



Anhui Expressway Company Limited

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

Stock Code: 0995

2022

INTERIM REPORT



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Appendix

The original copy of the interim report signed by the Chairman;

The accountant's report, signed by the legal representative, director in charge of accounting work, and director in charge of accounting firm and stamped with corporate seal;

The original copies of corporate documents and announcements published in the Shanghai Securities News and China Securities Journal;

The Articles of Association;

The interim report disclosed in other securities markets.

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 has been 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.

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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 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
“Anqing Bridge Company”	Means	Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company
“Wantong Pawn”	Means	Hefei Wantong Pawn Company Limited
“Wantong MicroCredit”	Means	Hefei City Wantong MicroCredit Company Limited

“AEHK”	Means	Anhui Expressway (H.K.) Limited
“Anlian Company”	Means	Anhui Anlian Expressway Company Limited
“Wangqian Company”	Means	Anhui Wangqian Expressway Company Limited
“Wuyan Company”	Means	Anhui Province Wuyan Expressway Limited
“Liguang Company”	Means	Anhui Liguang Province Expressway Company Limited
“Yangji Company”	Means	Anhui Yangji Province Expressway Company Limited
“Hezong Company”	Means	Anhui Province Hezong Expressway Liability Company
“ATHC Capital”	Means	Anhui Transportation Holding Capital Investment Company Limited
“CMU”	Means	China Merchants Union (BVI) 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)
“Jinshi Equity Fund”, “Jinshi Fund II”	Means	Anhui Transportation Jinshi Equity investment 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
“Network Company” or “AENO”	Means	Anhui Expressway Network Operations Company Limited
“Guangxuan Company”	Means	Anhui Province Guangxuan Expressway Limited Liability Company
“General Meeting”	Means	a general meeting of Anhui Expressway Company Limited
“Board”	Means	the board of directors of Anhui Expressway Company Limited

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"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 2022
"Corporate Governance Code"	Means	the corporate Governance code set out in Appendix 14 to the Listing Rules
"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
"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
"Articles of Association"	Means	the Amended and Restated Articles of Association of Anhui Expressway Company Limited

SECTION II CORPORATE PROFILE AND MAIN FINANCIAL INDICATORS

1. Company Information

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

2. Contact Person and Contact Details

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

3. Introduction of Basic Information

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

Anhui Expressway Company Limited

4. Information Disclosure and Addresses for Keeping Report

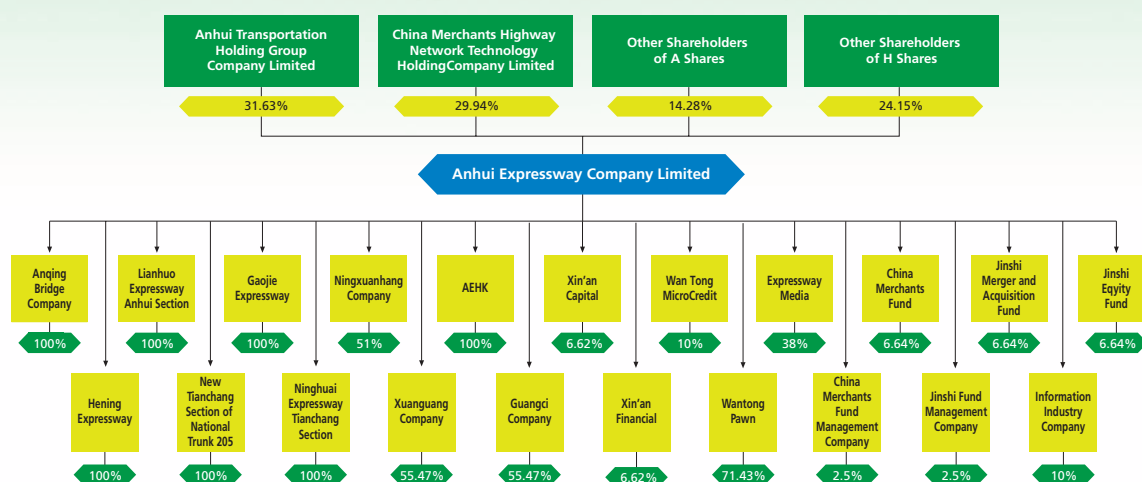
Newspapers for publishing report	China Securities Journal, Shanghai Securities News
Stock exchange websites for disclosure of the interim report	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Addresses designated for keeping the interim report	Shanghai Stock Exchange, 528 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 2022, the structure of the Company, its subsidiaries and associated companies 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	2022 (January-June)	2021 (January-June)		Change as compared to the corresponding period of last year
		After adjustment	Before adjustment	
Revenue	2,816,252,364.25	1,914,863,814.09	1,687,650,616.38	47.07
Net profit attributable to shareholders of the Company	665,973,527.50	765,343,272.48	710,265,062.62	-12.98
Net profit after extraordinary items attributable to shareholders of the Company	666,153,762.74	691,841,524.36	691,841,524.36	-3.71
Net cash flows from operating activities	1,084,074,384.91	975,725,032.81	964,867,896.11	11.10
	As at 30 June 2022	As at the end of 2021		Change as compared to the end of last year (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of the Company	11,145,809,269.00	11,389,109,507.83	11,389,109,507.83	-2.14
Total assets	21,148,687,292.20	19,920,862,968.50	19,920,862,968.50	6.16

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(2) Main Financial Indicators

Main Financial Indicators	2022 (January-June)	2021 (January-June)		Change as compared to the corresponding period of last year (%)
		After adjustment	Before adjustment	
Basic earnings per share (RMB/share)	0.4015	0.4614	0.4282	-12.98
Diluted earnings per share (RMB/ share)	0.4015	0.4614	0.4282	-12.98
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.4016	0.4171	0.4171	-3.72
Returns on net assets (weighted average) (%)	5.91	6.54	6.14	A decrease of 0.63 percentage
Returns on net assets after deduction of non-recurring profit or loss (weighted average) (%)	5.91	5.92	5.98	A decrease of 0.01 percentage

Explanation of the Company's main accounting data and financial indicators

On 24 December 2021, the Company acquired 100% equity and related shareholder's loan of Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company, a wholly owned subsidiary of the Company's controlling shareholder (i.e. Anhui Transportation Holding Group Company Limited), in a business combination under the same control. Therefore, the interim data disclosed for 2021 has been adjusted.

