines on Articles of Association of Listed Companies issued by CSRC in the PRC since its establishment and has continued to enhance its corporate governance standards. During the Reporting Period, the Company continued to enhance the governance system and operation procedures based on the work arrangement of the regulatory authorities and the latest regulations. The actual conditions of the Company’s corporate governance did not deviate from the requirements of the CSRC’s Code of Corporate Governance for Listed Companies and other related laws and regulations. The Company had also fully adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules.

Corporate Governance Code

During the Reporting Period, save and except that both the duties of the remuneration committee and the nomination committee are performed by the Company's Human Resources and Remuneration Committee (as the Company considers the long established mode of Human Resources and Remuneration Committee has so far been effective and suits the needs of the Company better, and most of the members of the Human Resources and Remuneration Committee are independent directors, which can ensure the protection of the interests of shareholders), the Company has always complied with the CG Code in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders.

Diversification Policy of the Members of the Board

According to the requirements of the CG Code, the Company has amended the work duties of the Human Resources and Remuneration Committee of the Board. The Company has also adopted a diversification policy of the board members, which was passed at the 20th meeting of the 6th session of the Board. Pursuant to the SEHK's amendments to the Listing Rules and the Corporate Governance Code, the Board approved the amendments to the board diversity policy on 22 March 2019.

Liability Insurance for Directors and Supervisors

According to the requirements of the CG Code, during the Reporting Period, the Company has selected insurance providers of liability insurance and completed insurance arrangements for directors, supervisors and senior executives in 2020, thereby providing protection for the directors, supervisors and senior executives in their performance of duties.

Audit Committee

As at the date of this report, the audit committee of the Company convened three meetings, during which it reviewed the 2019 annual report and financial statement prepared in accordance with PRC Accounting Standards and HKAS, the 2020 first quarterly financial statement, as well as the 2020 interim results announcement and 2020 interim unaudited financial statement prepared in accordance with PRC Accounting Standards and HKAS.

Independent Non-executive Directors

The Company has appointed sufficient independent non-executive directors with professional knowledge in accordance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The 9th session of the Board contained 3 independent non-executive directors, one of whom has expertise in accounting or related financial management.

Model Code for Securities Transactions by Directors and Supervisors of the Company

For the six months ended 30 June 2020, the Company, with respect to securities transactions by directors and supervisors, has adopted a code of conducts on terms no less exacting than the provisions in the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code for Securities Transactions”) as set out in the Appendix 10 of the Listing Rules. After making specific enquiries, all directors and supervisors confirmed that they have fully complied with the Model Code for Securities Transactions during the six months ended 30 June 2020.

Internal Control

A comprehensive and practicable internal control system is fundamental to good corporate governance. The Board is responsible for establishing and maintaining the internal control systems of the Company so as to review the financial, operational and supervisory control procedures, and to protect the interests of shareholders and safety of the Company’s assets.

During the Reporting Period, the Board, based on its continuous review of the internal control system of the Company, prepared the “Self-evaluation Report Regarding Internal Control of the Company” to elaborate and explain the objectives of internal control, the composition and implementation of the internal control systems and the overall evaluation results.

The internal audit department of the Group plays an important role in reinforcing the internal monitoring system. It periodically reviews all the operation projects of the Group in a circulation form, so as to assist the Board in deciding whether the internal monitoring system is effective and accords with established procedures and standards. The annual audit plan (including annual audit objectives and audit frequency) was formulated based on the independent risk assessment of the department, and the audit committee of the Company will discuss and approve the annual audit plan at the beginning of every fiscal year. All the major internal audit findings will be submitted to the audit committee of the Company for approval, and all the suggestions of the internal audit department will be properly followed up, so as to make sure that the suggestions can be executed within a reasonable time.

The Board considers that the internal monitoring system of the Group is efficient and effective. The Group will keep reviewing and updating the system to safeguard the investment of shareholders and assets of the Group.

XVII. Subsequent Event

Except as disclosed in this report, there were no important events affecting the Group that have occurred after 30 June 2020 and up to the date of this report.

SECTION VI CHANGE OF ORDINARY SHARES AND SHAREHOLDERS

I. Change of share capital

1. Change of shares

(1) Change of shares

During the Reporting Period, the total number of shares and capital structure of the Company was not changed.

(2) Explanation of change of share capital

Applicable Not applicable

(3) The Influence of change of share capital from the time after the Reporting Period to the date of this interim report to financial indicators like earnings per share and net assets per share (If any)

Applicable Not applicable

(4) Other content that the Company deems necessary or the securities regulatory authority requires to disclose

Applicable Not applicable

2. Change of restricted shares

Applicable Not applicable

II. Shareholders

1. Number of shareholders

Number of shareholders of ordinary shares as at the end of the Reporting Period	28,449
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Note: at the end of the Reporting Period, the total number of A-share shareholders is 28,381 and the total number of H-share shareholders is 68.

2. The top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) with the highest shareholding percentage as at the end of the Reporting Period

Unit: shares

Name of shareholders	The ten largest shareholders						Nature of shareholders
	Change during the Reporting Period	shareholding as at the end of the Reporting period	Shareholding percentage (%)	Number of Restricted shares	Shares pledged or locked-up	Share status	
Anhui Transportation Holding Group	0	524,644,220	31.63	0	Nil	State-owned shares	
HKSCC NOMINEES LIMITED	-1,016,000	487,939,899	29.42	0	Not known	Overseas legal person	
China Merchants Highway Network Technology Holding Company Limited	0	404,191,501	24.37	0	Nil	State-owned legal person	
Hong Kong Securities Clearing Co. Ltd	-4,110,660	14,956,250	0.90	0	Nil	Overseas legal person	
Zheng Qiu hong	6,023,200	6,023,200	0.36	0	Nil	Domestic natural person	
Liu Wenhua	5,936,601	5,936,601	0.36	0	Nil	Domestic natural person	
Industrial and Commercial Bank of China Ltd. – Fuguo China Securities Dividend Index Enhanced Securities Investment Fund	5,434,101	5,434,101	0.33	0	Nil	Other	
Ding Xiuling	0	5,411,435	0.33	0	Nil	Domestic natural person	
China Construction Bank Corporation limited – Dacheng China Securities Dividend Index Securities Investment Fund	1,005,400	2,973,990	0.18	0	Nil	Other	
Li Min	1,769,849	2,710,049	0.16	0	Nil	Domestic natural person	

The ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares	
		Type	Number
Anhui Transportation Holding Group	524,644,220	Renminbi-denominated ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	487,939,899	Overseas listed foreign shares	487,939,899
China Merchants Highway Network Technology Holding Company Limited	404,191,501	Renminbi-denominated ordinary shares	404,191,501
Hong Kong Securities Clearing Co. Ltd	14,956,250	Renminbi-denominated ordinary shares	14,956,250
Zheng Qihong	6,023,200	Renminbi-denominated ordinary shares	6,023,200
Liu Wenhua	5,936,601	Renminbi-denominated ordinary shares	5,936,601
Industrial and Commercial Bank of China Ltd. – Fuguo China Securities Dividend Index Enhanced Securities Investment Fund	5,434,101	Renminbi-denominated ordinary shares	5,434,101
Ding Xiuling	5,411,435	Renminbi-denominated ordinary shares	5,411,435
China Construction Bank Corporation limited – Dacheng China Securities Dividend Index Securities Investment Fund	2,973,990	Renminbi-denominated ordinary shares	2,973,990
Li Min	2,710,049	Renminbi-denominated ordinary shares	2,710,049

Explanations of connected relationship between the above-mentioned shareholders or acting in concert

