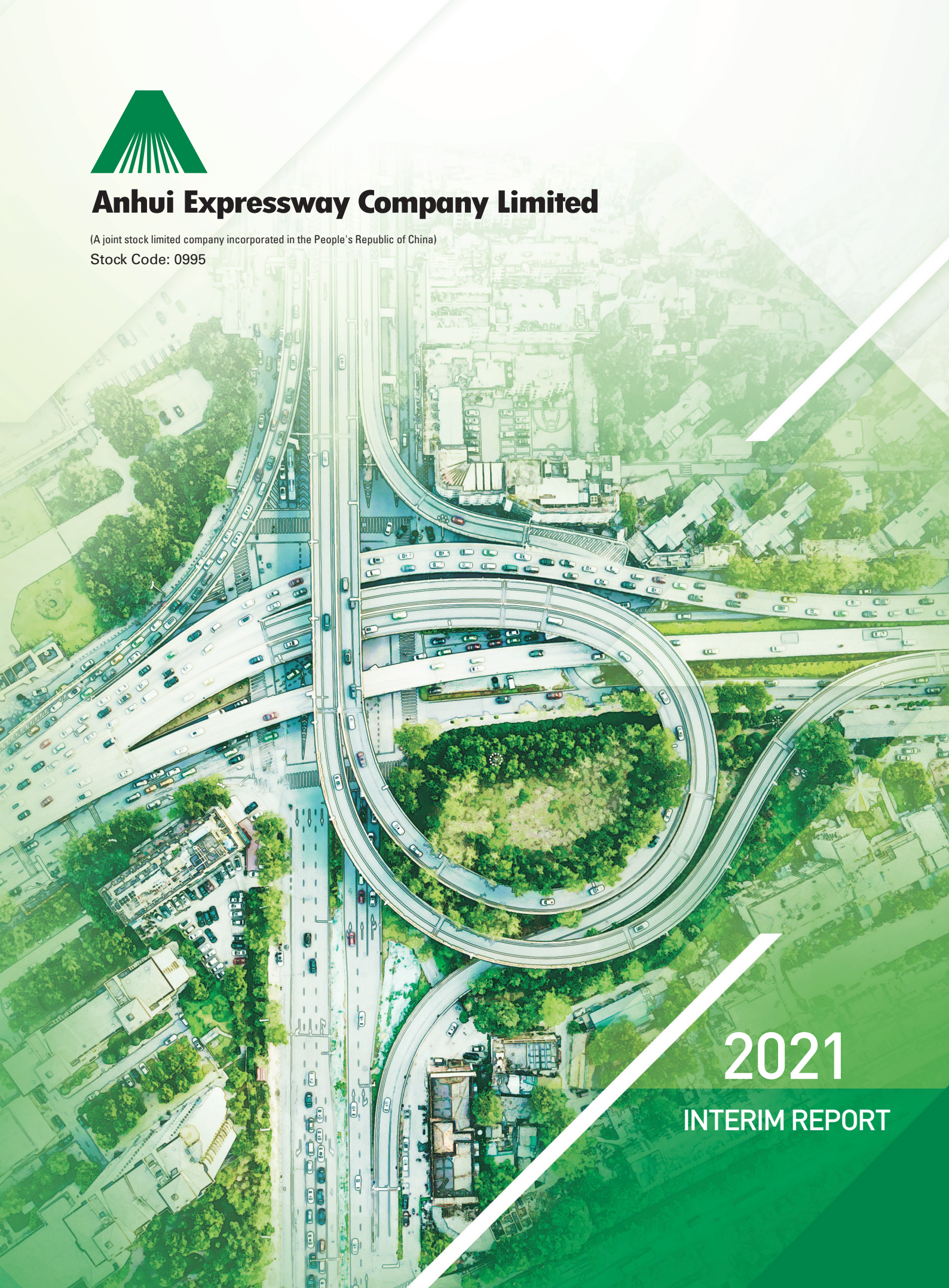




Anhui Expressway Company Limited

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

Stock Code: 0995



2021

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. Tao Wensheng, responsible person for the accountant work and Mr. Huang Yu, 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

Please refer to Section III, "Management Discussion and Analysis" 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. Whether more than half of the directors cannot guarantee the truthfulness, accuracy and completeness of this interim report?

No

10. Major Risk Notice

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

11. Other

Unless otherwise specified, the 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.

Anhui Expressway Company Limited

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 Group Company Limited (formerly known as Xuancheng Highway Construction Management Company Limited, Xuancheng Transportation Investment 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
“Anhui Expressway Network Operations”, “AENO”	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 2021
“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

Anhui Expressway Company Limited

"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、63738989
Fax	0551-65338696	0551-65338696
Email Address	wtgs@anhui-expressway.net	wtgs@anhui-expressway.net

3. Introduction of Basic Information

Registered address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Historical change of the company's registered address	219 Anqing Road, Hefei, Anhui, the PRC; 669 Changjiang 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

Anhui Expressway Company Limited

4. Information Disclosure and Addresses for Keeping Report

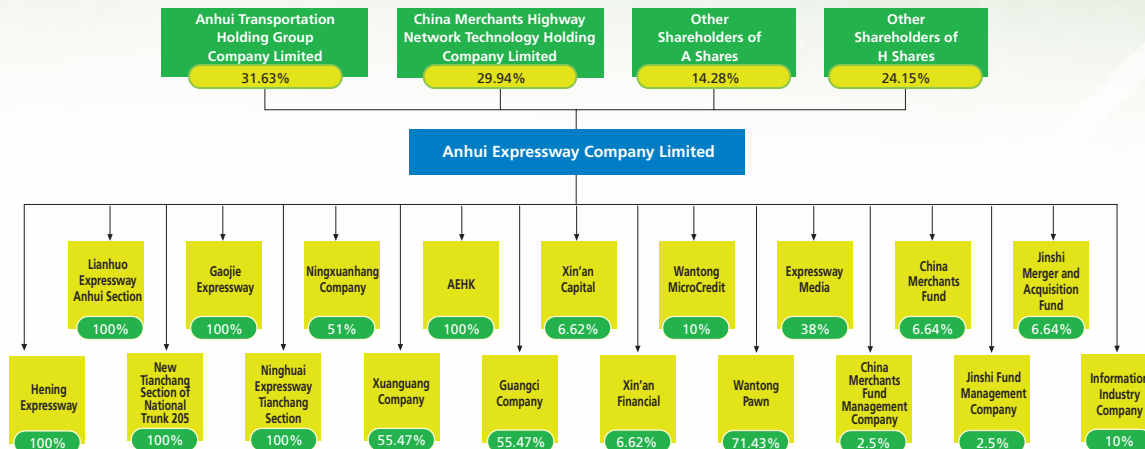
Newspapers designated for publishing report	China Securities Journal, Shanghai Securities News
Websites designated for disclosure of annual report assigned by CSRC	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Addresses designated for keeping interim report	Shanghai Stock 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
Query index for changes	Nil

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

As of 30 June 2021, 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	2021	2020	Change as compared to the corresponding period of last year (%)
	(January–June)	(January–June)	
Revenue	1,687,650,616.38	818,868,119.89	106.10
Net profit attributable to shareholders of the Company	710,265,062.62	109,670,341.04	547.64
Net profit after extraordinary items attributable to shareholders of the Company	691,841,524.36	93,856,675.48	637.13
Net cash flows from operating activities	964,867,896.11	320,895,649.05	200.68

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	As at 30 June 2021	As at 31 December 2020	Change as compared to the end of last year (%)
Net assets attributable to shareholders of the Company	<u>11,605,704,401.65</u>	<u>11,276,709,422.09</u>	<u>2.92</u>
Total assets	<u>17,478,510,012.55</u>	<u>16,240,743,095.33</u>	<u>7.62</u>

(2) Main Financial Indicators

Main Financial Indicators	2021 (January–June)	2020 (January–June)	Change as compared to the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.4282	0.0661	547.81
Diluted earnings per share (RMB/share)	0.4282	0.0661	547.81
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.4171	0.0566	636.93
Returns on net assets (weighted average) (%)	6.14	1.04	An increase of 5.1 percentage point
Returns on net assets after deduction of non-recurring profit or loss (weighted average) (%)	5.98	0.89	An increase of 5.09 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

(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

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	710,265	109,670	11,605,704	11,276,709
Items and amounts adjusted in accordance with HKAS:				
Valuation, depreciation/amortization of assets and related deferred taxes	-1,105	-1,470	36,643	37,748
HKAS	709,160	108,200	11,642,347	11,314,457

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

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.

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

Unit: yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Gains and losses from disposals of non-current assets	129,860.38	
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)	2,185,427.18	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Headquarter (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, and the income amount of financial subsidies from Anhui Provincial Department of Transportation on electromechanical system optimization project in 2021 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	22,179,766.61	The income is mainly generated from the floating rate structured deposits purchased by the Company from banks
Reversal of receivables, contract assets impairment provisions through a separate impairment test	8,008.50	
Other non-operating income and expenses	352,950.86	
Effects on minority shareholders' interests	-218,471.88	
Effects on income tax	<u>-6,214,003.39</u>	
Total	<u><u>18,423,538.26</u></u>	

10. Other

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

Unit: '000 Currency: RMB

Abstract of Results	For the six months ended 30 June		
	2021	2020	change(%)
Revenue	1,720,601	871,025	97.54
Profit before income tax	1,007,450	95,956	949.91
Profit attributable to owners of the Company	709,160	108,200	555.42
Basic earnings per share attributable to owners of the Company (RMB)	0.4276	0.0652	555.83

Unit: '000 Currency: RMB

Abstract of Assets	As at		
	30 June 2021	31 December 2020 (audited)	Change(%)
Total assets	17,524,788	16,286,343	7.60
Total liabilities	5,343,478	4,334,693	23.27
Total net assets (Capital and reserve attributable to owners of the Company)	11,642,347	11,314,457	2.90
Net assets value per share (RMB)	7.02	6.82	2.90

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

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 2021, the Company has 557 kilometers of operating highway with total assets of about RMB17,478,510 thousand. Moreover, as expressways showed the features of network operations, the Company also provided assets maintenance, charge and inspection management, service management, maintenance management, electromechanical and information management and other entrusted management services 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 3,825 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.

II. Analysis on core competency during the Reporting Period

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.

III. Management Discussion and Analysis

During the Reporting Period, faced with the situation of normalized prevention and control of epidemic domestically, the Company strictly implemented epidemic prevention policies, actively planned a favorable start of the 14th-Five-Year plan, comprehensively promoted various business and development work, insisted on focusing on main business, and better completed various objectives and tasks in the first half of the year.

Highlight the “strict responsibility”, and the situation of safety production is stable. The Company effectively carried out hidden danger investigation, investigated accident prone and congested sections through thorough inspection of road section risk and flood season inspection, and made timely rectification in place; Actively carry out social responsibility, make orderly dispatching during Spring Festival transportation, major holidays and bad weather, and effectively ensure smooth roads; Adhere to epidemic prevention and control, implement normalized prevention and control measures, and actively follow up vaccination. In the first half of the year, the Company had no safety production responsibility accident.

Focus on “collecting fees” and improve the quality and efficiency of operation, management and maintenance. We will continue to strengthen loophole stoppage and fight against evasion, carry out special actions such as fee evasion, free and green pass vehicle audit, and complete the task of loophole stoppage and supplementary payment in the first half of the year with high quality; Continuously optimize the operation of the road network, complete the upgrading of the online toll collection system, and further promote the issuance of ETC; Explore the implementation of information management, and multiple management units realize the information management of the whole electromechanical business; Optimize the road management and maintenance mechanism, integrate regional resources, and achieve accurate and efficient maintenance management.

Centre on “stabilizing income”, reform and governance are advanced in depth. Optimize the industrial structure and push forward the liquidation and dissolution of Wantong Pawn in compliance with the regulations; Deepen the reform of “three systems” and broaden the channels of selection and employment; Further improve the governance of listed companies and ensure that information disclosure is true, accurate, timely and complete.

Based on the “strong foundation”, the internal control management is more standardized. Continue to promote system construction, improve the internal control system, complete the effectiveness test of key control points, and establish a post investment evaluation system; Adhere to governing enterprises according to law, optimize institutional settings, allocate general legal counsel, and give play to the role of assessment and incentive.

Highlight “excellent service”, the drivers and passengers travel with satisfaction and warmth. Pay attention to smile service standard, connotation, concept training, promote long-term development of smile service, and actively promote the extension of “smile service” to service scenes. Carry out special actions to improve ETC services, timely push consumption details and other information through the “Anhui ETC” APP and Wechat official account.

Focus on “getting things done”, the workers praised a lot. We provide practical services to the people with sincerity, respond to and solve complaints from the public about noise disturbance, ETC services and road rescue in a timely manner, and add sound barriers; Improve the infrastructure of the service area to help the drivers and passengers travel better; Take the initiative to serve the grassroots, with the leading groups carrying out grassroots front-line surveys to collect opinions and suggestions, coordinate and solve practical problems that employees care about, and reduce the grassroots burden.