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 period	Amount at the beginning of the period
PRC accounting standards	665,974	765,343	11,145,809	11,389,110
Items and amounts adjusted in accordance with HKAS:				
Valuation, depreciation/amortization of assets and related deferred taxes	-1,107	-1,102	34,438	35,544
Withdrawal safety fund	2,643	0	0	0
HKAS	667,510	764,241	11,180,247	11,424,654

(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.
- According to the Interpretation of Accounting Standards for Enterprises No. 3 issued by the Ministry of Finance on 11 June 2009, the Group will include the safety production fee extracted in accordance with the national regulations into the operating cost, and at the same time recognize the special reserve, and prepare the financial statements under PRC accounting standards. No such inclusion was made in the financial statements prepared in Hong Kong Financial Reporting Standards and therefore there are differences.

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	269,555.63	
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)	6,795,305.98	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Head quarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the income amount of construction funds subsidies of Hening Expressway and Gaojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) received in 2010 amortised in the Reporting Period, and governmental subsidies related to the cancellation of provincial boundary toll stations and financial subsidies of water supply, electricity supply, heating and property management
In addition to effective hedging business related to the normal business of the Company, investment returns from trading financial assets, derivative financial assets, profit or loss from changes in the fair value of the trading financial liabilities, derivative financial liabilities, and the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments	-7,031,344.97	The main reason is that the Company recognized the fair value change loss of fund partnership
Reversal of receivables, contract assets impairment provisions through a separate impairment test	3,495.62	
Other non-operating income and expenditure other than above	245,859.55	
Other profit and loss items that meet the definition of non-recurring profit and loss		

Non-recurring profit or loss items	Amount	Note (if applicable)
Subtract: Effect of income tax	-212,268.75	
Effects of minority shareholders' interests(After tax)	<u>675,375.80</u>	
Total	<u><u>-180,235.24</u></u>	

Description of the situation in which the non-recurring profit and loss items listed in the Explanatory Notice on Information Disclosure of Companies Publicly Issuing Securities No. 1 – Non-Recurring Profit and Loss items are defined as recurring profit and loss items

Applicable Not applicable

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		
	2022	2021	Change(%)
Revenue	2,816,252	1,947,814	44.59
Profit before income tax	922,642	1,049,411	-12.08
Profit attributable to owners of the Company	667,510	764,241	-12.66
Basic earnings per share attributable to owners of the Company (RMB)	0.4025	0.4608	-12.65

Unit: '000 Currency: RMB

Abstract of Assets and Liabilities	As at 30 June / As at 31 December		
	2022	2021 (audited)	Change(%)
Total assets	21,191,790	19,965,469	6.14
Total liabilities	9,233,022	7,985,646	15.62
Total net assets (Capital and reserve attributable to owners of the Company)	11,180,247	11,424,654	-2.14
Net assets value per share (RMB)	6.74	6.89	-2.14

Note : On 24 December 2021, the Company acquired 100% equity and related shareholder's loan of Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company, a wholly owned subsidiary of the Company's controlling shareholder (i.e. Anhui Transportation Holding Group Company Limited), in a business combination under the same control. Therefore, the interim data disclosed for 2021 has been adjusted.

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 Company 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 2022, 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 investment payback period and relatively stable income which are characteristic of capital-intensive industries.

The Company owns all or part of the toll road equity in Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section, Lianhuo Highway Anhui Section (G30 Lianhuo Expressway Anhui Section), Ningxuanhang Expressway, Anqing Yangtze River Expressway Bridge and Yuewu Expressway Anhui section etc., all of which are located in Anhui Province. As at 30 June 2022, the Company has 609 kilometers of operating highway with total assets of about RMB21,148,687 thousand. Moreover, as expressways showed the features of network operations, the Group also provided entrusted management services (including the management of toll service, maintenance and repair, information and technology, safety of road assets, etc.) for some road sections operated by Anhui Transportation Holding Group and its subsidiaries (Anlian Company, Wangqian Company, Wuyan Company, Liguang Company, Yangji Company and Hezong Company). Currently, the total mileage of toll roads under the entrusted management amounted to 3,993 km.

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 Company remains outstanding and stable, with high credit rating, low debt to assets ratio and strong solvency. At the same time, the operation of the Company is steady, and the outcomes of management on relations with investors are significant, 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

Faced with the severe situation of prevention and control of the pandemic, the Group earnestly implemented the “14th-Five-Year” strategic plan, ensured that all operation and development work made progress in an orderly manner, and completed every task in a better way.

Improving the management, maintenance, quality and effectiveness of toll collection, keeping safe and orderly of road network operation. During the Reporting Period, the Group was successfully entrusted to manage the Hezong Expressway, with smooth progress of operation and management output. The Group strengthened the connection audit of toll collection, operated online provincial-level “AI audit integration platform” to organize and commence special audit. The Group implemented classified maintenance of mechanical and electrical equipment as well as toll collection system, to ensure the safe and stable operation of network toll collection system. The Group commenced the “Safe Production Month” by holding emergency drill to handle tunnel explosion, strengthen the joint forces and joint action of different parties, and safeguard the road network operation on major holidays, Spring Festival and bad weather days.

Continuing to build a service system that effectively improves the travel experience. The Group consolidated the progressive results of service system construction, continued to promote the enhancement work of road environment quality, refined the internal control standards of environmental health and greening, and promoted the normalized management of road environment. The Group actively built the “Wanmeibus” brand, and formed the structure of five service brands and the concept system. The Group actively launched the activity of “Warm traffic • full journey with love”, distributed “warm service package” to practically carry out special service for truck driver during the pandemic.