There is no connected relationship between the State owned Shareholders and the legal person Shareholders in the above chart. The Company does not know if there is connected relationship amongst other shareholders, or whether they belong to the persons acting in concert under the Measures for the Administration of Disclosures of Shareholder Equity Changes of Listed Companies (《上市公司股東持股變動信息披露管理辦法》)

Note: H shares held by HKSCC NOMINEES LIMITED represent the holding of many clients.

shareholdings and restrictions of top ten restricted shareholders

Applicable Not applicable

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

Applicable Not applicable

III. Change of Controlling Shareholders and Effective Controllers

Applicable Not applicable

IV. Persons (other than the Directors, Supervisors or chief executive of the Company) who have interests or short positions disclosable under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance

As at 30 June 2020, so far as is known to the Directors, or as can be ascertained after reasonable enquiry by the Directors, the persons (other than the Directors, Supervisors or chief executive of the Company) who had, directly or indirectly, interests or had short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were set out as follows:

Name of shareholder	Capacity	Number of shares	Type of shares	% of H shares	Pledged or locked-up
China Merchants Highway Network Technology Holding Company Limited	Interests in controlled corporation	89,160,000(L)	H shares	18.08%	Unknown
HSBC Holdings plc	Interests in controlled corporation	98,525,221(L)	H shares	19.98%	Unknown
		99,825,933(S)		20.25%	
Name of shareholder	Capacity	Number of shares	Type of shares	% of A shares	Pledged or locked-up
Anhui Transportation Holding Group Company Limited	Beneficial owner	524,644,220	A shares	45.01%	No
China Merchants Highway Network Technology Holding Company Limited	Beneficial owner	404,191,501	A shares	34.68%	No

Note: Save as disclosed in this report, as at 30 June 2020, according to the register required to be stored under the provisions of section 336 of Part XV of the SFO, the Company has not received any notice that the persons were interested or had short position in the shares or underlying shares of the Company on 30 June 2020.

V. Purchase, Sale and Redemption of the Company's Securities

During the Reporting Period, neither the Company nor any of its subsidiaries and joint ventures purchased, sold or redeemed any of the listed securities of the Company.

VI. Pre-emptive Rights

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

SECTION VII RELATED INFORMATION OF PREFERENCE SHARES

Applicable Not applicable

SECTION VIII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. Changes of Shareholdings

1. *Change in shareholdings of Directors, Supervisors and senior management (current or resigned during the Reporting Period)*

Applicable Not applicable

2. *Equity incentives awarded to Director, Supervisor, senior management during the Reporting Period*

Applicable Not applicable

II. Change in Directors, Supervisors and Senior Management

Name	Position	Change
Xiang Xiaolong	Chairman of the board of directors	Elected
Xu Zhen	General Manager	Vacated
Tang Jun	General Manager	Appointed
Chen Jiping	Deputy General Manager	Vacated
Deng Ping	Deputy General Manager	Appointed

Changes of Directors, Supervisors and senior management of the Company

The Company held an extraordinary general meeting on 4 February 2020, and Mr. Xiang Xiaolong was elected as executive director of the Board of the Company for a term commencing from the date of election to 16 August 2020. The 19th meeting of the Eighth Session of the Board was convened on the same day, and Mr. Xiang Xiaolong was elected as the chairman of the Company.

Due to position changes, Mr. Xu Zhen and Mr. Chen Jiping resigned as the general manager and deputy general manager of the Company respectively. Pursuant to the nomination from Mr. Xiang Xiaolong, the Chairman of the Company, and followed by the consideration by the human resources and remuneration committee of the Company, the Board resolved in the 22th meeting of the Eighth Session held on 17 June 2020 to appoint Mr. Tang Jun as general manager of the Company; pursuant to the nomination from Mr. Tang Jun, the general manager of the Company, and followed by the consideration by the human resources and remuneration committee of the Company, the Board resolved in the 23th meeting of the Eighth Session held on 24 June 2020 to appoint Ms. Deng Ping as deputy general manager of the Company. The term of the above personnel commenced from the passing date of the Board resolution to the expiry date of the term of the eighth session of the Board.

III. Information on other issues

On 16 August 2020, members of the 8th Board of Directors and the 8th Supervisory Committee completed their term of office. On 14 August 2020, the Company held the 2020 Second Extraordinary General Meeting to elect the new Board of Directors and the new Supervisory Committee. Mr. Xiang Xiaolong, Mr. Yang Xiaoguang, Mr. Tang Jun and Mr. Xie Xinyu were elected as the executive Directors of the 9th Board of Directors; Mr. Yang Xudong and Mr. Du Jian were elected as the non-executive Directors of the 9th Board of Directors; Mr. Liu Hao, Mr. Zhang Jianping and Ms. Fang Fang were elected as the independent non-executive Directors of the 9th Board of Directors; Mr. Xu Zhen and Mr. Jiang Yue were elected as Supervisors of the 9th Supervisory Committee representing the shareholders (Mr. Chen Jiping had been elected as the supervisor on behalf of staff of the 9th Supervisory Committee). The above personnel had their term of office lasting for 3 years from 17 August 2020.

At the first meeting of the 9th Board on 17 August 2020, the Board of Directors elected Mr. Xiang Xiaolong to be the chairman of the Company, appointed Mr. Xie Xinyu and Ms. Dong Huihui as the company secretary and the secretary of the Board respectively, appointed Mr. Tang Jun as the general manager of the Company, appointed Mr. Xie Xinyu as the executive deputy general manager of the Company, and appointed Mr. Li Huimin and Ms. Deng Ping as the deputy general manager of the Company.

At the first meeting of the 9th Supervisory Committee on 17 August 2020, the Supervisory Committee elected Mr. Xu Zhen to be the Supervisory Committee chairman of the Company.

The Board of Directors is deeply grateful for the diligence of the retired Directors and Supervisors.

IV. Disclosure of Interests of the Directors, Supervisors and Chief Executive

As at 30 June 2020, none of the Directors, Supervisors, chief executive nor their associates had or were deemed to have any interests or short positions in any shares, or underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the SEHK and to be disclosed herein pursuant to the Model Code.

V. Employees remuneration and training

As at 30 June 2020, the Company and its main subsidiaries employed approximately 2,098 employees (as at 30 June 2019: 2,223 employees), which included 1,487 production staff, 120 technicians, 36 financial staff and 455 administrative staff (as at 30 June 2019, the numbers were 1,632, 128, 38 and 425 respectively).

The Company carried out a reform of the remuneration system with the introduction of broadband pay system. The system formulates remuneration scales for different positions, and makes different classifications according to the characteristics of each job. By making close connections among the labor remuneration of employees, value of positions, accumulated contributions, work performance and many others, it has built multiple channels of career development and pay promotion for employees. Through the establishment of pay promotion standards, the enthusiasm of employees has been mobilized and the incentive effect on the implementation of the remuneration system has been ensured. During the Reporting Period, staff salaries totalled RMB158,511.3 thousand (corresponding period in 2019: RMB171,587.5 thousand). In strict compliance with the various social insurance policies of the PRC, the Company has arranged the old-age insurance, unemployment insurance, basic medical insurance, injury insurance and child-bearing insurance for the staff.

The Company constantly stepped up efforts in employee education and training and formulated an annual training plan based on the training needs survey at the beginning of the year to conduct various kinds of training orderly in accordance with the relevant system and training plan to drive continuous improvement in the training standard. During the Reporting Period, the Company and all departments, taking into account the actual needs of works and departmental business functions, conducted business trainings in various areas such as operational management to vigorously enhance the position-specific skills and expertise standard of employees. In the aspect of comprehensive management, the training was focused on the pertinence. In combination with the social situation, the Company has held special training on "first aid and health-related knowledge". In addition, in consideration of COVID-19, the Company encourages employees to increase online learning communication focusing on autonomous learning and promote the use of mobile phone clients and online interaction.