Major operation status during the Reporting Period

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB1,687,651 thousand (corresponding period in 2020: RMB818,868 thousand), representing an increase of 106.10% compared with that of the corresponding period of last year. The total profit was RMB1,008,921 thousand (corresponding period in 2020: RMB97,916 thousand), representing an increase of 930.39% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the Company reached RMB710,265 thousand (corresponding period in 2020: RMB109,670 thousand), representing an increase of 547.64% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.4282 (corresponding period in 2020: RMB0.0661), representing an increase of 547.81% compared with that of the corresponding period of last year.

During the Reporting Period, in accordance with HKAS, the Group achieved a revenue of RMB1,720,601 thousand (corresponding period in 2020: RMB871,025 thousand), representing an increase of 97.54% compared with that of the corresponding period of last year; profit before income tax was RMB1,007,450 thousand (corresponding period in 2020: RMB95,956 thousand), representing an increase of 949.91% compared with that of the corresponding period of last year; unaudited profit attributable to owners of the Company was RMB709,160 thousand (corresponding period in 2020: RMB108,200 thousand), representing an increase of 555.42% compared with that of the corresponding period of last year; basic earnings per share was RMB0.4276 (corresponding period in 2020: RMB0.0652), representing an increase of 555.83% compared with that of the corresponding period of last year.

Toll Expressway Business

The COVID-19 pandemic has had a significant impact on the Group's production and business activities in 2020. With the orderly economic recovery and the overall recovery of road transport and logistics demand in the region, the Group's expressway tolls revenue in the first half of 2021 increased significantly compared with the same period last year. During the Reporting Period, the Group achieved a total revenue of RMB1,646,047 thousand (after tax) (2020: RMB704,096 thousand), representing an increase of 21.45% and 133.78% respectively compared with the same period in 2019 and 2020.

Economic development, policy relief, changes in road network and other reasons remain the main factors affecting the Group's toll revenue.

In the first half of 2021, in the face of complex and volatile domestic and international circumstances, the Chinese government has continued to consolidate its achievements in epidemic prevention and control, and social and economic development, achieving a GDP of RMB53,216.7 billion, representing an increase of 12.7% year-on-year and the economy steadily continued to recover; the GDP of Anhui Province achieved RMB2,057.65 billion, representing an increase of 12.9% year-on-year.

During the Reporting Period, various policy relief measures continued to be implemented. It is estimated that in the first half of 2021, the total amount of deductions and exemptions of the Group is RMB338 million. Among them: the toll for a total of 172,100 green channel vehicles were reduced or exempted, the exemption amount was to about RMB92.1 million; During major holidays, the exiting volume of small passenger cars (7 seats or less) reached 2,912,800, and the exemption amount was about RMB125 million; ETC discount or reduction amounted to RMB116 million, including discount or reduction for trucks with Anhui transportation card amounting to about RMB66.75 million; Other policy reductions were about RMB4.8 million.

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.

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2021	First half of 2020	Flux (%)	First half of 2021	First half of 2020	Flux (%)
Hening Expressway	100%	36,271	27,583	31.50	584,199	256,587	127.68
New Tianchang Section of National Trunk 205	100%	6,076	5,822	4.36	33,888	22,395	51.32
Gaojie Expressway	100%	24,080	17,358	38.73	433,449	163,941	164.39
Xuanguang Expressway	55.47%	32,040	22,366	43.25	322,785	130,976	146.45
Lianhuo Expressway Anhui Section	100%	18,536	16,468	12.56	133,176	66,080	101.54
Ninghuai Expressway Tianchang Section	100%	42,455	41,691	1.83	59,126	28,170	109.89
Guangci Expressway	55.47%	38,153	25,348	50.52	67,140	26,460	153.75
Ningxuanhang Expressway	51%	5,128	4,019	27.59	62,311	31,040	100.74

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Items	Interests	Toll income (RMB'000)		
		First half of 2021	First half of 2019	Flux (%)
Hening Expressway	100%	584,199	406,636	43.67
New Tianchang Section of National Trunk 205	100%	33,888	41,773	-18.88
Gaojie Expressway	100%	433,449	349,070	24.17
Xuanguang Expressway	55.47%	322,785	266,748	21.01
Lianhuo Expressway Anhui Section	100%	133,176	153,400	-13.18
Ninghuai Expressway Tianchang Section	100%	59,126	52,550	12.51
Guangci Expressway	55.47%	67,140	53,625	25.20
Ningxuanhang Expressway	51%	62,311	73,007	-14.65

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer per day (RMB)	
		First half of 2021	First half of 2021	First half of 2020	Flux (%)
Hening Expressway	100%	71 : 29	24,087	17,730	35.85
New Tianchang Section of National Trunk 205	100%	38 : 62	6,241	6,912	-9.71
Gaojie Expressway	100%	56 : 44	21,770	13,800	57.75
Xuanguang Expressway	55.47%	70 : 30	21,230	14,437	47.05
Lianhuo Expressway Anhui Section	100%	69 : 31	13,626	11,331	20.25
Ninghuai Expressway Tianchang Section	100%	82 : 18	23,333	18,631	25.24
Guangci Expressway	55.47%	71 : 29	26,496	17,500	51.41
Ningxuanhang Expressway	51%	75 : 25	2,942	2,456	19.79

Notes:

1. Except for the New Tianchang Section of the National Trunk 205 and the Tianchang Section of Ninghuai Expressway, the above data of converted average daily traffic volumes for entire journey does not include the data on non-ETC small passenger vehicles during major holidays (In addition, the traffic volume data for 2020 did not include the data of small passenger vehicles travelling through non-ETC lanes during toll-free periods, nor did it include 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);
2. The toll income data above are tax included. The traffic data mentioned above is provided by Anhui Expressway Network Operations and the Tianchang Management Office.

Hening Expressway

During the Reporting Period, due to the continued impact of the completion of the “four-lane to eight-lane” project of Hening Expressway, some vehicles heading for Nanjing and surrounding cities chose to travel via Hening Expressway again, and the traffic flow and toll revenue of this section continued to maintain the growth trend.

Ninghuai Expressway

During the Reporting Period, following the opening of new road sections in Jiangsu Province and improvement of the road network, the convenience and efficiency of expressways attracted vehicles to travel via expressways, with the growth in long-distance vehicles seeing apparent increase. 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, and the traffic volume for trucks increased more rapidly as compared to the corresponding period last year.

New Tianchang Section of National Trunk 205

On December 16, 2020, the height-restricted gantry of County Road 101 parallel with National Trunk 205 was officially dismantled, and some large trucks were diverted to the county road. In addition, Provincial Road 204, which runs parallel with National Trunk 205, was completed on December 26, 2020, leading to the diversion of some vehicles, which has a certain impact on the toll revenue of Tianchang section of National Trunk 205.

Lianhuo Expressway Anhui Section

The Xiao County section of National Trunk 310 and National Trunk 311 was reopened to traffic after the overhaul. The road is in good condition and has no toll stations, which has a continuous diversion effect on some large trucks and large buses on the east-west line of Lianhuo Expressway. In addition, Xiao County South Station closed down completely for construction work from 8 May to 24 May 2021, some vehicles chose to travel via Provincial Road 238 which passed Xiao County South Station, resulting in short term negative effect on the operation of Lianhuo Expressway.

Gaojie Expressway

As a component of G50 Shanghai-Chongqing Expressway of the national highway network, Gaojie Expressway is an important east-west transit channel in the province. With the orderly resumption of work and production after the normalization of epidemic prevention and control, traffic demand is released quickly. This section is connected with the He’an Expressway in the north. The effect of the completion of the “four-lane to eight-lane” project of the Fangxing Avenue-Mayan section of the He’an Expressway at the end of 2019 brought certain benefits to its operation.

Xuanguang and Guangci Expressway

Xuanguang Expressway and Guangci Expressway are part of the G50 Shanghai-Chongqing Expressway of the national highway network, and are important transit passages in the east-west direction of Anhui province. With the orderly resumption of work and production after the normalization of epidemic prevention and control, the traffic demand was released quickly, especially during the Spring Festival travel rush. The reconstruction and expansion project of parallel road (former old National Trunk 318) has not been completed on the whole line, and some vehicles choose to take the expressway after passing through the rebuilt and expanded section, which drives the traffic flow of Xuanguang Expressway and Guangci Expressway to increase.

Ningxuanhang Expressway

During the Reporting Period, southern Anhui province entered the flood season in May and June 2021, severe weather such as rainstorm affected vehicle travel, and caused a certain degree of impact on the traffic flow and income of Ningxuanhang Expressway.

From November 13, 2020 to June 13, 2021, the County Road 010 near Liqiao Station was closed for expansion construction works, and the vehicles going to Nanjing, Jiangsu and other places were diverted to the Provincial Road 269, which had a continuous impact of diversion on Xuanli section of Ningxuanhang Expressway.

General achievements of the pawn business

In June 2012, the Company and Huatai Group jointly set up Hefei Wantong Pawn Company Limited* (合肥皖通典当有限公司) (“Wantong Pawn”), 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 in the total sum of RMB52.5 million of Wantong Pawn in proportion to their respective capital contribution, and the current registered capital of the company is 157.50 million. In 2020, the shareholder Huatai Group was changed to Anhui Huarui Packaging Co., Ltd.* (安徽华瑞包装有限公司), and the investment amount and proportion remained unchanged.

During the Reporting Period, the actual issuance of personal real estate mortgage loans by Wantong Pawn was 3 projects, with a total amount of RMB1.55 million. There was no settlement this year, and the company has written off a total amount of bad items of RMB88,833,200, the loss provision of this period is transferred back to RMB91,300, and the accumulative loss provision is RMB32,657,700.

During the Reporting Period, the cumulative net profit of Wantong Pawn was RMB-925,100, representing a decrease of RMB2,587.5 thousand as compared with the same period of last year.

Major changes in the Company's operating conditions during the Reporting Period, and events occurring during the Reporting Period that have a significant impact on the Company's operating conditions and are expected to have a significant impact in the future

Applicable Not applicable

IV. 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	Change (%)
Revenue	1,687,650,616.38	818,868,119.89	106.10
Cost of sales	627,068,511.26	663,472,914.27	-5.49
Administration costs	51,639,309.40	40,392,214.4	27.84
Cash flows from operating activities	964,867,896.11	320,895,649.05	200.68
Cash flows from investing activities	358,626,024.44	-912,763,489.36	N/A
Cash flows from financing activities	697,903,897.26	222,685,452.57	213.40

Reason for the change of revenue: mainly due to the Group's toll exemption as a result of the COVID-19 outbreak in the same period of the previous year.

Reason for the change of cost of sales: mainly due to the change of expressway entrustment management business mode during the Reporting Period.

Reason for the change of administration costs: mainly due to the increase in the number of the Group's management personnel during the Reporting Period.

Reason for the change of cash flows from operating activities: mainly due to the Group's toll exemption as a result of the COVID-19 outbreak in the same period of the previous year.

Reason for the change of net cash flows used in investing activities: mainly due to the increase in the redemption of structured bank deposit with floating interest rate during the Reporting Period as compared with the same period of the previous year.

Reason for the change of net cash flows used in financing activities: mainly due to the increase in the short term bank loans borrowed by Ningxuanhang Company during the Reporting Period.