Continuing to strengthen the reform and empowerment, showing preliminary innovation driven results. The results of three-year action on deepening reform were significant, with successful completion of the reform in the operating area. The Group was actively engaged in the construction of the Yangtze River Delta intelligent road system, established the research on the topic of Intelligent Expressway Application System Based on Operation Big Data with Highway Monitoring and Response Center of Ministry of Transport, and continued to promote the construction of intelligent expressways.

Optimizing the management system and initiating the energy of development. The Group further promoted the compliance management, launched the work on the “Year of Compliance Management Construction”, built task ledgers, continued to strengthen the construction of internal control, completed the amendment and update of handbook of “three-in-one” internal control system, and optimized the management process of non-bidding procurement. The Group focused on the use of accountability audit and other results, continued to improve the issues to prevent risks. The Group adhered to give play to the role of legal pre-audit, and continued to improve the mechanism of assessment and incentive constraint, boosting the momentum of employees’ to work or start a business.

Major operation status during the Reporting Period

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB2,816,252 thousand (corresponding period in 2021: RMB1,914,864 thousand), representing an increase of 47.07% compared with that of the corresponding period of last year. The total profit was RMB920,292 thousand (corresponding period in 2021: RMB1,050,880 thousand), representing a decrease of 12.43% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the Company reached RMB665,974 thousand (corresponding period in 2021: RMB765,343 thousand), representing a decrease of 12.98% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.4015 (corresponding period in 2021: RMB0.4614), representing a decrease of 12.98% compared with that of the corresponding period of last year. The main reason for the increase in revenue is that during the Reporting Period, the Company recognized the expenditure of RMB992 million for the Xuanguang Expressway reconstruction and expansion PPP project as the operating income of the current period in accordance with the requirements of accounting standards.

During the Reporting Period, in accordance with HKAS, the Group achieved a revenue of RMB2,816,252 thousand (corresponding period in 2021: RMB1,947,814 thousand), representing an increase of 44.59% compared with that of the corresponding period of last year; profit before income tax was RMB922,642 thousand (corresponding period in 2021: RMB1,049,411 thousand), representing a decrease of 12.08% compared with that of the corresponding period of last year; unaudited profit attributable to owners of the Company was RMB667,510 thousand (corresponding period in 2021: RMB764,241 thousand), representing a decrease of 12.66% compared with that of the corresponding period of last year; basic earnings per share was RMB0.4025 (corresponding period in 2021: RMB0.4608), representing a decrease of 12.65% compared with that of the corresponding period of last year. The main reason for the increase in revenue is the Company's confirmation of RMB992 million from the construction service of the Xuanguang Expressway reconstruction and expansion PPP project during the Reporting Period.

Note:

1. On 24 December 2021, the Company acquired 100% equity and related shareholder's loan of Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company, a wholly owned subsidiary of the Company's controlling shareholder (i.e. Anhui Transportation Holding Group Company Limited), in a business combination under the same control. Therefore, the interim data disclosed for 2021 has been adjusted.
2. During the Reporting Period, according to the Interpretation of Accounting Standards for Business Enterprises No. 14 (《企業會計準則解釋第14號》), the Company recognized the construction service income according to the total amount method and zero gross profit for the contracts under the Xuanguang Expressway reconstruction and expansion PPP project meeting the corresponding conditions.

Toll Expressway Business

The COVID-19 pandemic has had significant impact on the Group's production and business activities since 2020. From January to the first ten days of March 2022, the toll revenue increased steadily year on year. Since the middle of March, affected by the economic downturn, the pandemic situation in surrounding provinces and the prevention and control measures, the cross regional flow of people and vehicles has decreased, and the total traffic volume and toll revenue of the road network have decreased compared with the same period of last year. During the Reporting Period, the Group achieved a total revenue of RMB1,781,735 thousand (after tax) (2021: RMB1,872,217 thousand), representing a decrease of 4.83% as compared with the same period last year.

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

In the first half of 2022, in the face of complex and volatile domestic and international circumstances, the Chinese government has continued to consolidate its achievements in pandemic prevention and control, and social and economic development, achieving a GDP of RMB56,264.2 billion, representing an increase of 2.5% year-on-year and the economic recovery is relatively slow; the GDP of Anhui Province achieved RMB2,176.4 billion, representing an increase of 3% year-on-year.

During the Reporting Period, various policy relief measures continued to be implemented. It is estimated that in the first half of 2022, the total amount of deductions and exemptions of the Group was RMB299.38 million. Among them:

the toll for a total of 93,600 green channel vehicles were reduced or exempted, the exemption amount was about RMB78.97 million; During major holidays, the exiting volume of small passenger cars (7 seats or less) reached 1,765,400, and the exemption amount was about RMB75.91 million; ETC discount or reduction amounted to RMB136.28 million, including discount or reduction for trucks with Anhui Transportation Card amounting to about RMB86.35 million; Other policy reductions were about RMB8.22 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 2022	First half of 2021	Change (%)	First half of 2022	First half of 2021	Change (%)
Hening Expressway	100%	32,868	36,271	-9.38	562,646	584,199	-3.69
New Tianchang Section of National Trunk 205	100%	4,631	6,076	-23.78	26,598	33,888	-21.51
Gaojie Expressway	100%	25,650	24,080	6.52	448,490	433,449	3.47
Xuanguang Expressway	55.47%	23,894	32,040	-25.43	278,313	322,785	-13.78
Lianhuo Expressway Anhui Section	100%	16,306	18,536	-12.03	135,447	133,176	1.71
Ninghuai Expressway Tianchang Section	100%	36,926	42,455	-13.02	57,896	59,126	-2.08
Guangci Expressway	55.47%	30,149	38,153	-20.98	58,219	67,140	-13.29
Ningxuanhang Expressway	51%	3,755	5,128	-26.77	40,147	62,311	-35.57
Anqing Yangtze River Expressway Bridge	100%	28,733	28,568	0.58	157,456	168,201	-6.38
Yuewu Expressway Anhui Section	100%	8,909	8,448	5.46	70,482	64,754	8.85
Total					1,835,694	1,929,029	-4.83