SECTION IX RELATED INFORMATION OF BONDS

Applicable Not applicable

SECTION X FINANCIAL REPORT

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

ASSETS	Note	Unaudited 30 June 2020	Audited 31 December 2019
Non-current assets			
Concession intangible assets	7	10,973,314	11,219,787
Right-of-use assets	7	7,877	8,334
Property, plant and equipment	7	1,073,571	1,126,224
Investment properties	7	374,665	381,919
Intangible assets	7	2,295	3,812
Investments in associates		146,235	135,542
Deferred income tax assets		42,384	34,686
Financial assets at fair value through other comprehensive income ("Financial assets at FVOCI")	8	315,531	315,531
		12,935,872	13,225,835
Current assets			
Inventories		5,575	5,678
Other current assets		4,988	3,213
Financial assets at fair value through profit or loss ("Financial assets at FVPL")	9	1,105,472	422,317
Receivables and prepayments	10	273,985	206,163
Restricted cash	27	221,827	201,792
Cash and cash equivalents	27	1,536,079	1,905,261
		3,147,926	2,744,424
Total assets		16,083,798	15,970,259
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	11	1,658,610	1,658,610
Share premium	11	1,415,593	1,415,593
Other reserves	12	34,729	35,040
Retained earnings		7,396,087	7,669,056
		10,505,019	10,778,299
Non-controlling interests		611,910	831,105
Total equity		11,116,929	11,609,404

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

LIABILITIES	Note	Unaudited 30 June 2020	Audited 31 December 2019
Non-current liabilities			
Long-term payables	17	507,426	392,500
Borrowings	14	1,799,345	1,812,698
Deferred income tax liabilities		22,157	25,747
Deferred income	16	27,090	26,409
		2,356,018	2,257,354
Current liabilities			
Trade and other payables	13	1,899,872	1,611,403
Current income tax liabilities		61,998	157,785
Provision	15	82,275	39,114
Borrowings	14	566,706	295,199
		2,610,851	2,103,501
Total liabilities		4,966,869	4,360,855
Total equity and liabilities		16,083,798	15,970,259

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 63 to 99 were approved by the Board of Directors on 28 August 2020 and the interim condensed consolidated balance sheet was signed on its behalf by:

Director (項小龍)

Director (唐軍)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2020	2019
Revenue	19	871,025	1,965,648
Cost of sales	20	(725,021)	(1,156,221)
Gross profit		146,004	809,427
Other gains – net	18	38,769	41,348
Administrative expenses	20	(40,392)	(45,905)
Net impairment reversal on financial assets	21	1,171	922
Operating profit		145,552	805,792
Finance costs	22	(60,289)	(61,089)
Share of profit of associates		10,693	12,961
Profit before income tax		95,956	757,664
Income tax expenses	23	(65,333)	(217,180)
Profit for the period		30,623	540,484
Attributable to:			
Owners of the Company		108,200	543,667
Non-controlling interests		(77,577)	(3,183)
		30,623	540,484
Basic and diluted earnings per share			
(expressed in RMB per share)	24	0.0652	0.3278

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

	Unaudited Six months ended 30 June	
	2020	2019
Profit for the period	30,623	540,484
Other comprehensive income	—	—
Total comprehensive income for the period	30,623	540,484
Attributable to:		
Owners of the Company	108,200	543,667
Non-controlling interests	(77,577)	(3,183)
	30,623	540,484

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

	Attributable to equity holders of the Company					Total
	Note	Ordinary share capital (Note 11)	Share premium (Note 11)	Other reserves (Note 12)	Retained earnings	
Balance at 1 January 2019 (audited)		<u>1,658,610</u>	<u>1,415,593</u>	<u>51,533</u>	<u>6,992,938</u>	<u>10,629,107</u>
Comprehensive income						
Profit/(loss) for the period (unaudited)		—	—	—	543,667	(3,183)
Other comprehensive income (unaudited)						
– Fair value change on financial assets at FVOCI, net of tax (unaudited)		—	—	—	—	—
Total comprehensive income/(loss) (unaudited)		<u>—</u>	<u>—</u>	<u>—</u>	<u>543,667</u>	<u>(3,183)</u>
Others (unaudited)		—	—	(507)	507	—
Transactions with owners						
Dividends relating to 2018 (unaudited)		—	—	—	(414,653)	—
Dividends paid to a non-controlling interest of subsidiaries relating to 2018 (unaudited)		—	—	—	—	(142,635)
Debt conversion (unaudited)		—	—	—	—	501,200
Balance at 30 June 2019 (unaudited)		<u>1,658,610</u>	<u>1,415,593</u>	<u>51,026</u>	<u>7,122,459</u>	<u>11,113,503</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

		Attributable to equity holders of the Company					
	Note	Ordinary share capital (Note 11)	Share premium (Note 11)	Other reserves (Note 12)	Retained earnings	Non- controlling interests	Total
Balance at 1 January 2020 (audited)		<u>1,658,610</u>	<u>1,415,593</u>	<u>35,040</u>	<u>7,669,056</u>	<u>831,105</u>	<u>11,609,404</u>
Comprehensive income							
Profit/(loss) for the period (unaudited)		—	—	—	108,200	(77,577)	30,623
Other comprehensive income (unaudited)							
– Fair value change on financial assets at FVOCI, net of tax (unaudited)		—	—	—	—	—	—
Total comprehensive income/(loss) (unaudited)		—	—	—	<u>108,200</u>	<u>(77,577)</u>	<u>30,623</u>
Others (unaudited)		—	—	(311)	311	—	—
Transactions with owners							
Dividends relating to 2019 (unaudited)	25	—	—	—	(381,480)	—	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2019 (unaudited)		—	—	—	—	(141,618)	(141,618)
Balance at 30 June 2020 (unaudited)		<u>1,658,610</u>	<u>1,415,593</u>	<u>34,729</u>	<u>7,396,087</u>	<u>611,910</u>	<u>11,116,929</u>

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2020	2019
Cash flows from operating activities			
Cash generated from operations		210,080	642,938
Interest paid		(51,792)	(54,184)
Income tax paid		(172,408)	(279,281)
		(14,120)	309,473
Net cash (used in)/generated from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(11,774)	(3,478)
Purchase of intangible assets	7	(5)	—
Net (increase)/decrease in restricted cash	27	(20,035)	58,241
Proceeds from disposal of financial assets at fair value through profit or loss	5.3	2,161,635	453,042
Payments for purchase of financial assets at fair value through profit or loss	5.3	(2,820,000)	(700,000)
Proceeds from sales of property, plant and equipment		59	273
Interest received		23,879	41,527
Dividend received from associates		22,080	—
Dividend received from financial assets at FVOCI		14,575	—
		(629,586)	(150,395)
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from borrowings		295,000	345,000
Proceeds from long-term payables		125,428	—
Repayments of borrowings		(36,846)	(72,844)
Repayments of long-term payables		(79,320)	(176,476)
Dividends paid to the non-controlling interests		(29,785)	(142,635)
		274,477	(46,955)
Net cash generated from/(used in) financing activities			
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		1,905,261	2,453,475
Exchange gains on cash and cash equivalents		47	9
		1,536,079	2,565,607
Cash and cash equivalents at end of the period	27	1,536,079	2,565,607

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2020

(All amounts in Renminbi thousands unless otherwise stated)

1 General information

Anhui Expressway Company Limited (the "Company") was incorporated in the People's Republic of China (the "PRC") on 15th August 1996 as a joint stock limited company. The Company and its subsidiaries (the "Group") are principally engaged in the construction, operation, management and development of the toll roads and associated service sections in the Anhui Province. Besides, the Group has commenced to operate pawn business since 2012.