Anhui Expressway Company Limited

(1) Operating income

During the Reporting Period, the Group achieved an operating income of RMB1,687,651 thousand (corresponding period in 2020: RMB818,868 thousand), the income increased significantly on a year-on-year basis. 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 2021	Percentage (%)	The first half of 2020	Percentage (%)	Change (%)
Expressway business	1,687,240	99.98	817,172	99.79	106.47
– Toll income	1,646,047	97.53	704,096	85.98	133.78
– Service area income	16,524	0.98	16,440	2.01	0.51
– Other business income	24,669	1.46	96,636	11.80	-74.47
Pawn business	410	0.02	1,696	0.21	-75.81
Total	1,687,651	100.00	818,868	100.00	106.10

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

(Unit: yuan Currency: RMB)

Industries	Principal businesses in terms of industries					
	Revenue	Cost of sales	Gross profit rate (%)	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	1,662,571,420.54	614,786,192.31	63.02	130.74	5.24	An increase of 44.09 percent
Pawn business	410,219.42	0	N/A	-75.81	N/A	N/A

Principal businesses in terms of products

Products	Revenue	Cost of sales	Gross profit rate (%)	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) (%)
Hening Expressway	575,790,345.64	200,858,894.89	65.12	123.47	7.96	An increase of 37.32 percent
New Tianchang Section of National Trunk 205	32,273,869.04	20,263,346.24	37.21	51.32	-6.76	An increase of 39.11 percent
Gaojie Expressway	426,479,444.51	95,493,853.24	77.61	158.79	18.30	An increase of 26.59 percent
Xuanguang Expressway	313,383,924.23	72,745,327.27	76.79	146.45	-4.29	An increase of 36.56 percent
Lianhuo Expressway Anhui Section	130,397,864.22	60,659,055.11	53.48	99.85	-0.78	An increase of 47.18 percent
Ninghuai Expressway Tianchang Section	58,564,601.82	23,755,099.57	59.44	105.36	33.51	An increase of 21.83 percent
Guangci Expressway	65,184,919.39	9,141,709.73	85.98	153.75	-7.75	An increase of 24.55 percent
Ningxuanhang Expressway	60,496,451.69	131,868,906.26	-117.98	100.75	0.81	An increase of 216.10 percent
Wantong Pawn	410,219.42	0	N/A	-75.81	N/A	N/A
Total	<u>1,662,981,639.96</u>	<u>614,786,192.31</u>	<u>63.03</u>	<u>130.26</u>	<u>5.24</u>	<u>An increase of 43.91 percent</u>

Principal businesses in terms of regions

Regions	Revenue	Cost of sales	Gross profit rate (%)	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) (%)
Anhui Province	1,662,981,639.96	614,786,192.31	63.03	130.26	5.24	An increase of 43.91 percent

(3) Expenses

Administration costs

During the Reporting Period, the Group's administration costs were RMB51,639 thousand (corresponding period in 2020: RMB40,392 thousand), representing an increase of 27.84% as compared to the same period last year. Such increase was mainly caused by the increase 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 RMB44,194 thousand (corresponding period in 2020: RMB44,459 thousand), representing a decrease of 0.60% as compared to the same period last year. Financial costs were basically the same as the same period last year.

Gain from fair value changes

During the Reporting Period, gain from fair value changes of the Group was RMB22,180 thousand (corresponding period in 2020: RMB24,790 thousand), representing a decrease of 10.53% as compared to the same period last year. The decrease in gain from fair value changes was mainly caused by changes in the fair value of the fund partnership 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% (2020: 25%).

During the Reporting Period, the Group's income tax expenses were RMB283,714 thousand (corresponding period in 2020: RMB65,821 thousand) with an increase of 331.04% compared to the same period last year, which was caused by the revenue growth 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%.

2. Detailed explanation on major changes in business type, profit structure or profit source of the Company

Applicable Not Applicable

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

Applicable Not Applicable

(III) Analysis of assets and liabilities**1. Assets and Liabilities**

Unit: yuan Currency: RMB

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 (%)	explanations
Monetary fund	4,409,528,266.21	25.23	2,291,802,662.00	14.11	92.40	
Other notes receivable	216,960,915.27	1.24	154,286,108.85	0.95	40.62	
Trading financial assets	502,770,273.97	2.88	1,104,490,547.95	6.80	-54.48	
Short-term borrowing	0.00	0.00	295,283,701.39	1.82	-100	
Long-term borrowing	3,047,066,061.32	17.43	1,641,974,328.69	10.11	85.57	
Deferred income	77,127,812.09	0.44	24,485,656.97	0.15	214.99	
Other payables	616,664,207.23	3.53	144,649,352.66	0.89	326.32	
Long-term account payable	326,407,808.18	1.87	522,905,699.32	3.22	-37.58	
Tax payable	152,151,314.66	0.87	277,608,151.35	1.71	-45.19	

Other explanations

The increase of monetary funds is mainly caused by the growth of toll revenue during the Reporting Period.

The increase in other receivables was mainly due to the increase in toll revenue receivable from the splitting of networking companies at the end of the Reporting Period.

The decrease of transactional financial assets is mainly caused by the redemption of floating rate bank structural deposits during the Reporting Period.

The decrease in short-term borrowings is mainly caused by the timely repayment of short-term borrowings by the Group to the bank during the Reporting Period.

The increase in long-term borrowings is mainly caused by the acquisition of long-term loans from banks by Ningxuanhang Company during the Reporting Period.

The increase in deferred income was mainly due to the financial subsidies obtained by the Group for electromechanical system optimization projects during the Reporting Period.

The increase in other payables was mainly due to the Company's declaration of the distribution of dividends of the previous year during the Reporting Period.

The decrease in long-term accounts payable was mainly due to the repayment of loans by Ningxuanhang Company to minority shareholders during the Reporting Period.

The decrease in taxes payable is mainly due to the completion of the final settlement and payment of enterprise income tax in 2020 during the Reporting Period.

2. Overseas assets

(1) Asset scale

Including: overseas assets 1,928,335.34 (unit: yuan, currency: RMB), accounting for 0.01% of the total assets.

(2) Description of overseas assets

The funds deposited abroad are current Hong Kong dollar deposits in Hong Kong dividend paying accounts, and the current Hong Kong dollar deposits and fixed Hong Kong dollar deposits of AEHK.

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

Applicable Not Applicable

4. 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 2020: nil)

(1) Material equity investments

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 report, the Company has not paid the contribution amount. For details, please refer to the part of "Significant related party transactions on joint external investment" in Section VI "Major Events".

(2) Material non-equity investments

Applicable Not Applicable

Anhui Expressway Company Limited

(3) Financial assets measured at fair value

Item	Unit: yuan Currency: RMB				
	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	1,104,490,547.95	2,500,000,000.00	3,127,357,471.23	25,637,197.25	502,770,273.97
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 Management Company	1,056,374.35	0.00	0.00	83,642.16	1,140,016.51
– Jinshi Fund Management Company	1,738,756.29	0.00	0.00	196,647.09	1,935,403.38
Other non-current financial assets					
– Fund Investment					
– China Merchants Fund	124,093,137.45	0.00	0.00	-5,099,312.13	118,993,825.32
– Jinshi Fund	135,232,902.21	0.00	0.00	1,641,881.49	136,874,783.70
Total	<u>1,482,142,606.35</u>	<u>2,500,000,000.00</u>	<u>3,127,357,471.23</u>	<u>22,460,055.86</u>	<u>877,245,190.98</u>

(V) Material Asset and Equity Interest Disposal

Applicable Not Applicable

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

Unit: '000 Currency: RMB

Name of company	Equity capital the Group possesses	Registered Capital	30 June 2021		The six months ended 30 June 2021		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	111,760	949,580	606,016	314,339	169,759	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	4,405,997	316,282	64,804	-161,838	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	307,590	234,098	66,042	42,473	The construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	465,535	362,267	59,771	18,727	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	3,272,597	2,636,706	75,792	48,083	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	2,297,718	1,315,407	70,425	46,511	Internet financial services, network information services, pawn business, etc.
Wantong Pawn	71.43%	157,500	81,366	75,794	410	-925	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service
Wantong MicroCredit	10%	150,000	122,743	120,417	3,140	2,971	Distributing petty loans, small size enterprises management consulting and financial advisory
AEHK	100%	1,817	1,798	1,702	0	-19	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	1,828,430	1,791,626	239,304	224,079	Investment in transportation, services, energy conservation and environmental protection
Jinshi Merger and Acquisition Fund	6.64%	3,000,000	2,072,334	2,060,850	37,259	25,775	Investment in equity, asset management and investment consultation
China Merchants Private Fund Management Company	2.5%	30,000	49,553	45,601	12,215	3,346	Daily management and investment consultation of China Merchants Fund
Jinshi Private Fund Management Company	2.5%	30,000	80,729	77,416	10,843	7,866	Daily management and investment consultation of Jinshi Merger and Acquisition Fund
Information Industry Company	10%	60,000	78,503	59,164	14,475	-5,210	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

V. Other disclosure

1. Possible risk factors

Changes in Macroeconomic Environment and Industry Policies

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. Under the background of normalization of domestic epidemic prevention and control, China's GDP increased by 12.7% year-on-year in the first half of 2021, and the economic operation recovered steadily; however, the current international situation is complex, and there is still great uncertainty on the whole. The National Transportation Work Conference in 2021 pointed out that we should accelerate the construction of a transportation power, consolidate and expand the achievements of epidemic prevention and control and economic and social development, solidly do a good job in the "Six Stabilities", fully implement the "Six Guarantees" tasks, strive to optimize the comprehensive three-dimensional transportation network, strive to develop modern logistics, strive to improve the quality of service supply, and strive to build a unified and open transportation market, We will strive to promote high-level opening to the outside world, coordinate development and security, and ensure a good start in the 14th Five-year Plan. In addition, the implementation of policies such as national road network connection switching, increased ETC utilization rate, toll billing methods adjustment of truck and differential toll collection for expressways will help improve the efficiency of toll roads in the long run, but in the short and medium term, the policies will result in continued increase in the costs of expressways, which is expected to have an impact on the Company's business performance.

Responding measures: The Group adheres to both the normalization of epidemic prevention and control and accelerating the high-quality development of enterprises. While strictly grasping epidemic prevention, the Group actively promotes various business development work to ensure the completion of various objectives and tasks; 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, study policy points in depth, improve the management model for 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 diversion of highway passenger transport is serious, and the diversification of freight has a negative impact on the Company. At present, most highway sections of the Company 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, 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 the 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's expressways. We will make full use of regional traffic advantage in Anhui province and, through the improvement of road signs, expansion of the promotion of the routing publicity, turn passive to active through use of the advantages of informationization to carry out road 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 Group'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.

2. Other disclosure

In the second half of the year, the Group will continue to focus on the main business solid work to strive for a favorable start for the 14th Five-year Plan.

1. Consolidating the responsibility for road safety and smooth traffic with ensuring access to roads as the core

We will actively build a standardized safety management mode which is scientific, compliant with regulations and in line with the actual circumstance. We will strictly examine and approve road-related construction, strengthen safety supervision and eliminate hidden dangers in road traffic. We will ensure access to roads and handle emergencies during major holidays such as the National Day holiday and rainy season. We will prepare for winter snow removal ahead of time.

2. Refining operation and maintenance with the goal of serving satisfactory journeys

We will rebuild an inspection platform of AI framework, build a provincial level green channel checking platform, and carry out special rectification activities such as "Cooperation of Three parties along the Road" to combat toll evasion. We will further complete the provincial government's key construction projects of the "two systems" and "video cloud networking". We will promote the construction of "digital operation" platform, build intelligent high-speed cloud-based control platform integrating monitoring, scheduling, management, emergency response and service, carry out operation business system integration, and realize digitalization and informatization of core business.

3. 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 short-term borrowing, long-term borrowing and long-term account payable 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 2021, debt-to-capital ratio of the Group was not applicable (31 December 2020: 6.80%).

During the Reporting Period, the Group's net cash flows from operating activities were RMB668,915 thousand. The change was mainly due to the significant increase 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 RMB592,932 thousand. This is mainly due to the redemption of bank structured deposits in the Reporting Period.

During the Reporting Period, the Group's net cash flows from financing activities were RMB759,595 and mainly due to the acquisition of long-term bank loans during the Reporting Period.

During the Reporting Period, the aggregated sum of bank loans obtained by the Group was RMB1,727 million (corresponding period 2020: RMB295 million). At the end of the Reporting Period, there was still a remaining bank loan of RMB3.228 billion (31 December 2020: RMB2.071 billion), all of them are long-term borrowings. 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 2020: from 1.2% to 4.9%). The principal will be repaid between 2021 and 2040.

The Group was awarded with good credit ratings. On 30 June 2021, the total credit facilities granted was RMB4.062 billion, and the facilities not yet utilized amounted to RMB0.834 billion.

For the currency unit of the Group's lending and cash holdings, its composition and distribution are roughly the same as at 31 December 2020.

As the Group's revenues and expenses are mainly in Renminbi, the Group does not expect to incur significant currency risks from its operations. The Group also has no foreign exchange hedging arrangements to manage foreign exchange risk (same period in 2020: none).

4. Charge of assets and contingent liabilities

As at 30 June 2021, bank borrowings of about RMB500 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 2020: RMB540 million). The bank borrowings of about RMB810 million was secured by a pledge over the toll revenue entitled by the Group for the Ningxuanhang Expressway Liqiao to Xuancheng Section (31 December 2020: RMB870 million). The bank borrowings of about RMB1.55 billion was secured by a pledge over the toll revenue for Xuancheng to Ningguo section of Ningxuanhang Expressway (Anhui Section) entitled by the Group. (December 31, 2020: RMB110 million), bank borrowings of about RMB290 million was secured by a pledge over the toll revenue for Ningguo to Qianqiuguan section of Ningxuanhang Expressway (Anhui Section) entitled by the Group. (December 31, 2020: Nil)

As at 30 June 2021, the Group had no contingent liabilities (31 December 2020: Nil).

5. 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 2020: Nil).