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer per day (RMB)		
		First half of 2022	First half of 2021	First half of 2022	First half of 2021	Change (%)
Hening Expressway	100%	68:32	71:29	23,198	24,087	-3.69
New Tianchang Section of National Trunk 205	100%	34:66	38:62	4,898	6,241	-21.51
Gaojie Expressway	100%	58:42	56:44	22,526	21,770	3.47
Xuanguang Expressway	55.47%	65:35	70:30	18,305	21,230	-13.78
Lianhuo Expressway Anhui Section	100%	59:41	69:31	13,858	13,626	1.71
Ninghuai Expressway Tianchang Section	100%	74:26	82:18	22,848	23,333	-2.08
Guangci Expressway	55.47%	65:35	71:29	22,975	26,496	-13.29
Ningxuanhang Expressway	51%	73:27	75:25	1,896	2,942	-35.57
Anqing Yangtze River Expressway Bridge	100%	63:37	64:36	144,988	154,881	-6.38
Yuewu Expressway Anhui Section	100%	68:32	69:31	8,465	7,777	8.85

Notes:

1. The above traffic volume does not include the data of small passenger cars in non-ETC lanes on major holidays, except for the New Tianchang Section of National Trunk 205 and the Tianchang Section of the Ninghuai Expressway;
2. The above toll income data are tax inclusive data, and the data of Anqing Yangtze River Expressway Bridge in this Reporting Period do not include government subsidies;
3. The above traffic volume data are provided by Anhui Expressway Network Operations Company Limited and Chuzhou Expressway management center respectively.

Hening Expressway

During the Reporting Period, affected by the new round of pandemic in March 2022 across the country, the traffic flow and revenue of Hening Expressway were affected to a certain extent; affected by the rapid transformation construction of Jinzhai Road, the municipal trunk road in Hefei, Jinzhai Road toll station has been closed since 10 May 2022, leading to certain impact on the short-distance regional traffic flow of Hening Expressway to and from Jinzhai Road toll station.

Ninghuai Expressway Tianchang Section

During the Reporting Period, affected by the new round of pandemic in March 2022 across the country, the traffic flow and revenue of this section showed a downward trend.

New Tianchang Section of National Trunk 205

During the Reporting Period, affected by the continuous diversion of County Road 101 (currently the kilometer plate is X129) and Provincial Road 204, as well as the new round of pandemic across the country in March 2022, the traffic flow and revenue of this section decreased significantly.

Lianhuo Expressway Anhui Section

During the Reporting Period, affected by the new round of pandemic across the country in March 2022, the local government strengthened the control of the pandemic and set up a number of pandemic prevention and control checkpoints on National Trunk 311 and 301 to control vehicles in medium and high-risk areas. Some large freight vehicles travelling between Jiangsu and Henan chose to pass through Lianhuo Expressway. On the whole, although the overall flow in the first half of the year showed a significant downward trend, during the pandemic prevention and control period, the vehicle model structure of this section changed significantly. The increase in the flow of large trucks made up for the adverse impact of decline in the overall flow. In the first half of 2022, the flow of category 6 trucks increased by 31.36% year on year.

Gaojie Expressway

During the Reporting Period, Gaojie Expressway, as a component of G50 Shanghai-Chongqing Expressway of the national highway network, is an important east-west transit channel in our province. During the Spring Festival transportation in the first quarter of this year, the number of migrant workers returning to their hometown from Jiangsu, Zhejiang and Shanghai increased significantly, resulting in a continuous increase in passenger traffic, thus driving the improvement of the overall benefits of this section. During the second quarter of 2022, despite being affected by the new round of pandemic across the country in March 2022, due to the maintenance works on the Qianshan-Taihu section of National Trunk 105 commencing early May 2022, vehicles (especially trucks) travelling via the national trunk chose to travel through the expressway instead. The negative impact from the pandemic was offset to some extent by the growth in truck traffic volume.

Xuanguang Expressway and Guangci Expressway

During the Reporting Period, affected by the new round of pandemic in many provinces and cities throughout the country in March 2022, including Xuancheng and Guangde, the traffic flow decreased sharply due to the tightening pandemic situation in neighboring provinces and this province; during the Spring Festival transportation period, there were many cloudy and rainy days, and three rounds of snow fell on the roads under the management of Xuanguang Company, resulting in a decrease in traffic flow. In June, gales, thunderstorms and short-term rainstorms occurred frequently, and traffic flow decreased due to traffic control arising from severe weather, as well as shunting at the far end of high-speed trunk lines.

Ningxuanhang Expressway

Affected by the new round of pandemic in many provinces and cities throughout the country in March 2022, the local government strengthened the pandemic control, and the flow of people and vehicles across provinces and cities has been greatly reduced; from March 14 to April 12, Zhongxi Toll Station, Sunbu Toll Station, Liqiao Toll Station and Ningguo Toll Station were successively closed for control, resulting in a sharp drop in regional traffic flow; affected by the continuous diversion of the Provincial Road 269 parallel to the Xuanli section of the Ningxuanhang Expressway and the implementation of the ban on trucks with yellow plates on the National Trunk 329 connecting with the Ningqian section, the traffic flow and revenue of the Ningxuanhang Expressway have decreased.

Anqing Yangtze River Expressway Bridge

During the Reporting Period, with the steady development of domestic economy and the rapid release of freight logistics demand, the traffic flow in the first quarter of 2022 increased steadily; however, affected by the outbreak of pandemic in many provinces in March, the traffic flow in the second quarter of 2022 decreased significantly, which had a certain impact on the revenue of Anqing Yangtze River Expressway Bridge.