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

As at 30 June 2020, the Group's toll roads and concession period granted are shown as follows:

Toll road	Length kilometres	Concession periods granted
Hening Expressway (i)	134	From 16 August 1996 to 15 August 2031
National Trunk 205 Tianchang Section	30	From 1 January 1997 to 31 December 2026
Xuanguang Expressway	67	From 1 January 1999 to 31 December 2028
Gaojie Expressway	110	From 1 October 1999 to 30 September 2029
Lianhuo Expressway Anhui Section	54	From 1 January 2003 to 30 June 2032
Xuanguang Expressway Nanhuan Section	17	From 1 September 2003 to 31 December 2028
Ninghuai Expressway Tianchang Section	14	From 18 December 2006 to 17 June 2032
Guangci Expressway	14	From 20 July 2004 to 20 July 2029
Ningxuanhang Expressway Xuancheng to Ningguo Section	46	From 8 September 2013 to 7 September 2043
Ningxuanhang Expressway Ningguo to Qianqiuguan Section (ii)	40	From 19 December 2015 to 18 December 2020
Ningxuanhang Expressway Liqiao to Xuancheng Section (ii)	27	From 30 December 2017 to 29 December 2022

(i) Hening Expressway was officially opened to traffic in December 2019 and the temporary granted concession period is 5 years. Concession intangible assets are amortized over 25 years since January 2020 temporarily before the formal concession period is granted, which will be determined according to future assessment and relevant provisions.

(ii) In 2015, Ningxuanhang Expressway Ningguo to Qianqiuguan Section was officially opened to traffic. The length of toll road is 40 kilometres and the temporary granted concession period is 5 years starting from 19 December 2015. In 2017, Ningxuanhang Expressway Liqiao to Xuancheng Section was officially opened to traffic. The length of toll road is 27 kilometres and the temporary granted concession period is 5 years starting from 30 December 2017. Concession intangible assets of the two sections are amortized over 30 years temporarily before the formal concession period is granted, which will be determined according to future assessment and relevant provisions.

1 General information (Continued)

The condensed consolidated interim financial information is presented in thousands of Renminbi (“RMB’000”), unless otherwise stated. This condensed consolidated interim financial information was reviewed by audit committee of the Company and approved for issue by the Board of Directors on 28 August 2020.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

(a) New standards, amendments and interpretation of HKFRSs effective in 2020 adopted by the Group

The following new amendments have been adopted by the Group for the first time for its financial period beginning on 1 January 2020:

- Amendments to HKAS 1 and HKAS 8 regarding definition of material
- Amendments to HKFRS 3 regarding definition of a business
- Amendments to HKFRS 7, IFRS HKFRS 9, and IAS HKAS 39 regarding interest rate benchmark reform
- Revised Conceptual Framework for Financial Reporting

All the above amendments did not have any impact on the Group’s condensed consolidated financial statements and did not require retrospective adjustment.

3 Accounting policies (Continued)

(b) New standard and amendments of HKFRSs issued but are not yet effective for the financial period beginning on 1 January 2020 and have not been early adopted by the Group

A number of new standard and amendments of HKFRSs which are relevant to the Group's operations are effective for the financial year beginning after 1 January 2020 and have not been applied in preparing these consolidated financial statements. The Group intends to adopt them no later than the respective effective dates of these new standard and amendments. These new standard and amendments are set out below:

- HKFRS 17 "Insurance Contracts". The standard was originally intended to be effective for annual accounting periods beginning on or after 1 January 2021 but extended to 1 January 2023.
- Amendments to HKFRS 16 regarding Covid-19-related rent concessions, effective for annual accounting periods beginning on or after 1 June 2020
- Amendments to HKAS 1 regarding classification of liabilities as current or non-current, effective for annual accounting periods beginning on or after 1 January 2022
- Amendments to HKAS 16 regarding proceeds before intended use of property, plant and equipment, effective for annual accounting periods beginning on or after 1 January 2022
- Amendments to HKFRS 3 regarding reference to the conceptual framework, effective for annual accounting periods beginning on or after 1 January 2022
- Amendments to HKAS 37 regarding cost of fulfilling a onerous contracts, effective for annual accounting periods beginning on or after 1 January 2022
- Annual Improvements to HKFRS Standards 2018-2020, effective for annual accounting periods beginning on or after 1 January 2022
- Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture. The amendments were originally intended to be effective for annual accounting periods beginning on or after 1 January 2016. The effective date has now been deferred/ removed.

The Group is assessing the full impact of these new standard and amendments. None of these is expected to have a significant impact on the consolidated financial statements of the Group.

4 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

5 Financial risk management and financial instruments

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to 31 December 2019, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5 Financial risk management and financial instruments (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at 30 June 2020 and 31 December 2019.

As at 30 June 2020 (unaudited)	Level 1	Level 2	Level 3	Total
	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Financial assets				
Financial assets at FVPL	—	—	1,105,472	1,105,472
Financial assets at FVOCI	—	—	315,531	315,531
	—	—	1,421,003	1,421,003

As at 31 December 2019 (audited)	Level 1	Level 2	Level 3	Total
	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Financial assets				
Financial assets at FVPL	—	—	422,317	422,317
Financial assets at FVOCI	—	—	315,531	315,531
	—	—	737,848	737,848

The following table presents the changes in level 3 instruments for six months ended 30 June 2020.

	For six months ended 30 June 2020		
	Financial assets at FVPL	Financial assets at FVOCI	Total
Opening balance (audited)	422,317	315,531	737,848
Additions (unaudited)	2,820,000	—	2,820,000
Disposals (unaudited)	(2,161,635)	—	(2,161,635)
Gains recognised in profit or loss (unaudited) (Note 18)	24,790	—	24,790
Closing balance (unaudited)	1,105,472	315,531	1,421,003

5 Financial risk management and financial instruments (Continued)

5.3 Fair value estimation (Continued)

Quantitative information about fair value measurements using significant unobservable inputs (level 3)

	Fair value as at 30 June 2020 (unaudited)	Valuation technique	Unobservable input	Range (weighted average)
Financial assets at FVPL	1,105,472	Income approach	Discount rate	3.39%~3.95%/ (3.63%)
Financial assets at FVOCI	215,000	Market comparable approach	P/B	10~13/(11.5)
Financial assets at FVOCI	100,531	Income approach	Discount rate	11.18%~11.68%/ (11.43%)
	1,421,003			

The nominal value less impairment provision of receivables, trade and other payables and current borrowings are assumed to approximate their fair values due to short period of maturity dates. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategic Development and Investment Committee that makes strategic decisions.

The Strategic Development and Investment Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Strategic Development and Investment Committee for the purposes of allocating resources and assessing performance.

The Group's operations are mainly organised under the following two business segments:

- Toll roads services, including construction, operation, management and development of toll roads; and
- Pawn services, including pawn loan services.

The revenue, profit or loss and assets of the pawn services business were much less than 10% of the relevant combined totals. The Group considered that it is not meaningful to treat the pawn services business as separate reportable operating segment and since there are no other significant businesses other than the toll road services, no segment information is presented for the six months ended 30 June 2020.

The Group is domiciled in Anhui Province, the PRC. Its revenue is generated from Anhui Province, the PRC. As at 30 June 2020 and 31 December 2019, all non-current assets of the Group are located in the PRC.