SECTION IV CORPORATE GOVERNANCE

I. Brief introduction of the general meeting of shareholders

Session of the meeting	The date of meeting	Index of the specified website published by the resolution	Disclosure date of resolution publication	Meeting resolution
2020 annual general meeting	21 May 2021	Shanghai Securities News, China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	22 May 2021	The approval of annual work report of the board of directors in 2020, the annual work report of the Supervisory Committee in 2020, the audited financial report in 2020, the profit distribution plan in 2020, the plan on renewing the appointment of auditors in 2021 and authorizing the board of directors to determine their remuneration, the proposal on electing Mr. Cheng Xijie as the new supervisor of the Company, and the approval of a general mandate to the board of directors for the issue of additional A shares and/or H shares of the Company

The reinstated preferred Shareholders requested an extraordinary general meeting.

Applicable Not Applicable

General meeting of shareholders

1. In order to further improve the current epidemic prevention and control work, the 2020 Annual General Meeting of shareholders was held on-site and in combination of remote communication. There are 9 Directors in office, and 6 of them attended the meeting, including Xiang Xiaolong, Yang Xiaoguang, Tang Jun, Xie Xinyu, Du Jian and Zhang Jianping, the independent Director. Director Yang Xudong and independent Directors Liu Hao and Fang Fang attended the meeting by video communication. There are 3 incumbent Supervisors of the Company, and 2 of them, namely Xu Zhen and Chen Jiping, attended the meeting on-site. The other Supervisor, namely Jiang Yue, attended the meeting by video communication. Dong Huihui, secretary of the board of directors of the Company, attended the on-site meeting, and other senior managers Li Huimin, Deng Ping, Huang Yu and Zhang Xianxiang attended the meeting as non-delegates. In addition, the Company's new Supervisor candidate, lawyers, accountants attended the meeting.
2. The 2020 Annual General Meeting of shareholders considered a total of seven motions, among which motions No. 4, 5 and 7 are counted separately for small investors. Motions No. 1 to 6 received more than half of the votes cast and were duly adopted as ordinary resolutions; Motion No. 7 was passed as a special resolution with more than two-thirds of the votes cast. No resolutions were added or changed at the meeting.

II. Change in Directors, Supervisors and Senior Management

Name	Position	Change
Tao Wensheng	Executive Director	Elected
Chen Jiping	Executive Director	Elected
Cheng Xijie	Chairman of the Supervisory Committee	Elected
Wu Changming	Employee representative Supervisor	Elected
Tao Wensheng	General Manager	Appointed
Huang Yu	Finance Director	Appointed
Zhang Xianxiang	General counsel	Appointed
Tang Jun	Executive Director & General Manager	Resigned
Xie Xinyu	Executive Director & Executive Deputy General Manager	Resigned
Xu Zhen	Chairman of the Supervisory Committee	Resigned
Chen Jiping	Employee representative Supervisor	Resigned

Change of Directors, Supervisors and senior management of the Company

The Company held the fifth meeting of the ninth Board of Directors on January 22, 2021 and appointed Mr. Huang Yu as the Chief Financial Officer of the Company, effective from the date of approval by the board of Directors, with a probation period of one year.

Due to job adjustment, Mr. Xu Zhen tendered his resignation of the Company's Supervisor and chairman of the Supervisory Committee. The Company held the fifth meeting of the ninth Supervisory Committee on May 22, 2021, and nominated Mr. Cheng Xijie as the candidate of the Company's new Supervisor. Mr. Cheng Xijie was elected as a new Supervisor by the 2020 Annual General Meeting of shareholders held on May 21, 2021, and elected as the new Chairman of the Supervisory Committee at the seventh meeting of the ninth Supervisory Committee. The term of office begins on the date of election and ends on the date of expiration of the term of office of the current Supervisory Committee.

At the 7th meeting of the 9th Board of Directors held on April 28, 2021, the Company appointed Mr. Zhang Xianxiang as the general counsel of the Company from the date of approval by the Board of Directors to the date of expiration of the term of the current board of Directors.

Due to the change of position, Mr. Chen Jiping tendered his resignation from the position of employee representative Supervisor. The Company will held a employee representative meeting on June 17, 2021 and elected Mr. Wu Changming as the employee representative Supervisor of the ninth Supervisory Committee. The term of office will start from the date of approval of the employee representative meeting to the date of expiration of the current term of the Company's Supervisory Committee.

Due to job changes, Mr. Tang Jun no longer serves as the executive Director, general manager and member of the strategic development and Investment Committee of the Company, and Mr. Xie Xinyu no longer serves as the executive director and executive deputy general manager. The Company held the eighth and ninth meetings of the ninth Board of Directors on June 11 and June 21, 2021 respectively, in which Mr. Tao Wensheng and Mr. Chen Jiping were nominated as candidates for new Directors of the Company, and were elected as new executive Directors of the Company at the first extraordinary general meeting of 2021 held on July 16, 2021. The term of office starts from the date of election to the date of expiration of the term of office of the members of the current Board of Directors. At the same time, Mr. Tao Wensheng was appointed as the general manager of the Company at the eighth meeting of the ninth Board of Directors. The term of office starts from the date of approval by the Board of Directors to the date of expiration of the term of office of members of the current Board of Directors.

III. Profit distribution or capital reserve conversion plan

Profit distribution and capital reserve conversion of equity plan prepared in the half-year period

To allocate or convert

No

IV. The Company's equity incentive plan, employee stock ownership plan or other employee incentive measures and their impact

1. *Relevant equity incentive matters have been disclosed in the interim announcement and there is no progress or change in the follow-up implementation*

Applicable Not Applicable

2. *Incentives not disclosed in the interim announcement or with follow-up progress*

Equity incentive

Applicable Not Applicable

Other Notes

Applicable Not Applicable

Employee stock ownership plan

Applicable Not Applicable

Other incentives

Applicable Not Applicable

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

As at 30 June 2021, 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.

VI. Employees remuneration and training

As at 30 June 2021, the Company and its main subsidiaries employed approximately 2,030 employees (as at 30 June 2020: 2,098 employees), which included 1,426 production staff, 163 technicians, 39 financial staff and 402 administrative staff (as at 30 June 2020, the numbers were 1,487, 120, 36 and 455 respectively).

The Company has implemented broadband pay system which 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 salary promotion standards, the formulation of performance appraisal system, and the combination of appraisal and salary distribution, the enthusiasm of employees has been mobilized and the incentive effect of the implementation of the salary system was ensured. During the Reporting Period, the salary of employees was RMB178,460.1 thousand (Same period in 2020: RMB158,511.3 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 and injury insurance for the staff.

The Company continues to pay more attention to staff education and training efforts, and constantly optimize the training system. At the beginning of the year, according to the relevant system requirements combined with the training needs survey, the Company formulated the "Wantong Company 2021 Staff Training Schedule", and carried out various kinds of training in an orderly manner according to the training plan to promote the continuous improvement of the training level.

During the Reporting Period, the Company carried out various targeted trainings and, in order to celebrate the 100th anniversary of the founding of the Communist Party of China, further promoted the study and education of party history, the Company held the second "Wantong Lecture Hall" – "Experience exchange of Party history reading"; For the young and middle-aged cadres of the headquarters and management units of the Company, the Company organized "young and middle-aged cadres training class". Through the strategic transformation, risk control, Party building and other courses and excellent enterprise on-site teaching, the ideological and political quality of the young cadres of the Company was further improved, and the sense of responsibility and the ability to perform their duties were enhanced; In addition, considering the COVID-19 pandemic, the Company actively uses online education tools, explores online education resources, and encourages employees to increase online learning communication focusing on self-learning on platforms such as "Xuexi Qiangguo* (學習強國)" and online business school.

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. 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

1. Circumstances in which administrative penalties are imposed for environmental problems

Applicable Not Applicable

2. Disclose other environmental information with reference to heavily polluted industries

During the Reporting Period, the Company strictly abided by the state regulations regarding emission of waste gas, waste water produced in the process of business, and greenhouse gases, and the handling of hazardous and non-hazardous waste regulations (including “the Law of the People’s Republic of China on the Environmental Protection”, “the Law of the People’s Republic of China on the Prevention and Control of Water Pollution” and “the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, “Measures for Greening Maintenance and Management of Expressway” of the Company, etc.), neither the Company nor its holding subsidiaries belong to the heavily polluted industries specified by the national environmental protection authorities, and there is no violation of pollution discharge or administrative punishment due to environmental problems.

3. The reason for not disclosing other environmental information

Applicable Not Applicable

(III) Description of subsequent progress or changes in the disclosure of environmental information content during the reporting period

Applicable Not Applicable

(IV) Information conducive to ecological protection, pollution prevention and performance of the environmental protection responsibility

1. Reduce emission pollution and protect the ecological environment

- (1) Insisting on commitments to performing well in road cleaning, the Company has launched the weekly check system of road condition, increased the inspection frequency of road cleaning duty, and engaged in the road cleaning, landslides and debris removal in a timely manner. Great efforts have been made to deal with the damage to subgrade slope vegetation caused by floods and landslides and engineering reinforcement with the integration of ecological recovery treatment plan have been carried out, thus to minimize the impact on the ecological environment, standardize the disposal of garbage, reduce the plastic pollution and other damages along the road. it has remained commitments to ensuring the maintenance of greening along the whole line, pruning weeding, disease and insect pest control, fertilization and other actions, thus to achieve the results that that the greening along the line grows well with efficient efforts made to protect the ecology. it has long stood by the principle of green protection to embankment slope reinforcement and maintenance project.
- (2) In order to mitigate the snowmelt agent pollution to the environment, the Company has applied the snow removal method based on the principle of "giving priority to mechanical snow removal, with the complementary efforts of urea melting snow melt agent", which means with the use of snowmelt agent, the Company has strictly controlled the use of snowmelt agent, and the distribution of snow removal agent is made in accordance with the amount of snow and the specific environment. The particle snowmelt agent has been taken advantage of for environmental protection, which is also conducive to controlling the snowmelt agent spraying density, thus to further mitigate environmental pollution to farmland and rivers.
- (3) The Company actively promotes the application of green conservation technology. It strengthened the recycling of pavement material, as well as actively applied the green maintenance techniques, such as thin layer cover face. Xiao County management office of the Company has stressed that in the bidding document of milling restoration project, the contractor of milling restoration project should be equipped with self-priming dust recovery device, and dust removal device should be installed in cleaning equipment. As a result, dusts in construction site have been significant reduced, and the dust pollution caused by road construction has also been mitigated. Lianhuo Expressway Anhui Section, which under its management has continued to implement non-damaging or low damage defect treatment technology, and adopted polymer grouting technology to treat road defects without excavation, so as to reduce the environmental pollution of engineering materials.
- (4) The Company made reasonable use of water resources, implemented water resources management and made efforts to reduce the risk of water pollution. Hefei management office of the Company has built a new collection tank under the Bridge of Dongpu reservoir to prevent sewage from being discharged into drinking water sources. Xiao County management office, Ningxuanhang Company and others have also installed sewage treatment equipment to ensure that national sewage discharge standards are met. Sewage equipment are also upgraded and maintained regularly to ensure the normal operation of equipment and the discharge indicators meet the standards.

2. Great attention has been made to traffic noise management and the reduction of noise pollution

In the year of 2021, the Company has increased noise control along the roads, invested RMB13.13 million to build 4,770 meters of sound barrier on Hefei Belt Expressway, RMB810,000 to build 363 meters of sound barrier on Tianchang Expressway, and over RMB400,000 to repair damaged sound barrier on Gaojie Expressway. Gaojie management office of the Company has actively carried out the seedling replanting work, with a total investment of RMB408,200 and more than 6,080 newly planted seedlings. The seedlings have been well replanted in the Che Zhou Si Community and the sub-zone of the expressways, largely reducing the impact of high-speed traffic noise on the charging community and residents along the road.

3. Promote green office, publicize and guide resource intensive

- (1) The Company has focused on the application of scientific and technological innovation to promote energy saving and consumption reduction in office environment. On one hand, various methods such as the control of temperature of cooling water in the central air conditioning system of the Company's office buildings, rotating shifts for elevators during night time, and adoption of new type energy saving LED lights in public area lighting systems, has been implemented to mitigate the electric energy consumption. On the other hand, natural gas consumption were reduced by steam powered control of running time of the central air conditioning system. In addition, it has installed water saving devices in the offices to reduce water consumption.
- (2) The Company has strengthened the management of supply of water, electricity and office equipment. Wasteful acts, such as leaving the lights on and water running, were put to an end, and the introduction of the energy-saving and consumption reduction work has been made into long-term mechanism for ensuring the sustainability and effectiveness of the work. The procurement and checking procedures for daily office supplies have been perfected to control the costs and reduce office expense. To avoid food waste, the cafeteria has implemented a meal reporting system during holidays, and would only purchase ingredients and prepare meals based on reported meal requests.
- (3) The Company advocates everyone taking his own initiative to protect the environment, and actively establishes a green working style, enhancing the employees' awareness of environmental protection. In combination with activities such as the "civil dining table" operation and the electricity safety promotion in the summer, Chuzhou management office of the Company has fully informed its employees of the meaning and importance of energy saving and environmental protection by the use of variable information board, banners and reminder cards. We made full use of key points such as "Arbor Day", "Patriotic Health Month" and "Safe Production Month" to organize and carry out themed volunteer service activities, further expanding the aspects of energy saving and environmental protection works, and creating a good working atmosphere.