Yuewu Expressway Anhui Section

The number of migrant workers returning to their hometowns increased significantly during the Spring Festival transportation in the first quarter of 2022, resulting in a continuous increase in passenger traffic. With the recovery of production of enterprises in Wuhan and other cities, freight logistics also showed a steady growth trend; although the second quarter was affected by the new round of pandemic throughout the country in March 2022, the operation of the gravel factories near Yuewu Expressway led to the increase in the flow of trucks, especially vehicles transporting gravel, and to a certain extent made up for the impact of pandemic prevention and control.

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

Item	Reporting Period	Same period of last year Year-on-year	Increase/ decrease (%)
Revenue	2,816,252,364.25	1,914,863,814.09	47.07
Cost of sales	1,768,572,618.27	741,130,334.36	138.63
Finance cost	65,504,176.82	112,657,346.15	-41.86
Investment returns	21,483,234.86	30,819,252.19	-30.29
Profits or losses of changes in fair value	-7,031,344.97	22,179,766.61	-131.70
Net cash flows used in investing activities	-1,489,355,919.73	357,905,823.81	-516.13

Reason for the change of revenue: due to the fact that the Group's inclusion of the construction service revenue of Xuanguang Expressway reconstruction and expansion PPP project into the revenue during the Reporting Period and the decrease in toll income affected by the epidemic during the Reporting Period;

Reason for the change of cost of sales: due to the fact that the Group's inclusion of the construction service cost of Xuanguang Expressway reconstruction and expansion PPP project into the operating cost during the Reporting Period;

Reason for the change of finance cost: due to the consolidation of Anqing Bridge Company into the Group, which resulted in the decrease in interest expenses outside the Group;

Reason for the change in investment income: due to the fact that the Group received a dividend of RMB6.29 million from Xin'an Financial in the same period last year, but there was no such income in the Reporting Period;

Reason for change in fair value and change in profit and loss: due to the change in the fair value of fund partnerships during the Reporting Period;

Reason for the change of net cash flows used in investing activities: due to the Group's capital expenditure for highway reconstruction and expansion during the Reporting Period.

(1) Operating income

During the Reporting Period, the Group achieved an operating income of RMB2,816,252 thousand (corresponding period in 2021: RMB1,914,864 thousand), the income increased significantly on a year-on-year basis. The toll income and construction service revenue are the main revenue source of the Group. The concrete analysis about the revenue is as follows:

Unit: yuan Currency: RMB

Operating income	The first half of 2022	Percentage (%)	The first half of 2021	Percentage (%)	Change (%)
Expressway business	1,824,617,940.17	64.79	1,914,453,594.67	99.98	-4.69
– Toll income	1,781,735,013.40	63.27	1,872,216,811.99	97.77	-4.83
– Service area income	22,186,756.02	0.79	17,238,078.63	0.90	28.71
– Other business income	20,696,170.75	0.73	24,998,704.05	1.31	-17.21
Construction period revenue	991,634,424.08	35.21	0.00	0.00	N/A
Pawn business	0.00	0.00	410,219.42	0.02	-100.00
Total	2,816,252,364.25	100.00	1,914,863,814.09	100.00	47.07

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

Unit: yuan Currency: RMB

In terms of industries	Revenue	Cost of sales	Gross profit rate (%)	Principal businesses in terms of industries		
				Change in revenue income (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	1,803,921,769.42	766,936,387.88	57.49	-4.53	5.23	3.94
Construction period revenue/cost	991,634,424.08	991,634,424.08	0.00	N/A	N/A	N/A
Pawn business	0.00	0.00	N/A	-100	N/A	N/A

Anhui Expressway Company Limited

In terms of products	Principal businesses in terms of 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	554,940,666.20	212,794,439.08	61.65	-2.81	5.03	-3.16
New Tianchang	25,331,265.23	19,086,592.50	24.65	-21.51	-6.11	-12.36
Section of National Trunk 205						
Gaojie Expressway	441,114,659.61	96,808,892.50	78.05	3.43	-0.12	0.78
Xuanguang Expressway	270,206,420.86	73,742,552.20	72.71	-13.78	1.37	-4.08
Lianhuo Expressway						
Anhui Section	132,606,029.14	72,386,883.47	45.41	1.69	18.66	-7.81
Ninghuai Expressway						
Tianchang Section	57,374,934.30	22,573,658.54	60.66	-2.03	-5.64	1.51
Guangci Expressway	57,380,632.96	10,849,934.61	81.09	-11.97	18.69	-4.88
Ningxuanhang Expressway	42,921,518.70	146,207,974.36	-240.64	-29.05	10.87	-122.66
Anqing Bridge	152,870,350.86	37,012,847.04	75.79	-6.39	-7.02	0.16
Yuewu Expressway						
Anhui Section	69,175,291.56	75,472,613.58	-9.10	8.80	6.94	1.9
Construction period revenue/cost	991,634,424.08	991,634,424.08	0.00	N/A	N/A	N/A
Pawn business	0.00	0.00	N/A	-100	N/A	N/A
Total	2,795,556,193.50	1,758,570,811.96	-	-	-	-

In terms of regions	Principal businesses in terms of 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	2,795,556,193.50	1,758,570,811.96	37.09	47.92	141.28	-24.34

(3) Expenses

Finance costs

During the Reporting Period, the Group's finance costs were RMB65,504 thousand (corresponding period in 2021: RMB112,657 thousand), representing a decrease of 41.86% as compared to the same period last year. The decrease was mainly because the Group merged Anqing Bridge Company, and its interest expense to outside the group decreased.

Gain from fair value changes

During the Reporting Period, gain from fair value changes of the Group was RMB -7,031 thousand (corresponding period in 2021: RMB22,180 thousand), representing a decrease of 131.70% 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% (2021: 25%).