7 Capital expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment properties	Right- of-use assets
Six months ended 30 June 2019					
Opening net book amount as at					
1 January 2019 (audited)	10,308,886	3,406	958,059	364,868	9,399
Additions	498,147	—	3,478	—	—
Transfers	—	188	(188)	—	—
Disposals	(230)	—	(4,380)	—	—
Depreciation/amortisation (Note 20)	<u>(299,905)</u>	<u>(1,840)</u>	<u>(55,283)</u>	<u>(8,895)</u>	<u>(533)</u>
Closing net book amount as at					
30 June 2019 (unaudited)	<u>10,506,898</u>	<u>1,754</u>	<u>901,686</u>	<u>355,973</u>	<u>8,866</u>
Six months ended 30 June 2020					
Opening net book amount as at					
1 January 2020 (audited)	11,219,787	3,812	1,126,224	381,919	8,334
Additions	52,157	5	11,774	—	—
Transfers	—	—	(2,249)	2,249	—
Disposals	—	—	(421)	—	—
Depreciation/amortisation (Note 20)	<u>(298,630)</u>	<u>(1,522)</u>	<u>(61,757)</u>	<u>(9,503)</u>	<u>(457)</u>
Closing net book amount as at					
30 June 2020 (unaudited)	<u>10,973,314</u>	<u>2,295</u>	<u>1,073,571</u>	<u>374,665</u>	<u>7,877</u>

As at 30 June 2020, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

No borrowing costs has been capitalised in the six months ended 30 June 2020 (same period of 2019: RMB3,532 thousand at an average annual interest rate of 1.20%).

8 Financial assets at FVOCI

	Equity interests in unlisted companies and LPs						Total	
	ATZIF (a)	ATGBF (b)	AXFG (c)	AXCM (c)	WTMC (d)	ATZFM (a)		ATGFM (b)
Balance as of 1 January 2020 and 30 June 2020	<u>99,625</u>	<u>99,625</u>	<u>75,309</u>	<u>25,222</u>	<u>15,000</u>	<u>375</u>	<u>375</u>	<u>315,531</u>

- (a) As at 30 June 2020, FVOCI represented 2.50% equity interests in Anhui Transportation Zhaoshang Private Fund Management Co., Ltd. (“安徽交控招商私募基金管理有限公司”, “ATZFM”, formerly named “Anhui Transportation Zhaoshang Fund Management Co., Ltd.” (“安徽交控招商基金管理有限公司”)) with a fair value of RMB375 thousand (31 December 2019: 2.50% and fair value of RMB375 thousand) and 6.64% equity interests in Anhui Transportation Zhaoshang Industry Investment Fund LP (“安徽交控招商產業投資基金(有限合夥)”, “ATZIF”) with a fair value of RMB99,625 thousand (31 December 2019: 6.64% and fair value of RMB99,625 thousand).

In six months ended 30 June 2020, dividend of RMB1,992.5 thousand was declared and paid by ATZIF.

- (b) As at 30 June 2020, FVOCI represented 2.50% equity interest in Anhui Transportation Goldstone Private Fund Management Co., Ltd. (“安徽交控金石私募基金管理有限公司”, “ATGFM”, formerly named “Anhui Transportation Goldstone Fund Management Co., Ltd.” (“安徽交控金石基金管理有限公司”)) with a fair value of RMB375 thousand (31 December 2019: 2.50% and fair value of RMB375 thousand) and 6.64% equity interest in Anhui Transportation Goldstone Buy-out Fund LP (“安徽交控金石並購基金合夥企業(有限合夥)”, “ATGBF”) with a fair value of RMB99,625 thousand (31 December 2019: 6.64% and fair value of RMB99,625 thousand).
- (c) As at 30 June 2020, FVOCI represented 6.62% equity interests in Anhui Xin’an Financial Group Co., Ltd. (“安徽新安金融集團股份有限公司”, “AXFG”) with a fair value of RMB75,309 thousand (31 December 2019: 6.62% and fair value of RMB75,309 thousand) and 6.62% equity interests in Anhui Xin’an Capital Operation Management Co., Ltd. (“安徽新安資本運營管理股份有限公司”, “AXCM”) with a fair value of RMB25,222 thousand (31 December 2019: 6.62% and fair value of RMB25,222 thousand).
- (d) As at 30 June 2020, FVOCI represented 10% equity interests in Hefei Wan Tong Microcredit Co., Ltd. (“合肥市皖通小額貸款有限公司”, “WTMC”).

9 Financial assets at FVPL

	30 June 2020 (unaudited)	31 December 2019 (audited)
Structural deposits	<u>1,105,472</u>	<u>422,317</u>

As at 30 June 2020, Financial assets at FVPL are mainly structured deposits with guaranteed principal and floating interest, which are presented as current assets since they are expected to be collected within three months from 30 June 2020.

10 Receivables and prepayments

	30 June 2020 (unaudited)	31 December 2019 (audited)
Other receivables		
– Toll roads income receivable (a)	173,362	75,667
– Pawn loans to customers (b)	131,070	142,398
– Receivables for construction	30,051	30,051
– Receivables for toll road service sectors rental income	4,371	—
– Receivables from management service of toll roads	4,218	—
– Interest receivable	2,525	6,697
– Dividends receivable	—	34,663
– Others	26,439	16,272
	372,036	305,748
Less: Provision for impairment of pawn loans (b)	(96,428)	(97,690)
Provision for impairment of others (c)	(2,833)	(2,742)
	272,775	205,316
Prepayments		
– Prepaid expenses	1,210	847
	273,985	206,163

10 Receivables and prepayments (Continued)

(a) As at 30 June 2020, toll roads income receivable mainly represented receivable from Anhui Expressway Network Operations Co., Ltd. (“安徽高速公路聯網運營有限公司”, “AENO”, the toll settlement centre of Anhui Province) of RMB171,180 thousand (31 December 2019: RMB73,863 thousand) for uncollected toll roads income (Note 28).

(b) Pawn loans to customers

As at 30 June 2020 and 31 December 2019, the analysis of pawn loans to customers is as follows:

	30 June 2020 (unaudited)	31 December 2019 (audited)
Pawn loans to customers		
– Principal	131,070	142,398
– Interest	—	—
	131,070	142,398
Less: Impairment allowances	(96,428)	(97,690)
Pawn loans to customers, net	34,642	44,708

Pawn loans to customers are arising from the Group’s pawn loans business. The loan periods granted to customers are from one to six months and bore fixed interest rates ranging from 10.80% to 15.00% for the six months ended 30 June 2020 (2019: bore fixed interest rates ranging from 10.80% to 15.00%). The Group ceased interest accrual once pawn loans were over due.

Reconciliation of provision account for loss on pawn loans to customers is as follows:

	For the six months ended 30 June	
	2020	2019
Beginning of the period (audited)	(97,690)	(123,864)
Impairment losses reversed (unaudited) (Note 21)	1,262	1,156
End of the period (unaudited)	(96,428)	(122,708)

10 Receivables and prepayments (Continued)

(c) Reconciliation of provision account for loss on other receivables is as follows:

	For the six months ended 30 June	
	2020	2019
Beginning of the period (audited)	(2,742)	(2,692)
Impairment losses recognised (unaudited) (Note 21)	(91)	(234)
End of the period (unaudited)	(2,833)	(2,926)

As at 30 June 2020 and 31 December 2019, all other receivables balances were denominated in RMB.

As at 30 June 2020 and 31 December 2019, the fair values of the other receivables of the Group approximated their carrying amounts.