(V) Measures and effects taken to reduce carbon emissions during the reporting period

1. The Company has given priority to the green traffic construction and upgraded as well as adjusted the toll crossings under our jurisdiction. By the year of 2021, it has opened more than 150 ETC lanes, which has greatly improved highway traffic efficiency, and largely saved the fuel consumption and exhaust emissions in an effective manner.
2. The Company has long played an active role in vehicle scheduling for official vehicles. Under the condition of ensuring normal use of vehicles, it has made efforts to realize reasonable allocation of vehicles by ways such as carpooling, while at the same time reduce vehicle use, thus to avoid vehicle waste as well as reduce exhaust emissions.

II. Details on efforts to consolidate and expand poverty alleviation and rural revitalization

1. Since the year of 2017, Gaojie management office of the Company has engaged in the selection and dispatchment of a team to Lishu Village, Taihu County for carrying out assistance work. In June 2021, the seventh batch of assistance task (poverty alleviation) was successfully completed, and the team continued to be dispatched to carry out the eighth batch of assistance task (which shows the effective connection between poverty alleviation and rural revitalization).
 - (1) By the end of 2020, 1,097 people in 326 registered poor households have been lifted from poverty group, and the villages had been fully lifted out of poverty. Since the year of 2021, on the basis of maintaining the overall stability of the existing major assistance policies, we will further optimize and adjust all related items and objectives, keep within an appropriate pace, intensity and time frame to gradually realize a smooth transition from concentrating resources to supporting poverty alleviation to comprehensively promoting rural vitalization.
 - (2) Keep upholding the unwavering leadership of the Party. We will continue to strengthen the guidance of the Party, closely unite the “two committees” of the village, and gather the strength of party members in the village. We will continue to ensure the guidance of our Party throughout the work of rural revitalization, regularly carry out theoretical study and policy education, and steadily carry out study and education of Party history. We held a general meeting to celebrate the 100th anniversary of the founding of the Communist Party of China, a special organizational life meeting on Party history learning and education, organized and carried out activities such as awarding medals to Party members of 50 years, visiting and comforting old Party members and Party members with difficulties, and continued to strengthen Party spirit education, style construction and ability improvement of Party members. Adhere to improving the Party building leading project of “pairing and co-construction of enterprise rural Party building” that “build Party branches on the industrial chain, gather Party members on the industrial chain and make the people rich on the industrial chain”.
 - (3) Continue to consolidate and expand our achievements as well as fruits yielded in poverty alleviation. Great efforts have been made in leveling up the dynamic monitoring and support mechanism for preventing people from falling back into poverty, timely identifying and lending assistance to those vulnerable, thus to prevent them from falling back into poverty, and guarding the bottom line of preventing people from falling back into poverty on a scale. Three households with 12 people at risk of falling into poverty or falling back into poverty have been identified, registered and monitored.

- (4) Continue to strengthening the industrial support and, standing by the main goal of maintaining and increasing the value of poverty alleviation assets, to continue to cooperate with private cooperatives to build high mountain calf breeding, Huanghe Mountain peach planting, ecological chicken breeding, high mountain tea planting and other industrial projects. In this way, we can promote management upgrading, technology upgrading and efficiency upgrading in an overall operation. The village cooperative has two economic cooperation entities, namely a photovoltaics company and a village-level economic cooperative, and both of them are in good operation.
 - (5) Remain commitments to making efforts to revitalize rural areas lifted out of poverty. We will carry out extensive activities to align the production and marketing of agricultural products. In addition, we are ready to deepen and expand support for consumption. Gaojie management office has regularly contacted with the units within Anhui Transportation Holding Group system and local counties and cities to actively purchase agricultural products. Since the beginning of this year, the sales volume has reached RMB173,000.
2. During the Reporting Period, Xuanguang Company has vigorously took the activity "Serve for the Masses" as the carrier to carry out in-depth assistance and condolence activities through the Party and Youth League volunteer service teams. In the first half of the year, In the first half of this year, Xuanguang Company carried out 32 visits to elderly people and children in need, totaling RMB28,610.

SECTION VI MAJOR EVENTS

I. Fulfillment of Commitments

(I) *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*

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

II. The condition of non-business fund appropriation by controlling shareholders and other related parties

Applicable Not Applicable

III. The condition of provision of guarantees in violation of specified decision-making procedure

Applicable Not Applicable

IV. The audited condition of the interim report

Applicable Not Applicable

V. The changes and treatment of the matters involved are set out in the non-standard audit opinion in last year's annual report

Applicable Not Applicable

VI. Bankruptcy or Reorganization

Applicable Not Applicable

VII. Significant litigations and arbitration events

The Company had significant litigations and arbitrations during the Reporting Period. The Company did not have significant litigations and arbitrations during the Reporting Period.

VIII. Suspected violation of laws and regulations, punishment and rectification for listed companies and their directors, supervisors, senior managers, controlling shareholders and actual controllers

Applicable Not Applicable

IX. Explanation of the credibility of the Company and its controlling shareholder and effective controller during the Reporting Period

Applicable Not Applicable

During the Reporting Period, the Company and its controlling shareholder and effective controller were in good standing, there were no events such as unsatisfied judgements and unsatisfied debt of substantial amounts.

X. Major Related Party Transactions

(I) Related Party transactions in relation to daily operations

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

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	22 January 2021 "Announcement – Continuing Connected Transactions: Entrusted Management Agreements", 10 February 2021 "Supplementary announcement- Continuing Connected Transactions: Entrusted Management Agreements", 29 March 2021 "Announcement in relation to Contemplated 2021 Daily Related Party Transactions"* (《關於預計2021年度日常關聯交易的公告》)
To receive construction management service	29 March 2021 "Announcement in relation to Contemplated 2021 Daily Related Party Transactions"* (《關於預計2021年度日常關聯交易的公告》); 25 June 2021 "Announcement-Continuing Connected Transactions: Grouting Work Contracts"; "Announcement – Continuing Connected Transactions: Asphalt Pavement Maintenance Work Contracts"
To receive property management service	29 March 2021 "Announcement in relation to Contemplated 2021 Daily Related Party Transactions"* (《關於預計2021年度日常關聯交易的公告》)
To provide the house rental services	29 March 2021 "Announcement in relation to Contemplated 2021 Daily Related Party Transactions"* (《關於預計2021年度日常關聯交易的公告》)
To provide service area rental services	29 March 2021 "Announcement in relation to Contemplated 2021 Daily Related Party Transactions"* (《關於預計2021年度日常關聯交易的公告》)
To provide gas stations rental services	29 March 2021 "Announcement in relation to Contemplated 2021 Daily Related Party Transactions"* (《關於預計2021年度日常關聯交易的公告》), 8 April 2021 "Announcement – Continuing Connected Transactions: Gas Stations Operation Right Rental"

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

On December 30, 2020, the Company and AENO entered into the 2021 Network Toll Road Network Operation Service Agreement ("Original Service Agreement"). For details, please refer to the Company's announcement on December 30, 2020 headed "Continuing Connected Transactions: Entering into Network Services Agreement in Writing".

In accordance with the adjustment of network operation service fee and other provisions in the Meeting Minutes of Anhui Provincial Expressway Network Toll Management Committee and relevant provisions in the Original Service Agreement, the Company has terminated the Original Service Agreement on July 16, 2021 and entered into new service agreements, with the service term unchanged. The signing party of the new service agreements and the standard of the network operation service fee have been changed.

There is no material change in the content of the modified contracts. The total amount of the new service agreements signed is expected to be no more than the Original Service Agreement, which will not harm the interests of the Company and its shareholders, especially minority shareholders, and will not adversely affect the Company's production and operation. For details, please refer to the Company's A share announcement headed "announcement of the Resolutions of the 10th Meeting of The 9th Board of Directors" (Lin2021-025) and H share announcement headed "Continuing Connected Transactions: Entering into New Network Services Agreement".

3. Items which have not been disclosed in temporary announcement

Applicable Not Applicable

(II) *Related party 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 a guarantee of performance)

Applicable Not Applicable

(III) Significant related party 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

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

Item overview

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

The Company proposed to form a joint venture company in Hong Kong through joint contribution together with the other consortium members (namely China Merchants Expressway Network & Technology Holdings Co., Ltd.* (招商局公路網絡科技控股股份有限公司), China Merchants Union (BVI) Limited, Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司), Jiangsu Expressway Company Limited* (江蘇寧滬高速公路股份有限公司), and Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), for the purpose of establishing a joint venture company to acquire 51% of the shares and the relevant portion of shareholder loans of the Turkish company ICA IC İnşaat Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş., and 51% equity of Eurasia Motorway Maintenance and Operations Limited, a company incorporated in Hong Kong (i.e. the O&M Target Company). The Company proposed to contribute 48.195 million US dollars and hold 7% of the shares of the joint venture company. The matter has been deliberated and adopted at the 17th meeting of the 8th board of directors held on 20 December 2019.

23 December 2019 "Joint Announcement – Connected Transaction: Formation of Joint Venture"

5 August 2021 "Announcement on the Progress of Acquisition of Overseas Asset through Joint Venture Set up by the Company and other Parties of the Consortium"* (《關於公司與聯合體各方共同設立公司收購境外資產的進展公告》) (Lin 2021-026)

23 August 2021 "Announcement on the Progress of Acquisition of Overseas Asset through Joint Venture Set up by the Company and other Parties of the Consortium"* (《關於公司與聯合體各方共同設立公司收購境外資產的進展公告》) (Lin 2021-027).

On August 5, 2021, the Company published a progress announcement that the relevant parties had not yet reached a consensus on the relevant terms of the refinancing agreement, and the preconditions for the transaction under the share purchase agreement have not been completed; On August 23, 2021, the Company published another progress announcement that the Chinese consortium planned to negotiate with the Turkey vendor on the termination agreement of the project.

As of the disclosure date of this report, the Company has not made the payment for the investment.

The above acquisition transaction has a possibility to terminate. Investors and advised to take note of the risks.

Item overview

In accordance with the resolution of the third meeting of the eighth Board of Directors in 2017, the Company would invest RMB200 million to participate in the investment and establishment of Jinshi Fund Management Company and Anhui Transportation Jinshi Merger and Acquisition Fund Partnership. The fund is divided into two phases of investment. Currently, the Company has completed the first phase of investment of the fund and invested RMB100 million. The first phase of the fund is running well.

At the ninth meeting of the ninth Board of Directors held on June 21, 2021, the Company considered and approved the resolution on optimizing the cooperation terms of Anhui Transportation Jinshi Second-phase Equity investment Fund under the original agreement framework, and set up a new partnership to sign the cooperation agreement.

On July 9, 2021, the Company signed the Partnership Agreement of Anhui Transportation Jinshi Equity Investment Fund Partnership (Limited Partnership) with Anhui Transportation Jinshi Private Fund Management Co., Ltd., Anhui Transportation Holding Capital Investment Co., Ltd.* (安徽交控資本投資管理有限公司) and Jinshi Investment Co., Ltd.* (金石投資有限公司), to confirm the matters related to the investment fund. The total committed capital of the phase II fund is RMB150 million, and the Company's committed investment amount was RMB99.625 million, accounting for 6.64% of the fund capital.

As of the date of this report, the Company has made a capital contribution of RMB33,208.3 thousand, representing 6.64% of the total amount of initial capital contribution for Anhui Transportation Jinshi Equity Investment Fund Partnership* (安徽交控金石股權投資基金合夥企業).