During the Reporting Period, the Group's income tax expenses were RMB275,743 thousand (corresponding period in 2021: RMB270,595 thousand) with an increase of 1.90% compared to the same period last year, income tax was basically the same as the same period last year.

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.

(4) Cash flows

During the Reporting Period, the Group's net cash inflows from operating activities were RMB1,084,074 thousand (the same period in 2021:RMB975,725 thousand), representing an increase of 11.10% in the same period last year. The increase reason is that receivables related to the highway business were collected.

During the Reporting Period, the Group's net cash outflows from investing activities were RMB -1,489,356 thousand (the same period in 2021: RMB357,906 thousand), The main reason is that the investment expenditure of highway reconstruction and expansion increased during the Reporting Period compared with the same period of the previous year.

During the Reporting Period, the Group's net cash outflows from financing activities were RMB551,678 thousand (the same period in 2021: 704,450 thousand), representing a decrease of 21.69% in the same period last year. This is mainly due to the Company's payment for the acquisition of shareholder's loan of Anqing Bridge Company during the Reporting Period.

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

Item	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 year	Percentage of amount at the end of last year to the total assets (%)	Percentage of amount at the end of the Reporting Period as compared to that of last year (%)	explanations
Monetary fund	4,983,833,758.54	23.57	4,318,206,161.01	21.68	15.41	
Other non-current financial assets	254,010,238.67	1.20	304,212,566.98	1.53	-16.50	
Fixed assets	943,522,106.43	4.46	1,002,934,765.99	5.03	-5.92	
Intangible assets	13,791,022,090.79	65.21	13,154,619,293.92	66.03	4.84	
Tax payable	79,376,121.54	0.38	236,880,491.45	1.19	-66.49	
Other current liabilities	121,681,965.20	0.58	77,843,844.27	0.39	56.32	
Long-term bank borrowings	6,231,493,059.49	29.47	4,726,408,251.50	23.73	31.84	
Minority shareholders' interests	779,250,486.15	3.68	555,899,884.46	2.79	40.18	

Other explanations:

The increase in monetary funds was mainly due to the operating accumulation of this year;

The decrease of other non-current financial assets was mainly due to the recognition of the change in fair value of fund partnership enterprise during the Reporting Period;

The decrease of fixed assets was mainly due to the calculation of impairment of fixed assets during the Reporting Period;

The increase of intangible assets was mainly due to the investment in the reconstruction and expansion project of Xuanguang Expressway during the Reporting Period;

The decrease in taxes payable was mainly due to the completion of the settlement and payment of enterprise income tax in 2021 during the Reporting Period;

The increase in other current liability was mainly due to the provision for expenses of roads repair during the Reporting Period;

The increase in long-term borrowings was mainly due to the bank borrowings received for the investment of Xuanguang Expressway reconstruction and expansion PPP project, and the payment for acquisition of interest of Anqing Bridge Company;

The increase in minority shareholders' interests was mainly due to the capital increase of minority shareholders for the reconstruction and expansion of Xuanguang Expressway.

2. Overseas assets

(1) Asset scale

Including: overseas assets 1,846,150.71 (unit: yuan, currency: RMB), accounting for 0.01% of the total assets.

(2) Explanation of high proportion of overseas assets

Applicable Not applicable

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

Applicable Not applicable

4. Other explanation

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.

(IV) Investment Analysis

1. Overall analysis of external equity investments

During the Reporting Period, the Company completed the initial capital increase of RMB549 million for Xuanguang Company, and Xuancheng Transportation Investment completed the initial capital increase of RMB441 million for Xuanguang Company. Xuanguang Company and ATHC set up Guangxuan Company. A total of RMB992 million for PPP Project for the Reconstruction and Expansion of Xuanguang Expressway has been spent.

As of the date of this report, the Company has made the second payment of RMB 33.2083 million for Jinshi Fund II, and paid the initial investment of RMB19.9250 million for China Merchants Fund II.

(1) Material equity investments

On 2 December 2021, the Company received the Notice of Bid-winning issued by Xuancheng Transportation Bureau, the tender, confirming that the consortium formed by Anhui Transportation Holding Group, the controlling shareholder of the Company, and Xuanguang Company, was the successful bidder of the Public-Private-Partnership (PPP) project relating to the reconstruction and expansion of the G50 Shanghai-Chongqing Expressway Guangde to Xuancheng Section* (G50滬渝高速廣德至宣城段改擴建工程PPP項目) (the "Project"). In order to ensure the smooth progress of the project, the Company and Xuancheng Transportation Investment, its related party, intended to increase the investment in Xuanguang Company in proportion to their shareholdings. The Company shall increase the investment by RMB1,513.78 million and Xuancheng Transportation Investment shall increase the investment by RMB1,215.22 million. The resolution was considered and approved at the 15th meeting of the ninth session of the Board and the 2022 first extraordinary general meeting of the Company. During the Reporting Period, the Company completed the initial capital increase of RMB549 million for Xuanguang Company, Xuanguang Company and ATHC set up Guangxuan Company in February 2022, holding 99% and 1% shares respectively.

On 9 July 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., ATHC Capital and Jinshi Investment Co., Ltd.* (金石投资有限公司), 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 the second payment of RMB33.2083 million for Jinshi Fund II.

The Company held the 18th meeting of the 9th Board of Directors on 10 March 2022, deliberating and approving the Proposal on participating in phase II investment and Signing the Supplementary Agreement of Anhui Transportation China Merchants Industrial Fund. According to the relevant terms of the partnership agreement and supplementary agreement, the Company needs to contribute a total of RMB100 million. On 7 April 2022, the Company signed a supplementary agreement with Anhui Transportation Capital Investment Management Co., Ltd., Anhui Anlian Expressway Co., Ltd., and China Merchants Zhiyuan Capital Investment Co., Ltd., confirming matters related to this investment fund. In July 2022, the Company paid the initial investment of RMB19.9250 million for China Merchants Fund II.