11 Ordinary share capital and share premium

	Number of A shares (thousands)	Number of H shares (thousands)	Ordinary Share capital	Share premium	Total
At 1 January 2019 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2019 (unaudited)	<u>1,165,600</u>	<u>493,010</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>
At 1 January 2020 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2020 (unaudited)	<u>1,165,600</u>	<u>493,010</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>

The total authorised and issued number of ordinary shares is 1,658,610,000 shares with a par value of RMB1 per share. All issued shares are fully paid.

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of shares issued, net of transaction cost.

12 Other reserves

	Capital surplus	Statutory surplus reserve fund	Discretionary surplus reserve fund	Enterprise safety fund	Merger reserve (a)	Excess of the consideration over carrying amount of the non-controlling interests acquired (b)	Fair value change of AFS financial assets, net of tax	Fair value change of financial assets at FVOCI, net of tax	Total
Balance at 1 January 2019 (audited)	2,243	955,881	658	48,255	(186,362)	(710,116)	—	(59,026)	51,533
Usage of enterprise safety fund (unaudited)	—	—	—	(507)	—	—	—	—	(507)
Balance at 30 June 2019 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>47,748</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>—</u>	<u>(59,026)</u>	<u>51,026</u>
Balance at 1 January 2020 (audited)	2,243	955,881	658	47,339	(186,362)	(710,116)	—	(74,603)	35,040
Usage of enterprise safety fund (unaudited)	—	—	—	(311)	—	—	—	—	(311)
Balance at 30 June 2020 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>47,028</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>—</u>	<u>(74,603)</u>	<u>34,729</u>

Upon approval from the Board of Directors, capital surplus, other than those relating to receipts of donated non-cash assets and equity investments held can be used to increase capital. Capital surplus arising from receipts of donated non-cash assets and equity investments can only be used to increase capital after the donated assets or investments have been disposed of.

The Company appropriates discretionary surplus reserve after shareholders' meeting approves the Board of Directors' proposal. The discretionary surplus reserve can be used to make up for the loss or increase capital after approval.

12 Other reserves (Continued)

- (a) The merger reserve as at 30 June 2020 and 31 December 2019 represented the excess of consideration over the Company's share of paid-in capital of Xuancheng Guangci Expressway Co., Ltd. ("宣城市廣祠高速公路有限責任公司", "Guangci") acquired under common control.

	30 June 2020 (unaudited)
The Company's share of paid-in capital of Guangci	28,968
Less: consideration paid to the then equity owner for acquisition of Guangci under common control	(215,330)
Merge reserve	(186,362)

- (b) The reserve of excess of the consideration over carrying amount of the non-controlling interests acquired represented RMB699,147 thousand arising from acquisition of 49% equity interests of Gaojie Expressway in 2006 and RMB10,969 thousand arising from acquisition of 4.47% equity interests of Guangci in 2012.

13 Trade and other payables

	30 June 2020 (unaudited)	31 December 2019 (audited)
Payables on acquisition of concession intangible assets	1,059,801	1,290,824
Dividends payable	493,313	—
Current portion of long-term payables (Note 17)	104,687	168,612
Staff salaries and welfare	82,014	31,932
Deposits for construction projects	63,169	65,414
Other taxation payables	15,666	16,325
Interest payable	15,489	6,325
Service fee for the collection of toll roads income (Note 28)	9,670	3,488
Others	56,063	28,483
	1,899,872	1,611,403

As at 30 June 2020, trade and other payables of RMB405,036 thousand were aged over one year (31 December 2019: RMB477,554 thousand). These payables were mainly payables for construction projects which will be settled after project completion and current portion of long-term payables.

As at 30 June 2020 and 31 December 2019, all trade and other payables were denominated in RMB.

As at 30 June 2020 and 31 December 2019, the fair values of trade and other payables, except for staff salaries and welfare, approximated their carrying amounts.

14 Borrowings

	30 June 2020		31 December 2019	
	Interest rate per annum (unaudited)	Amount	Interest rate per annum (audited)	Amount
Long-term bank borrowings				
Denominated in RMB				
– guaranteed (a)	4.41%-4.90%	532,342	4.41%-4.90%	538,043
– unsecured (a)	4.41%	157,488	4.41%	160,304
– pledged (b)	1.20% – 4.90%	1,381,221	1.20%-4.90%	1,409,550
		<u>2,071,051</u>		<u>2,107,897</u>
Less: current portion				
Denominated in RMB				
– guaranteed (a)	4.41%-4.90%	(77,341)	4.41%-4.90%	(110,409)
– unsecured (a)	4.41%	(116,124)	4.41%	(115,630)
– pledged (b)	1.20%-4.90%	(78,241)	1.20%-4.90%	(69,160)
		<u>(271,706)</u>		<u>(295,199)</u>
Non-current borrowings		<u>1,799,345</u>		<u>1,812,698</u>
Short-term bank borrowings				
Denominated in RMB				
– unsecured	3.05%-3.75%	245,000		—
– pledged (c)	3.915%	50,000		—
		<u>295,000</u>		<u>—</u>
Total borrowings		<u>2,366,051</u>		<u>2,107,897</u>

- (a) The long-term bank borrowings of RMB201,556 thousand were guaranteed by Xuancheng Communication Investment Co., Ltd. (“宣城市交通投資有限公司”, “XCIC”), a non-controlling interest of subsidiaries; RMB330,786 thousand were guaranteed by the ATHC; RMB157,488 thousand were guaranteed by the Company as at 30 June 2020 (31 December 2019: RMB205,671 thousand were guaranteed by XCIC; RMB332,372 thousand were guaranteed by the ATHC; and RMB160,304 thousand were guaranteed by the Company).
- (b) As at 30 June 2020, the long-term bank borrowings of RMB560,000 thousand was guaranteed by estimated future toll roads cash inflow from the completion of reform and expansion of Hening Expressway (31 December 2019: RMB580,000 thousand) and the long-term bank borrowings of RMB821,221 thousand was guaranteed by estimated future toll roads cash inflow from the completion of reform and expansion of Ningxuanhang Expressway Liqiao to Xuancheng Section (31 December 2019: RMB829,550 thousand).
- (c) As at 30 June 2020, the short-term bank borrowings of RMB50,000 thousand was guaranteed by estimated future toll roads cash inflow from the completion of reform and expansion of Ningxuanhang Expressway Liqiao to Xuancheng Section (31 December 2019: RMB nil thousand).

14 Borrowings (Continued)

As at 30 June 2020 and 31 December 2019, the Group's borrowings are repayable as follows:

	30 June 2020 (unaudited)	31 December 2019 (audited)
Within 1 year	566,706	295,199
Between 1 and 2 years	254,613	231,742
Between 2 and 5 years	644,864	627,228
Over 5 years	899,868	953,728
	<u>2,366,051</u>	<u>2,107,897</u>

The Group has the following un-drawn borrowing facilities at the balance sheet date:

	30 June 2020 (unaudited)	31 December 2019 (audited)
Expiring within one year	<u>1,604,890</u>	<u>1,649,890</u>

15 Provision – maintenance/resurfacing obligations

Balance at 1 January 2020 (audited)	39,114
Addition of provision (unaudited)	119,591
Utilisation of provision (unaudited)	<u>(76,430)</u>
Balance at 30 June 2020 (unaudited)	<u>82,275</u>

16 Deferred income

	30 June 2020 (unaudited)	31 December 2019 (audited)
Government grants	27,090	26,409

Deferred income represents government grants relating to assets with the amount of RMB25,324 thousand which is amortised over 16 to 25 years and government grants relating to income with the amount of RMB1,766 thousand.

Amortisation of RMB1,085 thousand (2019: RMB1,086 thousand) has been charged in "other gains-net"(Note 18).