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

23 September 2017 "Connected Transactions Announcement for Investment In Establishment of Fund Management Company and Initiating Merger and Acquisition Fund" * (《關於擬參股設立基金管理公司及發起成立並購基金暨關聯交易公告》) (Lin 2017-049)

14 December 2017 "Connected Transactions: Establishment of Fund Management Company and Fund Partnership"

22 June 2021 "Announcement of Resolutions of the Ninth (Extraordinary) Meeting of the Ninth Board of Directors"* (《第九屆董事會第九次會議(臨時)決議公告》) (Lin 2021-019)

9 July 2021 "Announcement-Adjustment to Terms of Fund Partnership and Establishment of Phase II Fund Partnership"

Anhui Expressway Company Limited

3. Matters not disclosed in the provisional announcement

Applicable Not Applicable

(IV) Related debtor and creditor account

1. Items which has been disclosed in announcements without further changes

Applicable Not Applicable

2. Items which has been disclosed in announcements with further changes

Applicable Not Applicable

3. Items which has not been disclosed in announcements

Unit: '000 Currency: RMB

Related parties	Connected relation	The Company provides capital to related parties			Related parties provide capital to the Company		
		Initial Balance	Amount incurred	Closing Balance	Initial Balance	Amount incurred	Closing Balance
ATHC	Controlling shareholder	0	0	0	443,528	-164,428	279,100
Xuancheng Transportation Investment	Other connected persons	0	0	0	158,248	-74,000	84,248
Total	0		0	0	601,776	-238,428	363,348

The circumstances under which the related debt is formed

The total investment amount of ATHC and Xuancheng Transportation Investment 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 of related debts and claims

(V) The financial business between the Company and affiliated financial companies, the financial companies held by the Company and affiliated parties

Applicable Not Applicable

(VI) Other significant related party/connected transactions

Applicable Not Applicable

(VII) Others

Applicable Not Applicable

XI. Material contracts and their implementation

1. Entrusted management, subcontracting and leasing items

Applicable Not Applicable

2. The major guarantees performed or not yet performed during the reporting period

Applicable Not Applicable

3. Other major contracts

Applicable Not Applicable

XII. OTHER MAJOR EVENTS

Adjustment to Calculation Method and Standard of Toll Payment

According to the Notice on Items Related to Toll Road Vehicle Tolls 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 [2020] No. 162), Anhui toll road vehicle toll standard has been in trial operation for one year and expired at the end of 2020. With the consent of the provincial government, the new standard has been officially implemented from 1 January 2021; Freight vehicles with Anhui transportation card enjoy a 15% discount. The discount period is tentatively extended for 3 years, from 1 January 2021 to 31 December 2023. For details, please refer to the Company's "Announcement on Toll Charging Standards"* (《關於通行費收費標準的公告》)(Lin 2020-033).

5% discount policy for ETC users

According to the Notice on Implementing Preferential Policies on Toll Tolls for ETC Vehicles issued by the Department of Transport of Anhui Province and the Development and Reform Commission of Anhui Province, starting from July 1, 2019, the preferential policy of 5% discount on tolls will be implemented for vehicles that use electronic payment cards of other provinces to pay tolls on toll roads of Anhui Province.

Proposed Liquidation and Dissolution of Wantong Pawn

Due to the adverse industry operating environment, intensified market competition and other factors, the risks of the Company's financial projects have gradually become prominent. In order to further optimize the industrial structure of the Company, strengthen risk management and control, and safeguard the legitimate rights and interests of the Company and shareholders, the Board approved the liquidation and dissolution of Wantong Pawn at the ninth meeting of the ninth Board of Directors held on June 21, 2021, and authorized the management of the Company to handle all matters related to the liquidation and dissolution. For details, please refer to the Company's announcement headed "Announcement of Resolution of the Ninth (Extraordinary) Meeting of the Ninth Board of Directors"* (《第九届董事会第九次会议(临时)决议公告》) (Lin 2021-019).

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 Corporate Governance Code as contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange 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.

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 2021, 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 2021.

Purchase, Sale and Redemption of the Company's Securities

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries and joint ventures purchased, sold or redeemed any of the Company's listed securities.

XIII. Subsequent Event

Except as disclosed in this report, there were no important events affecting the Group that have occurred after 30 June 2021 and up to the date of this report.

* For identification purpose only

SECTION VII CHANGE OF SHARES AND SHAREHOLDERS

I. Change of share capital

(I) 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 are required by the securities regulatory authority to disclose

Applicable Not Applicable

(II) Change of restricted shares

Applicable Not Applicable

II. Shareholders

(I) Number of shareholders

Number of shareholders of ordinary shares as at the end of the Reporting Period 24,121

Note: at the end of the Reporting Period, the total number of A-share shareholders is 24,052 and the total number of H-share shareholders is 69.

Anhui Expressway Company Limited

(II) 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 (full name)	Change during the Reporting Period	The ten largest shareholders		Number of Restricted shares	Shares pledged or locked-up		Nature of shareholders
		Shareholding as at the end of the Reporting period	Shareholding percentage (%)		Share status	Number	
Anhui Transportation Holding Group Company Limited	0	524,644,220	31.63	0	None		State-owned shares
HKSCC NOMINEES LIMITED	-4,714,000	483,185,899	29.13	0	Unknown		Overseas legal person
China Merchants Highway Network Technology Holding Company Limited	0	404,191,501	24.37	0	None		State-owned legal person
Hong Kong Securities Clearing Co. Ltd	3,230,691	28,049,872	1.69	0	None		Overseas legal person
Guolian Securities Co., Ltd	-425,571	13,474,400	0.81	0	None		Domestic non- state-owned legal person
Ding Xiuling	0	5,411,435	0.33	0	None		Domestic natural person
Chen Rongzhi	3,457,100	3,457,100	0.21	0	None		Domestic natural person
Shanghai Wenduo Asset Management Center (L.P.) – Wenduo Steady Phase I Fund	2,897,314	3,297,314	0.20	0	None		Other
Ding guangzhong	0	2,526,025	0.15	0	None		Domestic natural person
Li Min	0	2,000,000	0.12	0	None		Domestic natural person

Shareholding of the ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares held	Type and number of shares	
		Type	Number
Anhui Transportation Holding Group Company Limited	524,644,220	Renminbi-denominated ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	483,185,899	Overseas listed foreign shares	483,185,899
China Merchants Highway Network Technology Holding Company Limited	404,191,501	Renminbi-denominated ordinary shares	404,191,501
Hong Kong Securities Clearing Co. Ltd	28,049,872	Renminbi-denominated ordinary shares	28,049,872
Guolian Securities Co., Ltd	13,474,400	Renminbi-denominated ordinary shares	13,474,400
Ding Xiuling	5,411,435	Renminbi-denominated ordinary shares	5,411,435
Chen Rongzhi	3,457,100	Renminbi-denominated ordinary shares	3,457,100
Shanghai Wenduo Asset Management Center (L.P.) – Wenduo Steady Phase I Fund	3,297,314	Renminbi-denominated ordinary shares	3,297,314
Ding guangzhong	2,526,025	Renminbi-denominated ordinary shares	2,526,025
Li Min	2,000,000	Renminbi-denominated ordinary shares	2,000,000

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

There are no connected relationship between the State-owned shareholders and the legal person shareholders in the above chart. Moreover, the Company does not know if there is any connected relationship amongst other shareholders, or whether they belong to persons acting in concert as stipulated under the "Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies".

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

Anhui Expressway Company Limited

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

Applicable Not Applicable

III. Directors, Supervisors and senior management

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

Applicable Not Applicable

Information on other issues

Applicable Not Applicable

(II) Equity incentives awarded to Director, Supervisor, senior management during the Reporting Period

Applicable Not Applicable

(III) Information on other issues

Applicable Not Applicable

IV. Change of Controlling Shareholders and Effective Controllers

Applicable Not Applicable

V. 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 2021, 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	92,396,000(L)	H shares	18.74%	Pledged
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 2021, 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 2021.

Anhui Expressway Company Limited

SECTION VIII RELATED INFORMATION OF PREFERENCE SHARES

Applicable Not Applicable

SECTION IX RELATED INFORMATION OF BONDS

I. Enterprise bonds, corporate bonds and non-financial corporate debt financing instruments

Applicable Not Applicable

II. Convertible Corporate Bonds

Applicable Not Applicable

Anhui Expressway Company Limited

SECTION X FINANCIAL REPORT

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2021	Audited 31 December 2020
ASSETS			
Non-current assets			
Concession intangible assets	7	10,352,364	10,617,626
Right-of-use assets	7	7,189	7,571
Property, plant and equipment	7	1,086,562	1,164,810
Investment properties	7	385,811	396,056
Intangible assets	7	1,680	2,068
Investments in associates		143,577	136,982
Deferred income tax assets		31,860	19,387
Financial assets at fair value through profit or loss ("financial assets at FVPL")	9	255,869	259,326
Financial assets at fair value through other comprehensive income ("Financial assets at FVOCI")	8	118,606	118,326
		<u>12,383,518</u>	<u>12,722,152</u>
Current assets			
Inventories		5,935	6,160
Other current assets		3,728	4,666
Financial assets at FVPL	9	502,770	1,104,490
Receivables and prepayments	10	228,021	159,438
Time deposits with original maturity over three months	27	411,664	321,683
Cash and cash equivalents	27	3,989,152	1,967,754
		<u>5,141,270</u>	<u>3,564,191</u>
Total assets		<u><u>17,524,788</u></u>	<u><u>16,286,343</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2021	Audited 31 December 2020
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	36,142	35,952
Retained earnings		8,532,002	8,204,302
		<u>11,642,347</u>	<u>11,314,457</u>
Non-controlling interests		<u>538,963</u>	<u>637,193</u>
Total equity		<u>12,181,310</u>	<u>11,951,650</u>
LIABILITIES			
Non-current liabilities			
Long-term payables	17	326,408	522,905
Borrowings	14	3,047,066	1,641,975
Deferred income tax liabilities		19,764	20,960
Deferred income	16	77,128	24,486
		<u>3,470,366</u>	<u>2,210,326</u>

Anhui Expressway Company Limited

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2021	Audited 31 December 2020
Current liabilities			
Trade and other payables	13	1,528,390	1,244,863
Current income tax liabilities		140,068	256,810
Provision	15	23,484	35,219
Borrowings	14	181,170	587,475
		<u>1,873,112</u>	<u>2,124,367</u>
Total liabilities		<u>5,343,478</u>	<u>4,334,693</u>
Total equity and liabilities		<u>17,524,788</u>	<u>16,286,343</u>

The notes on pages 68 to 100 are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 60 to 100 were approved by the Board of Directors on 27 August 2021 and the interim condensed consolidated balance sheet was signed on its behalf by:

Director (項小龍)

Director (陶文勝)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited Six months ended 30 June	
	Note	2021	2020
Revenue	19	1,720,601	871,025
Cost of sales	20	(673,075)	(725,021)
Gross profit		1,047,526	146,004
Other income and gains – net	18	78,704	38,769
Administrative expenses	20	(51,764)	(40,392)
Net impairment reversal on financial assets	21	91	1,171
Operating profit		1,074,557	145,552
Finance costs	22	(73,702)	(60,289)
Share of profit of associates		6,595	10,693
Profit before income tax		1,007,450	95,956
Income tax expenses	23	(283,348)	(65,333)
Profit for the period		724,102	30,623
Attributable to:			
Owners of the Company		709,160	108,200
Non-controlling interests		14,942	(77,577)
		724,102	30,623
Basic and diluted earnings per share (expressed in RMB per share)	24	0.4276	0.0652

The notes on pages 68 to 100 are an integral part of this condensed consolidated interim financial information.

Anhui Expressway Company Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

	Unaudited Six months ended 30 June	
	2021	2020
Profit for the period	724,102	30,623
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Change in value of financial assets at FVOCI, net of tax	210	–
Total comprehensive income for the period	<u>724,312</u>	<u>30,623</u>
Attributable to:		
Owners of the Company	709,370	108,200
Non-controlling interests	<u>14,942</u>	<u>(77,577)</u>
	<u>724,312</u>	<u>30,623</u>

The notes on pages 68 to 100 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 2021

(All amounts in Renminbi thousands unless otherwise stated)

Note	Attributable to equity holders of the Company				Non-controlling interests	Total
	Ordinary share capital (Note 11)	Share premium (Note 11)	Other reserves (Note 12)	Retained earnings		
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 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) for the period ended 30 June 2020 (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,200</u>	<u>(77,577)</u>	<u>30,623</u>
Transactions with owners						
Dividends relating to 2019 (unaudited)	-	-	-	(381,480)	-	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2019 (unaudited)	-	-	-	-	(141,618)	(141,618)
Others (unaudited)	-	-	(311)	311	-	-
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>

Anhui Expressway Company Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Attributable to equity holders of the Company				Non-controlling interests	Total
		Ordinary share capital (Note 11)	Share premium (Note 11)	Other reserves (Note 12)	Retained earnings		
Balance at 1 January 2021 (audited)		1,658,610	1,415,593	35,952	8,204,302	637,193	11,951,650
Comprehensive income							
Profit for the period (unaudited)		-	-	-	709,160	14,942	724,102
Other comprehensive income (unaudited)							
– Fair value change on financial assets at FVOCI, net of tax (unaudited)		-	-	210	-	-	210
Total comprehensive income for the period ended 30 June 2021 (unaudited)		-	-	210	709,160	14,942	724,312
Transactions with owners							
Dividends relating to 2020 (unaudited)	25	-	-	-	(381,480)	-	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2020 (unaudited)		-	-	-	-	(113,172)	(113,172)
Others (unaudited)		-	-	(20)	20	-	-
Balance at 30 June 2021 (unaudited)		1,658,610	1,415,593	36,142	8,532,002	538,963	12,181,310