(2) Material non-equity investments

Unit: '000,000,000 Currency: RMB

Project name	Basic Information of the project	Estimated amount of project	Project schedule	Input amount for the current period	The accumulated actual investment amount	Project situation
PPP Project relating to the Reconstruction and Expansion of Xuanguang Expressway	The total length is about 91.554 kilometers	131.07	The Project began in February 2022.	9.92	9.92	It is scheduled for completion in 2024

Anhui Expressway Company Limited

(3) Financial assets measured at fair value

Unit: yuan Currency: RMB

Item	Opening balance	Increases during the Reporting Period	Decreases during the Reporting Period	Changes in fair value	Ending balance
				during the Reporting Period	
Equity instruments					
– shares of unlisted companies					
– Xin'an Financial	71,943,039.61	0.00	0.00	0.00	71,943,039.61
– Xin'an Capital	24,610,529.94	0.00	0.00	0.00	24,610,529.94
– Wantong MicroCredit	15,000,000.00	0.00	0.00	0.00	15,000,000.00
– China Merchants Fund Management Company	1,302,156.93	0.00	0.00	137,767.02	1,439,923.95
– Jinshi Fund Management Company	2,282,300.48	0.00	0.00	287,027.03	2,569,327.51
Other non-current financial assets					
– Fund Investment					
– China Merchants Fund	131,291,915.82	0.00	46,491,666.67	-17,846,517.92	66,953,731.23
– Jinshi Merger and Acquisition Fund	139,910,461.01	0.00	29,887,650.00	11,238,926.70	121,261,737.71
– Jinshi Equity Fund	33,010,190.15	33,208,333.33		-423,753.75	65,794,769.73
Total	<u>419,350,593.94</u>	<u>33,208,333.33</u>	<u>76,379,316.67</u>	<u>-6,606,550.92</u>	<u>369,573,059.68</u>

(V) Material Asset and Equity Interest Disposal

Applicable Not Applicable

(VI) Analysis of Main Subsidiaries and Associates

Unit: '000 Currency: RMB

Name of company	Equity capital the Group possesses	Registered Capital	30 June 2022		The six months ended 30 June 2022		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	111,760	2,337,272	1,569,283	1,263,825	136,837	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	4,277,388	-75,498	43,390	-199,878	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	241,454	227,195	57,381	35,111	The construction, management and operation of Guangci Expressway
Anqing Bridge Company	100%	150,000	3,160,666	1,296,871	222,311	53,404	Construction, management and operation of Anqing Yangtze River Expressway Bridge and Yuwu Expressway
Expressway Media	38%	50,000	475,347	362,010	65,132	20,845	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	3,061,145	2,685,206	57,939	58,164	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	2,828,726	1,454,240	115,552	78,076	Internet financial services, network information services, pawn business, etc.
Wantong Pawn	71.43%	157,500	89,690	87,860	0	-182	Personal property mortgage pawn service, proprietary right mortgage
Wantong MicroCredit	10%	150,000	122,794	121,670	3,143	2,698	Distributing petty loans, small size enterprises management consulting and financial advisory
AEHK	100%	1817	1,710	1,614	0	-27	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin
China Merchants Fund	6.64%	3,000,000	1,045,381	1,008,086	-58,999	-68,705	Investment in energy conservation and environmental protection in transportation services
Jinshi Merger and Acquisition Fund	6.64%	3,000,000	2,091,246	1,825,773	186,773	169,216	Equity investment, asset management, enterprise management consulting
Jinshi Equity Fund	6.64%	1,500,000	997,320	990,636	733	-638	Equity investment, asset management, enterprise management consulting
China Merchants Fund Management Company	2.5%	30,000	59,230	57,597	7,259	5,302	Daily management and investment consultation of Anhui Transportation China Merchants Industrial Fund
Jinshi Fund Management Company	2.5%	30,000	108,201	102,773	15,562	11,481	Daily management and investment consultation of Anhui Transportation Jinshi Merger and Acquisition Fund
Information Industry Company	10%	60,000	128,363	75,289	28,055	2,748	Construction, operation and service of traffic charging system; Computer Software development; Information system integration services, etc.

(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. Against the backdrop of severe pandemic prevention and control, China's GDP in the first half of 2022 increased by 2.5% year on year with a relatively slow economic recovery; however, the current international situation is complex, and there is still great uncertainty on the whole. The 2022 National Transportation Working Conference pointed out that this year's transportation industry should adhere to the general tone of seeking progress while maintaining stability, completely, accurately and comprehensively implement the new development concept, accelerate the construction of a new development pattern, and comprehensively deepen reform and opening up; continue to pursue innovation-driven development, promote high-quality development, prioritize supply-side structural reform, coordinate pandemic prevention and control, economic and social development and transportation, and coordinate development and safety; continue to ensure the "stability on the six fronts" and implement the "security in the six areas", provide services and guarantees for stabilizing the macroeconomic situation, maintaining the economic operation within a reasonable range, and maintaining the stability of the overall social situation, accelerate the construction of a transportation power, and strive to be a pioneer in China's modernization. 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 the implementation of various work requirements to further ensure the high quality and sustainable development of the Company, actively promotes various business development work to ensure the completion of various objectives and tasks while normalizing pandemic prevention and control; 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 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 Company major road resources have entered a mature period. If the Company's existing highway toll collection period expires and no other newly built or acquired operational highway projects are replenished in time, it will have a negative impact on the sustainable development of the Company.

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, accelerate the reconstruction and expansion of some high-speed sections 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 adhere to focus on the principal business and complete all the tasks to lay a foundation for the successful implementation of “14th-Five-Year” strategic plan.

1. Improving corporate governance structure and optimizing internal control management system

Based on the requirements of the latest laws and regulations and the focus of regulatory authorities, the Group will comprehensively sort out and amend each system, including the Articles of Association, clarify the structure, boundary and responsibility of governance of the general meeting, the Board of Directors and the Board of Supervisors to constantly improve the corporate governance structure. The Group will further optimize the internal control management system, focus on promoting the high-quality development of the Company, enhance the management efficiency, strengthen internal control prevention and other aspects, and continue to deepen the execution, supervision and inspection of the internal control system.