17 Long-term payables

The carrying amounts and fair values of long-term payables (including current portion) are as follows:

	Carrying Amounts		Fair values	
	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2020 (unaudited)	31 December 2019 (audited)
Long-term payables to ATHC (a)	404,528	358,420	404,528	358,420
Long-term payables to XCIC (b)	207,585	202,692	210,208	206,155
Long-term payables – total	612,113	561,112	614,736	564,575
Less: current portion of long-term payables (Note 13)	(104,687)	(168,612)	(105,815)	(169,363)
	507,426	392,500	508,921	395,212

- (a) As at 30 June 2020, the balances represented interest-bearing loans of RMB404,528 thousand.
- (b) As at 30 June 2020, the balances represented interest-free loans of RMB202,185 thousand and interest-bearing loans of RMB5,400 thousand. The interest-free long-term payables to XCIC represents XCIC's share of total investment in Xuan Guang Expressway Company Limited ("宣廣高速公路有限責任公司", "Xuan Guang") in excess of XCIC's equity contribution in Xuan Guang. This amount is non-guaranteed.

As at 30 June 2020, the undiscounted amount of long-term payables to XCIC and ATHC was RMB222,248 thousand and RMB404,528 thousand respectively (31 December 2019: RMB222,248 thousand and RMB358,420 thousand respectively).

The fair values of long-term payables are based on cash flows discounted using 4.90%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2020 (31 December 2019: 4.90%).

18 Other gains – net

	Unaudited	
	For the six months ended 30 June	
	2020	2019
Gains from financial assets at FVPL	24,790	3,698
Interest income	15,830	36,418
Dividend income	1,992	—
Amortisation of government grants relating to assets (Note16)	1,085	1,086
Government grants relating to profits	728	60
(Losses)/gains from disposal of property, plant and equipment	(362)	44
Donations	(5,000)	—
Losses from disposal on concession intangible assets	—	(230)
Others	(294)	272
	38,769	41,348

19 Revenue

	Unaudited	
	For the six months ended 30 June	
	2020	2019
Toll roads income, rental income and others	817,172	1,465,129
Revenue from construction or upgrade work under Service Concessions	52,157	498,147
Interest income from pawn loans to customers	1,696	2,372
	871,025	1,965,648

20 Expenses by nature

Expenses included in cost of sales and administrative expenses are analyzed as follows:

	Unaudited	
	For the six months ended 30 June	
	2020	2019
Depreciation and amortisation expenses (Note 7)	371,869	366,456
Employee benefit expenses	158,511	171,587
Repair expenses	119,591	104,066
Costs payable to vendors for construction or upgrade work under the Service Concessions	52,157	498,147
Tax related to revenues (a)	7,430	11,803
Auditor's remuneration		
– Annual audit services	1,050	1,050
Others	54,805	49,017
	765,413	1,202,126

(a) Taxes related to revenue

The Group is subject to the following supplemental turnover taxes:

- (i) Urban Construction and Maintenance Tax – levied at 5% or 7% of VAT payable.
- (ii) Local Education Surcharge – levied at 3% of VAT payable.

21 Net impairment reversal on financial assets

	Unaudited	
	For the six months ended 30 June	
	2020	2019
Impairment reversal for pawn loans to customers (Note 10(b))	(1,262)	(1,156)
Impairment for other receivables (Note 10(c))	91	234
	(1,171)	(922)

22 Finance costs

	Unaudited For the six months ended 30 June	
	2020	2019
Interest expenses	60,289	64,621
Including: amortisation of long-term payables	4,893	12,031
Less: capitalised interest expenses (Note 7)	—	(3,532)
	<u>60,289</u>	<u>61,089</u>

23 Taxation

The amount of taxation charged to the interim condensed consolidated income statement represents:

	Unaudited For the six months ended 30 June	
	2020	2019
Current taxation – CIT (a)	76,621	231,516
Deferred taxation credited to the consolidated income statement	(11,288)	(14,336)
	<u>65,333</u>	<u>217,180</u>

(a) Hong Kong profits tax and the PRC Corporate Income Tax (“CIT”)

The Company and its subsidiaries, associated companies determine and pay the PRC CIT in accordance with the CIT Law as approved by the National People’s Congress on 16 March 2007. Under the CIT Law, the CIT rate applicable to the Company and its subsidiaries (except for Anhui Expressway (H.K.) Limited (“安徽皖通高速公路股份(香港)有限公司”, “AEHK”)), associated companies is 25%. And the CIT rate applicable to AEHK is 16.5%.

(b) Withholding tax (“WHT”) for dividend paid to foreign investors

Pursuant to Cai Shui [2008] Circular 1 jointly issued by the Ministry of Finance and the State Administration of Taxation, where the Company declares dividend in or after 2008 and beyond out of the cumulative retained earnings as of 31 December 2007 (i.e. 2007 retained earnings), such dividends earned by the foreign shareholders are exempted from WHT; For dividend which arises from the Company’s profit earned after 1 January 2008, WHT is levied on the foreign institute shareholders. Pursuant to the new CIT law and the detailed implementation regulations, foreign shareholders are subject to a 10% WHT for the dividend repatriated by the Company starting from 1 January 2008. For certain treaty jurisdictions such as Hong Kong which has signed tax treaties with the PRC, the WHT rate is 5%.

24 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. No diluted earnings per share is presented, as the Company has no dilutive potential shares.

	Unaudited	
	For the six months ended 30 June	
	2020	2019
Profit attributable to equity holders of the Company	108,200	543,667
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.0652	0.3278

25 Dividends

A final dividend in respect of 2019 of RMB0.23 per share, amounting to a total dividend of RMB381,480 thousand was approved at the Annual General Meeting in May 2020.

The directors recommend no payment of a dividend in respect of the six months ended 30 June 2020 (same period of 2019: nil).

26 Commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

	30 June 2020 (unaudited)	31 December 2019 (audited)
Contracted but not provided for – Property, plant and equipment	<u>125,777</u>	<u>90,875</u>

27 Cash and cash equivalents

	30 June 2020 (unaudited)	31 December 2019 (audited)
Cash at bank and on hand	1,757,906	2,107,053
Less: restricted cash	<u>(221,827)</u>	<u>(201,792)</u>
Cash and cash equivalents at end of the period	<u>1,536,079</u>	<u>1,905,261</u>

As at 30 June 2020 and 31 December 2019, the restricted cash was bank deposit with maturities over three months.

28 Related party transactions

The Company's parent company is ATHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by the PRC government. It owns a significant portion of the expressway assets in Anhui Province.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include ATHC and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and ATHC as well as their close family members.