The notes on pages 68 to 100 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June	
		2021	2020
Cash flows from operating activities			
Cash generated from operations		1,144,436	210,080
Interest paid		(61,692)	(51,792)
Income tax paid		(413,829)	(172,408)
Net cash generated from/(used in) operating activities		668,915	(14,120)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,168)	(11,774)
Purchase of intangible assets	7	(75)	(5)
Net increase in restricted cash	27	(89,981)	(20,035)
Proceeds from disposal of financial assets at FVPL	5.3	3,127,357	2,161,635
Payments for purchase of financial assets at FVPL	5.3	(2,500,000)	(2,820,000)
Proceeds from sales of property, plant and equipment		9,778	59
Interest received		22,797	23,879
Dividend received from associates		–	22,080
Dividend received from financial assets at FVPL		17,933	–
Dividend received from financial assets at FVOCI		6,291	14,575
Net cash generated from/(used in) investing activities		592,932	(629,586)
Cash flows from financing activities			
Proceeds from bank borrowings		1,746,796	295,000
Proceeds from long-term payables		–	125,428
Repayments of bank borrowings		(748,773)	(36,846)
Repayments of long-term payables		(238,428)	(79,320)
Dividends paid to the non-controlling interests		–	(29,785)
Net cash generated from financing activities		759,595	274,477
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		1,967,754	1,905,261
Exchange gains on cash and cash equivalents		(44)	47
Cash and cash equivalents at end of the period	27	3,989,152	1,536,079

The notes on pages 68 to 100 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 2021

(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 15 August 1996 as a joint stock limited company. The Company and its subsidiaries (the "Group") are principally engaged in the construction, operation, management and development of the toll roads and associated service sections in the Anhui Province. 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 2021, 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	40	From 19 December 2015 to 18 December 2045
Ningxuanhang Expressway Liqiao to Xuancheng Section (ii)	27	From 30 December 2017 to 29 December 2022

(i) The expansion project of Hening Expressway was officially opened to traffic in December 2019 and the temporary granted concession period for the expansion is 5 years since the end of original concession period (15 August 2026). Concession intangible assets are amortized over 25 years since January 2020 temporarily before the formal concession period is granted, which is estimated by the Group and will be determined according to future assessment and relevant provisions.

(ii) 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 are amortised over 30 years temporarily before the formal granted concession period is granted, which is estimated by the Group and will be determined according to future assessment and relevant provisions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 27 August 2021.

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 2021 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 2020, 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 2021 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 2021:

- Amendments to HKFRS 16 regarding Covid-19-related rent concessions
- Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 regarding interest rate benchmark reform – phase 2

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 2021 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 2021 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" and amendments to HKFRS 17, effective for annual accounting periods beginning on or after 1 January 2023
- Amendments to HKAS 1 regarding classification of liabilities as current or non-current, effective for annual accounting periods beginning on or after 1 January 2023
- Amendments to HKFRS 3, HKAS 16 and HKAS 37 regarding narrow-scope amendments, effective for annual accounting periods beginning on or after 1 January 2022
- Amendments to AG 5 "Merger Accounting for Common Control Combinations", effective for annual accounting periods beginning on or after 1 January 2022
- Amendments to HK Int 5(2020) "Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause", effective only when an entity applies the Amendments to HKAS 1
- Annual Improvements to HKFRSs 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 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 2020.

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 2020, 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).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 2021 and 31 December 2020.

As at 30 June 2021 (unaudited)	Level 1 RMB'000	Level 2 RMB' 000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVPL	–	–	758,639	758,639
Financial assets at FVOCI	–	–	118,606	118,606
	–	–	877,245	877,245
	–	–	1,363,816	1,363,816
	–	–	118,326	118,326
	–	–	1,482,142	1,482,142

The following table presents the changes in level 3 instruments for six months ended 30 June 2021.

	For six months ended 30 June 2021		
	Financial assets at FVPL	Financial assets at FVOCI	Total
Opening balance (audited)	1,363,816	118,326	1,482,142
Additions (unaudited)	2,500,000	–	2,500,000
Disposals (unaudited)	(3,127,357)	–	(3,127,357)
Gains recognised in profit or loss (unaudited) (Note 18)	22,180	–	22,180
Gains recognised in other comprehensive income (unaudited) (Note 8)	–	280	280
Closing balance (unaudited)	758,639	118,606	877,245

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 2021 (unaudited)	Valuation technique	Unobservable input	Range (weighted average)
Financial assets at FVPL	502,770	Income approach	Discount rate	2.95%-3.40% /(3.01%)
Financial assets at FVPL	255,869	Income approach	Discount rate	11.18%-11.68% /(11.43%)
Financial assets at FVOCI	103,606	Income approach	Discount rate	11.18%-11.68% /(11.43%)
Financial assets at FVOCI	15,000	Market comparable approach	Price/Book value	10-13/(11.5)
	877,245			

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 2021(unaudited).

The Group is domiciled in Anhui Province, the PRC. Its revenue is generated from Anhui Province, the PRC. As at 30 June 2021(unaudited) and 31 December 2020, all non-current assets of the Group are located in the PRC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

7 Capital expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment properties	Right-of-use assets
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)	(298,630)	(1,522)	(61,757)	(9,503)	(457)
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>
Six months ended 30 June 2021					
Opening net book amount as at 1 January 2021 (audited)	10,617,626	2,068	1,164,810	396,056	7,571
Additions	32,951	75	1,168	-	-
Adjustment of cost	-	-	(14,017)	-	-
Transfers	-	1,278	(1,278)	-	-
Disposals	-	-	(154)	-	-
Depreciation/amortisation (Note 20)	(298,213)	(1,741)	(63,967)	(10,245)	(382)
Closing net book amount as at 30 June 2021 (unaudited)	<u>10,352,364</u>	<u>1,680</u>	<u>1,086,562</u>	<u>385,811</u>	<u>7,189</u>

As at 30 June 2021, 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 2021 (same period of 2020: no borrowing costs has been capitalised).

Anhui Expressway Company Limited

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

8. Financial assets at FVOCI

	Equity interests in unlisted companies and LPs					Total
	AXFG (a)	AXCM (a)	WTMC (b)	ATZFM (c)	ATGFM (d)	
At 1 January 2021 (audited)	75,309	25,222	15,000	1,056	1,739	118,326
Fair value gains on financial assets at FVOCI recognised in OCI	-	-	-	84	196	280
At 30 June 2021(unaudited)	<u>75,309</u>	<u>25,222</u>	<u>15,000</u>	<u>1,140</u>	<u>1,935</u>	<u>118,606</u>

- (a) As at 30 June 2021, 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 2020: 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 2020: 6.62% and fair value of RMB25,222 thousand).

For the six months ended 30 June 2021, dividend of RMB6,291 thousand was declared and paid by AXFG.

- (b) As at 30 June 2021, the Company held 10% equity interests in Hefei Wan Tong Microcredit Co., Ltd. ("合肥市皖通小額貸款有限公司", "WTMC"), which was designated as financial assets at FVOCI.
- (c) As at 30 June 2021, the Company invested in RMB375 thousand and held 2.50% equity interest 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"). The Company has no control or significant influence over ATZFM and the investment was designated as financial assets at FVOCI.
- (d) As at 30 June 2021, the Company invested in RMB375 thousand and held 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"). Since the Company has no control or significant influence over ATGFM and the investment was designated as financial assets at FVOCI.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

9 Financial assets at FVPL

	30 June 2021 (unaudited)	31 December 2020 (audited)
Non-current assets		
Investments in LPs		
– ATGBF (a)	136,875	135,233
– ATZIIF (b)	118,994	124,093
	255,869	259,326
Current assets		
Structural deposits (c)	502,770	1,104,490
	758,639	1,363,816

(a) As at 30 June 2021, the Company invested in RMB99,625 thousand and held 6.64% of the 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”). As a limited partner, the Company do not engage in management or decision-making of ATGBF.

(b) As at 30 June 2021, the Company invested in RMB99,625 thousand and held 6.64% of the interest in Anhui Transportation Zhaoshang Industry Investment Fund LP (“安徽交控招商產業投資基金(有限合夥)”, “ATZIIF”). As a limited partner, the Company do not engage in management or decision-making of ATZIIF.

For the six months ended 30 June 2021, dividend of RMB17,933 thousand was declared and paid by ATZIIF.

(c) As at 30 June 2021, the current financial assets at FVPL are structured deposits with no guaranteed returns, hence their contractual cash flows do not qualify for solely payments of interest. Therefore they are measured at fair value through profit or loss. All of these structured deposits are expected to be collected within 1 year from 30 June 2021.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

10 Receivables and prepayments

	30 June 2021 (unaudited)	31 December 2020 (audited)
Other receivables		
– Toll roads income receivable (a)	142,644	57,717
– Pawn loans to customers (b)	47,050	55,380
– Receivables for construction	30,051	30,051
– Interest receivable	8,712	2,365
– Receivables from disposal of property, plant and equipment	–	9,498
– Others	32,731	37,240
	<u>261,188</u>	<u>192,251</u>
Less: Provision for impairment of pawn loans (b)	(31,866)	(31,949)
Provision for impairment of others (c)	(2,113)	(2,121)
	<u>227,209</u>	<u>158,181</u>
Prepayments		
– Prepaid expenses	812	1,257
	<u>228,021</u>	<u>159,438</u>

The ageing analysis of the other receivables were as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Within 1 year	171,430	112,084
Between 1 and 2 years	12,543	3,078
Between 2 and 3 years	842	760
Over 3 years	76,373	76,329
	<u>261,188</u>	<u>192,251</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

10 Receivables and prepayments (Continued)

(a) As at 30 June 2021, 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 RMB140,271 thousand (31 December 2020: RMB55,300 thousand) for uncollected toll roads income (Note 28).

(b) Pawn loans to customers

As at 30 June 2021 and 31 December 2020, the analysis of pawn loans to customers is as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Pawn loans to customers		
– Principal	47,050	55,380
– Interest	–	–
	<u>47,050</u>	<u>55,380</u>
Less: Impairment allowances	<u>(31,866)</u>	<u>(31,949)</u>
Pawn loans to customers, net	<u>15,184</u>	<u>23,431</u>

Pawn loans to customers are arising from the Group’s pawn loans business. The loan periods granted to customers are six months and bore fixed interest rates ranging from 10.92% to 13.20% for the six months ended 30 June 2021 (for the six months ended 30 June 2020: bore fixed interest rates ranging from 10.92% 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:

	Unaudited For the six months ended 30 June	
	2021	2020
Beginning of the period (audited)	(31,949)	(97,690)
Impairment losses reversed (unaudited) (Note 21)	<u>83</u>	<u>1,262</u>
End of the period (unaudited)	<u>(31,866)</u>	<u>(96,428)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

10 Receivables and prepayments (Continued)

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

	Unaudited For the six months ended 30 June	
	2021	2020
Beginning of the period (audited)	(2,121)	(2,742)
Impairment losses recognised (unaudited) (Note 21)	8	(91)
End of the period (unaudited)	(2,113)	(2,833)

As at 30 June 2021 and 31 December 2020, all other receivables balances were denominated in RMB.