(a) Name of related party and relationship

Name	Relationship with the Group
ATHC	Parent company
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
ATZFM	Significantly influenced by ATHC
ATGFM	Significantly influenced by ATHC
AENO	Subsidiary of ATHC
WTMC	Subsidiary of ATHC
Anhui Expressway Advertisement Co., Ltd. ("安徽高速傳媒有限公司", "AEAC")	Associate
Anhui Transportation Information Industry Co., Ltd. ("安徽交控信息產業有限公司", "ATII")	Associate
Anhui Transportation Construction Management Co., Ltd. ("安徽省交控建設管理有限公司", "ATCMC")	Subsidiary of ATHC
Anhui Anlian Expressway Co., Ltd. ("安徽安聯高速公路有限公司", "ALEC")	Subsidiary of ATHC
Anhui Transportation Capital Investment Management Co., Ltd. ("安徽交控資本投資管理有限公司", "ATCIM")	Subsidiary of ATHC
Anhui Yida Toll Road Service Sector Management Co., Ltd. ("安徽省驛達高速公路服務區經營管理有限公司", "YTMC")	Subsidiary of ATHC
Anhui Expressway Petrochemical Co., Ltd. ("安徽省高速石化有限公司", "AEPC")	Subsidiary of ATHC
Anhui Gaolu Construction Co., Ltd. ("安徽省高路建設有限公司", "AGCC")	Subsidiary of ATHC

28 Related party transactions (Continued)

(a) Name of related party and relationship (Continued)

Name	Relationship with the Group
Anhui Expressway Experiment Research Centre ("安徽省高速公路試驗檢測科研中心", "AERC")	Subsidiary of ATHC
Hefei Bangning Property Management Company ("合肥市邦寧物業管理有限公司", "BNMC")	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. ("安徽高速融資租賃有限公司", "AWFC")	Subsidiary of ATHC
Anhui Transport Consulting & Design Institute Co., Ltd. ("安徽省交通規劃設計研究總院股份有限公司", "ATCD")	Subsidiary of ATHC
Anhui Qixing Project Testing Co., Ltd. ("安徽省七星工程測試有限公司", "AQPT")	Subsidiary of ATHC
Anhui Anqing Expressway and Bridge Co., Ltd. ("安徽安慶長江公路大橋有限責任公司", "AAEBC")	Subsidiary of ATHC
Anhui Wangqian Expressway Co., Ltd. ("安徽望潛高速公路有限公司", "AWQEC")	Subsidiary of ATHC
Anhui Yangji Expressway Co., Ltd. ("安徽省揚績高速公路有限公司", "AYEC")	Subsidiary of ATHC
Anhui Liguang Expressway Co., Ltd. ("安徽省溧廣高速公路有限公司", "ALGEC")	Subsidiary of ATHC
Anhui Zhongxing Project Management Co., Ltd. ("安徽省中興工程監理有限公司", "AZPMC")	Subsidiary of ATHC
Anhui Huanyu Highway Construction Development Co., Ltd. ("安徽省環宇公路建設開發有限責任公司", "AHHCD")	Subsidiary of ATHC
Anhui Jinggong Construction General Co., Ltd. ("安徽省經工建設集團有限公司", "AJCG")	Subsidiary of ATHC
China Merchants Expressway Network & Technology Holdings Co., Ltd. ("招商局公路網路科技控股股份有限公司", "ENTH")	Shareholder of the Company

28 Related party transactions (Continued)

(b) Related party transactions

(i) Service income from management of toll roads

	Unaudited	
	For the six months ended 30 June	
	2020	2019
ATHC	51,295	55,699
AYEC	7,819	5,290
AAEBC	6,645	4,606
ALGEC	6,533	5,114
AWQEC	1,738	2,085
	<u>74,030</u>	<u>72,794</u>

(ii) Rental income

	Unaudited	
	For the six months ended 30 June	
	2020	2019
AEPC	13,022	13,018
YTMC	5,547	5,480
ATHC	3,078	3,237
ALEC	256	279
ATCMC	229	238
AWFC	210	211
ATCIM	162	165
WTMC	105	106
ATII	64	—
ATZFM	50	50
ATGFM	50	50
AWQEC	14	—
BNMC	7	14
	<u>22,794</u>	<u>22,848</u>

28 Related party transactions (Continued)

(b) Related party transactions (Continued)

(iii) Paid and payable for construction, testing service and property management

	Unaudited For the six months ended 30 June	
	2020	2019
ATCD	3,111	—
AJCG	1,743	1,238
BNMC	1,598	1,537
AGCC	1,050	6,276
AQPT	345	1,792
AZPMC	35	1,835
AHCD	—	21,686
	<u>7,882</u>	<u>34,364</u>

(iv) Toll roads income received on behalf of the Group

	Unaudited For the six months ended 30 June	
	2020	2019
AENO	<u>683,846</u>	<u>1,313,952</u>

(v) Service fee for the collection of toll roads income

	Unaudited For the six months ended 30 June	
	2020	2019
AENO	<u>8,864</u>	<u>7,206</u>

28 Related party transactions (Continued)

(b) Related party transactions (Continued)

(vi) Interest expenses for interest bearing long-term payables

		Unaudited	
		For the six months ended 30 June	
		2020	2019
ATHC	9,531	18,619	
XCIC	892	132	
	10,423	18,751	

(vii) Guarantee received

As at 30 June 2020, long-term bank borrowings of RMB201,556 thousand were guaranteed by XCIC and RMB330,786 thousand were guaranteed by ATHC (Note 14).

(viii) Key management compensation

Key management includes directors (executive and non-executive) and the Company secretary. The compensation paid or payable to key management for employee services is shown below:

		Unaudited	
		For the six months ended 30 June	
		2020	2019
Salaries and other short-term employee benefits	900	909	

28 Related party transactions (Continued)

(c) Related party balances

(i) Other receivables (excluding current portion of loans to subsidiaries)

	As at 30 June 2020		As at 31 December 2019	
	Book value (unaudited)	Provision for impairment (unaudited)	Book value (audited)	Provision for impairment (audited)
AENO	171,180	(84)	73,863	(54)
YTMC	4,381	(6)	55	—
ALGEC	3,462	(5)	—	—
AWQEC	767	(1)	—	—
AEAC	—	—	22,080	(16)
	<u>179,790</u>	<u>(96)</u>	<u>95,998</u>	<u>(70)</u>

(ii) Trade payables

	30 June 2020 (unaudited)	31 December 2019 (audited)
AGCC	34,053	36,177
AHHCD	6,351	7,122
ATCD	4,766	1,909
AZPMC	2,234	2,142
BNMC	1,652	829
AQPT	1,184	784
AERC	444	1,828
AEAC	41	41
ATII	—	280
	<u>50,725</u>	<u>51,112</u>

28 Related party transactions (Continued)

(c) Related party balances (Continued)

(iii) Other payables

	30 June 2020 (unaudited)	31 December 2019 (audited)
AENO	9,670	3,488
YTMC	7,191	8,019
ATHC	7,030	3,782
AGCC	1,921	2,035
ATCD	1,419	1,527
AEPC	609	5,354
XCIC	397	265
ALEC	241	203
WTMC	188	100
AWFC	181	—
ATCIM	149	146
AQPT	81	1,636
BNMC	44	24
ATII	37	—
ATGFM	33	28
ATZFM	17	—
AZPMC	16	120
AWQEC	—	2
	29,224	26,729

28 Related party transactions (Continued)*(c) Related party balances (Continued)***(iv) Dividends payable**

	30 June 2020 (unaudited)	31 December 2019 (audited)
ATHC	120,668	—
XCIC	111,833	—
ENTH	92,964	—
	325,465	—

(v) Long-term payables (including current portion) (Note 17)

	30 June 2020 (unaudited)	31 December 2019 (audited)
ATHC	404,528	358,420
XCIC	207,585	202,692
	612,113	561,112

As at 30 June 2020 and 31 December 2019, amounts due from and due to the related parties as afore mentioned, except for long term payables as disclosed in Note 17, mainly arose from the above transactions and payments made by the Group and related parties on behalf of each other. These amounts are unsecured, interest-free and repayable within 1 year.

SECTION XI DOCUMENTS AVAILABLE FOR INSPECTION

Directory of documents
Available for Inspection

The original copy of the interim report signed by the Chairman;
The accountant's report, signed by the legal representative, director in charge of accounting work, and director in charge of accounting firm and stamped with corporate seal;
The original copies of corporate documents and announcements published in the Shanghai Securities News and China Securities Journal during the Reporting Period;
The Articles of Association;
The interim report disclosed in other securities market.

Chairman: Xiang Xiaolong

The date of the approval of the board: 28 August 2020



Anhui Expressway Company Limited