As at 30 June 2021 and 31 December 2020, 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 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)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
At 1 January 2021 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2021 (unaudited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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 financial assets at FVOCI, net of tax	Total
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>(74,603)</u>	<u>34,729</u>
Balance at 1 January								
2021 (audited)	2,243	955,881	658	46,717	(186,362)	(710,116)	(73,069)	35,952
Usage of enterprise safety fund (unaudited)	-	-	-	(20)	-	-	-	(20)
Changes in fair value of financial assets at FVOCI, net of tax (unaudited)	-	-	-	-	-	-	210	210
Balance at 30 June 2021 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>46,697</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>(72,859)</u>	<u>36,142</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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

12 Other reserves (Continued)

- (a) The merger reserve as at 30 June 2021 and 31 December 2020 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 2021 (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	<u>(215,330)</u>
Merge reserve	<u><u>(186,362)</u></u>

- (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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

13 Trade and other payables

	30 June 2021 (unaudited)	31 December 2020 (audited)
Payables on acquisition of concession intangible assets	781,383	996,736
Dividends payable	494,652	–
Staff salaries and welfare	80,731	28,954
Deposits for construction projects	64,524	67,301
Current portion of long-term payables (Note 17)	32,466	69,792
Interest payable	21,855	14,971
Other taxation payables	12,083	20,798
Service fee for the collection of toll roads income	9,320	4,291
Service fee payable for upgrading of online toll platform	–	10,116
Others	31,376	31,904
	<u>1,528,390</u>	<u>1,244,863</u>

As at 30 June 2021, trade and other payables of RMB313,956 thousand were aged over one year (31 December 2020: RMB380,003 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 2021 and 31 December 2020, the fair values of trade and other payables, except for staff salaries and welfare, other taxation payables and advance from customers approximated their carrying amounts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

14 Borrowings

	30 June 2021		31 December 2020	
	Interest rate per annum (unaudited)	Amount	Interest rate per annum (audited)	Amount
Long-term bank borrowings				
Denominated in RMB				
– guaranteed and unsecured (a)	4.90%	85,000	4.41%-4.90%	464,229
– pledged (b)	1.20%-4.90%	<u>3,143,236</u>	1.20%-4.90%	<u>1,470,221</u>
		<u>3,228,236</u>		<u>1,934,450</u>
Less: current portion				
Denominated in RMB				
– guaranteed and unsecured (a)	4.90%	(20,000)	4.41%-4.90%	(176,054)
– pledged (b)	1.20%-4.90%	<u>(161,170)</u>	1.20%-4.90%	<u>(116,421)</u>
		<u>(181,170)</u>		<u>(292,475)</u>
Non-current borrowings		<u>3,047,066</u>		<u>1,641,975</u>
Short-term bank borrowings				
Denominated in RMB				
– unsecured (a)	–	–	3.05%-3.75%	245,000
– pledged	–	<u>–</u>	3.915%	<u>50,000</u>
		<u>–</u>		<u>295,000</u>
Current portion of long-term borrowings		<u>181,170</u>		<u>292,475</u>
Current borrowings		<u>181,170</u>		<u>587,475</u>
Total borrowings		<u>3,228,236</u>		<u>2,229,450</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

14 Borrowings (Continued)

- (a) As at 30 June 2021, the long-term bank borrowings of RMB85,000 thousand were guaranteed by Xuancheng Communication Investment Co., Ltd. (“宣城市交通投资有限公司”, “XCIC”), a non-controlling interest of subsidiaries (31 December 2020: RMB191,556 thousand were guaranteed by XCIC; RMB228,000 thousand were guaranteed by the ATHC; RMB44,673 thousand were guaranteed by the Company and RMB245,000 thousand were guaranteed the Ningxuanhang).
- (b) As at 30 June 2021, the long-term bank borrowings of RMB500,000 thousand was pledged by estimated future toll roads cash inflow from the completion of reform and expansion of Hening Expressway (31 December 2020: RMB540,000 thousand) and the long-term bank borrowings of RMB806,852 thousand was pledged by estimated future toll roads cash inflow from the completion of reform and expansion of Ningxuanhang Expressway Liqiao to Xuancheng Section (31 December 2020: RMB870,221 thousand), and bank borrowings of RMB1,548,825 thousand was pledged by estimated future toll roads cash inflow from Ningxuanhang Expressway Xuancheng to Ningguo Section (December 2020: RMB110,000 thousand), and bank borrowings of RMB287,559 thousand was pledged by estimated future toll roads cash inflow from Ningxuanhang Expressway Ningguo to Qianqiuguan Section (December 2020: Nil).

As at 30 June 2021 and 31 December 2020, the Group's borrowings are repayable as follows:

	30 June 2021 (unaudited)	31 December 2020 (audited)
Within 1 year	181,170	587,475
Between 1 and 2 years	181,186	210,483
Between 2 and 5 years	643,802	507,007
Over 5 years	2,222,078	924,485
	<u>3,228,236</u>	<u>2,229,450</u>

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

	30 June 2021 (unaudited)	31 December 2020 (audited)
Expiring within one year	<u>833,675</u>	<u>1,595,000</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

15 Provision – maintenance/resurfacing obligations

Balance at 1 January 2021 (audited)	35,219
Addition of provision (unaudited)	85,392
Utilisation of provision (unaudited)	<u>(97,127)</u>
Balance at 30 June 2021 (unaudited)	<u><u>23,484</u></u>

16 Deferred income

	30 June 2021 (unaudited)	31 December 2020 (audited)
Government grants	<u>77,128</u>	<u>24,486</u>

Deferred income represents government grants relating to assets with the amount of RMB77,128 thousand which is amortised over 7 to 25 years.

For the six months ended 30 June 2021, amortisation of RMB1,731 thousand (2020: RMB1,085 thousand) has been charged in "other income and gains – net" (Note 18) and amortisation of RMB242 thousand (2020: Nil) has been deducted from "finance costs".

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 2021 (unaudited)	31 December 2020 (audited)	30 June 2021 (unaudited)	31 December 2020 (audited)
Long-term payables to ATHC (a)	279,100	443,528	279,100	443,528
Long-term payables to XCIC (b)	<u>79,774</u>	<u>149,169</u>	<u>80,764</u>	<u>151,023</u>
Long-term payables – total	358,874	592,697	359,864	594,551
Less: current portion of long-term payables (Note 13)	<u>(32,466)</u>	<u>(69,792)</u>	<u>(32,863)</u>	<u>(70,644)</u>
	<u><u>326,408</u></u>	<u><u>522,905</u></u>	<u><u>327,001</u></u>	<u><u>523,907</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

17 Long-term payables (Continued)

- (a) As at 30 June 2021, the balances represented interest-bearing loans of RMB279,100 thousand.
- (b) As at 30 June 2021, the balances represented interest-free loans of RMB64,374 thousand and interest-bearing loans of RMB15,400 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 2021, the undiscounted amount of long-term payables to XCIC and ATHC was RMB84,248 thousand and RMB279,100 thousand respectively (31 December 2020: RMB158,248 thousand and RMB443,528 thousand respectively).

The fair values of long-term payables are based on cash flows discounted using 4.65%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2021 (31 December 2020: 4.75%).

18 Other income and gains – net

	Unaudited For the six months ended 30 June	
	2021	2020
Interest income	29,632	15,830
Dividend income	24,224	1,992
Gains from financial assets at FVPL	22,180	24,790
Amortisation of government grants relating to assets (Note16)	1,731	1,085
Government grants relating to profits	455	728
Gains/(losses) from disposal of property, plant and equipment	126	(362)
Donations	–	(5,000)
Others	356	(294)
	78,704	38,769

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

19 Revenue

	Unaudited For the six months ended 30 June	
	2021	2020
Toll roads income, rental income and others	1,687,240	817,172
Revenue from construction or upgrade work under Service Concessions	32,951	52,157
Interest income from pawn loans to customers	410	1,696
	<u>1,720,601</u>	<u>871,025</u>

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	
	2021	2020
Depreciation and amortisation expenses (Note 7)	374,548	371,869
Employee benefit expenses	178,460	158,511
Repair expenses	85,392	119,591
Costs payable to vendors for construction or upgrade work under the Service Concessions	32,951	52,157
Tax related to revenues (a)	11,587	7,430
Auditor's remuneration		
– Annual audit services	1,050	1,050
Others	40,851	54,805
	<u>724,839</u>	<u>765,413</u>

(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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

21 Net impairment reversal on financial assets

	Unaudited For the six months ended 30 June	
	2021	2020
Impairment reversal for pawn loans to customers (Note 10(b))	(83)	(1,262)
Impairment (reversal)/losses for other receivables (Note 10(c))	(8)	91
	<u>(91)</u>	<u>91</u>
	<u>(91)</u>	<u>(1,171)</u>

22 Finance costs

	Unaudited For the six months ended 30 June	
	2021	2020
Interest expenses	73,702	60,289
Including: amortisation of long-term payables	4,605	4,893
Less: capitalised interest expenses (Note 7)	—	—
	<u>73,702</u>	<u>60,289</u>
	<u>73,702</u>	<u>60,289</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

23 Taxation

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

	Unaudited For the six months ended 30 June	
	2021	2020
Current taxation – CIT (a)	297,087	76,621
Deferred taxation credited to the consolidated income statement	(13,739)	(11,288)
	<u>283,348</u>	<u>65,333</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%. The Company will fulfill the obligation of WHT in 2021 for dividends related to 2020 which will be paid to foreign shareholders.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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	
	2021	2020
Profit attributable to equity holders of the Company	709,160	108,200
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.4276	0.0652

25 Dividends

A final dividend in respect of 2020 of RMB0.23 per share, amounting to a total dividend of RMB381,480 thousand was proposed at the Board meeting on 26 March 2021.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2021 (same period of 2020: nil).

26 Commitments

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

	30 June 2021 (unaudited)	31 December 2020 (audited)
Contracted but not provided for		
– Concession intangible assets	113,638	146,588
– Property, plant and equipment	66,240	56,016
	179,878	202,604

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

27 Cash and cash equivalents

	30 June 2021 (unaudited)	31 December 2020 (audited)
Cash at bank and on hand	4,400,816	2,289,437
Less: time deposits with original maturity over three months	<u>(411,664)</u>	<u>(321,683)</u>
Cash and cash equivalents at end of the period	<u><u>3,989,152</u></u>	<u><u>1,967,754</u></u>

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(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
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 Expressway Company Limited

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

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

Name	Relationship with the Group
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 Wuyan Expressway Co., Ltd. ("安徽省蕪雁高速公路有限公司", "AWEC")	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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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	
	2021	2020
ATHC	4,618	51,295
ALEC	292	–
AYEC	104	7,819
AAEBC	71	6,645
AWQEC	71	1,738
ALGEC	52	6,533
AWEC	24	–
	<u>5,232</u>	<u>74,030</u>

(ii) Rental income

	Unaudited For the six months ended 30 June	
	2021	2020
AEPC	13,610	13,022
YTMC	5,630	5,547
ATHC	2,759	3,078
ATCMC	839	229
ALEC	295	256
AWFC	211	210
ATCIM	165	162
WTMC	106	105
ATZFM	50	50
ATGFM	50	50
AWQEC	14	14
BNMC	14	7
ATII	7	64
	<u>23,750</u>	<u>22,794</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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	
	2021	2020
BNMC	1,627	1,598
AHHCD	744	–
ATCD	–	3,111
AJCG	–	1,743
AGCC	–	1,050
AQPT	–	345
AZPMC	–	35
	<u>2,371</u>	<u>7,882</u>

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

	Unaudited For the six months ended 30 June	
	2021	2020
AENO	<u>1,629,079</u>	<u>683,846</u>

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

	Unaudited For the six months ended 30 June	
	2021	2020
AENO	<u>8,823</u>	<u>8,864</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

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	
	2021	2020
ATHC	6,918	9,531
XCIC	1,129	892
	<u>8,047</u>	<u>10,423</u>

(vii) Guarantee received

As at 30 June 2021, long-term bank borrowings of RMB85,000 thousand were guaranteed by XCIC (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	
	2021	2020
Salaries and other short-term employee benefits	<u>1,086</u>	<u>900</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(c) Related party balances

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

	As at 30 June 2021		As at 31 December 2020	
	Book value (unaudited)	Provision for impairment (unaudited)	Book value (audited)	Provision for impairment (audited)
AENO	140,271	(117)	55,300	(165)
ATHC	4,895	(32)	193	(1)
ALGEC	3,577	(24)	–	–
ALEC	310	(2)	–	–
AYEC	110	(1)	–	–
AAEBC	76	(1)	–	–
AWQEC	75	–	–	–
ALGEC	55	–	–	–
AWEC	25	–	–	–
	<u>149,394</u>	<u>(177)</u>	<u>55,493</u>	<u>(166)</u>

(ii) Trade payables

	30 June 2021 (unaudited)	31 December 2020 (audited)
AGCC	25,107	105,008
ATCD	6,592	12,905
AHHCD	6,417	6,521
AZPMC	1,589	3,539
AQPT	868	1,358
BNMC	828	–
AERC	418	2,820
AJCG	301	319
AEAC	62	63
ATII	27	1,129
	<u>42,209</u>	<u>133,662</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(c) Related party balances (Continued)

(iii) Other payables

	30 June 2021 (unaudited)	31 December 2020 (audited)
AEPC	14,225	1,150
ATHC	13,604	12,039
AENO	9,179	14,407
YTMC	5,477	6,335
AGCC	1,845	6,036
XCIC	994	624
ATCD	277	859
WTMC	156	100
AWFC	141	30
AQPT	88	1,847
ATGFM	17	17
AZPMC	16	16
BNMC	5	19
ATCMC	-	831
ALEC	-	107
ATCIM	-	86
ATII	-	7
AWQEC	-	2
	<u>46,024</u>	<u>44,512</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2021

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(c) Related party balances (Continued)

(iv) Dividends payable

	30 June 2021 (unaudited)	31 December 2020 (audited)
ATHC	120,668	–
XCIC	113,172	–
ENTH	92,964	–
	<u>326,804</u>	<u>–</u>

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

	30 June 2021 (unaudited)	31 December 2020 (audited)
ATHC	279,100	443,528
XCIC	79,774	149,169
	<u>358,874</u>	<u>592,697</u>

As at 30 June 2021 and 31 December 2020, 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.



Anhui Expressway Company Limited