2. Adhering to ensure smooth road network and optimizing online toll collection system

The Group will continue to promote the construction of standard system for road operating safety, prepare for emergency to ensure the road unblocked, normalize the commencement of regularly check on hidden risks, improve the cushion mechanism for roadside assistance, set up the “Project Fund” for emergency, and develop the branch for obstacle clearance and rescue. The Group will intensify connected audit for the whole network, organize special actions for loophole stoppage and supplementary payment, fight against fee evasion in an all-round manner, and maintain the order of road network operation. The Group will optimize the dynamic testing system for key indicator of network toll collection system, strengthen the operation and maintenance of mechanical and electrical equipment and toll collection system, reduce the system failure rate, raise the effectiveness of response to emergency, and ensure the safe and stable operation of network toll collection system of all levels.

3. Adequately focusing on demand oriented strategy and striving to serve for good journey

With a clear orientation of “travel is a service”, the Group will promote and deepen the operation and management service system of the road network, comprehensively improve the service carrying capacity, and achieve the target of “people enjoy their travel, and goods delivery are bettered”, improve the travel service brand of Anhui expressways, lead to overall upgrading of service experience, further increase the public satisfaction, happiness and safety in travel. Continue accelerate the promotion and issuance of ETC, expand application scenarios, and further improve the effective utilization rate of ETC.

4. Promoting the progress of the reconstruction and expansion projects and improving the strength of the Company

The Group will constantly promote the successful implementation of Xuanguang Expressway reconstruction and expansion PPP project, and ensure the steady progress of the project. The Group will focus on the principal business and continue to research and seek for investment projects, and look for high quality investment opportunities, so as to increase the asset scale of the Company.

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 of 30 June 2022, the group's capital liability ratio was 22.32% (as of 31 December 2021: 14.96%).

During the Reporting Period, the Group's net cash inflows from operating activities were RMB971,608 thousand. The increase is due to collection of receivables related to the highway business.

During the Reporting Period, the Group's net cash outflows from investing activities were RMB1,489,356 thousand. The main reason is that the investment expenditure of highway reconstruction and expansion increased during the Reporting Period compared with the same period of the previous year.

During the Reporting Period, the Group's net cash inflows from financing activities were RMB664,144 thousand. This is mainly due to the Company's payment for the acquisition of Anqing Bridge Company and increased bank loan during the Reporting Period.

During the Reporting Period, the aggregated sum of bank loans obtained by the Group was RMB1,793 million (corresponding period 2021: RMB1,727 million). At the end of the Reporting Period, there was still a remaining bank loan of RMB6.667 billion (31 December 2021: RMB5.075 billion) which are mainly long-term borrowings. Among them: the floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway, the CDB special loan for the road widening construction work of Hening Expressway, the long-term borrowing for the acquisition of Anqing Bridge Company and borrowing for the project for the reconstruction and expansion of Xuanguang Expressway, carried annual interest rate ranging from 1.20% to 4.90% (31 December 2021: from 1.20% to 4.90%). The principal will be repaid between 2022 and 2052.

For the currency unit of the Group's lending and cash holdings, its composition and distribution are roughly the same as at 31 December 2021.

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 2021: none).

4. Charge of assets and contingent liabilities

As at 30 June 2022, bank borrowings of about RMB420 million was secured by a pledge over the toll revenue entitled by the Group after the completion of the reorganization and expansion construction of Hening Expressway (31 December 2021: RMB460 million). The bank borrowings of about RMB782 million was secured by a pledge over the toll revenue entitled by the Group for the Ningxuanhang Expressway Liqiao to Xuancheng Section (31 December 2021: RMB792 million). The bank borrowings of about RMB1,610 million was secured by a pledge over the toll revenue for Xuancheng to Ningguo section of Ningxuanhang Expressway (Anhui Section) entitled by the Group. (31 December 2021: RMB1,528 million), bank borrowings of about RMB580 million was secured by a pledge over the toll revenue for Ningguo to Qianqiuguan section of Ningxuanhang Expressway (Anhui Section) entitled by the Group. (31 December 2021: RMB458 million)

As at 30 June 2022, the Group had no contingent liabilities (31 December 2021: 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 2021: Nil).

SECTION IV CORPORATE GOVERNANCE

I. Brief introduction of the general meetings

Session of the meeting	The date of meeting	Index of the specified website published by the resolution	Disclosure date of published resolutions	Meeting resolution
The first extraordinary general meeting of 2022	25 February 2022	Shanghai Securities News, China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	26 February 2022	The approval of the proposal in relation to the consortium formed by the subsidiary and the connected person of the Company for the purpose of participation in the investment in the PPP project and establishment of a joint venture company, and the transactions contemplated under or in connection with the PPP Project
2021 annual general meeting	20 May 2022	Shanghai Securities News, China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	21 May 2022	The approval of annual work report of the board of directors in 2021, the annual work report of the Supervisory Committee in 2021, the audited financial report in 2021, the profit distribution plan in 2021, the proposal in relation to the appointment of the auditors for the year 2022 and to authorize the board of directors to fix their remuneration

The reinstated preferred Shareholders requested an extraordinary general meeting

Applicable Not Applicable

Statement of the general meeting of shareholders

1. On 25 February 2022, the Company held the first extraordinary general meeting of 2022. The meeting was called by the Board, chaired by Chairman Mr. Xiang Xiaolong, attended by the Directors, Supervisors and Company secretary, while other senior management, lawyers, accountants were present at the meeting. A combination of on-site voting and online voting was adopted for the meeting. The convening, holding and voting of the general meeting were all compliant with the Company Law and the Articles of Association. A total of 9 shareholders and proxies attended this general meeting, holding in total 547,403,325 shares with voting right, representing 48.27% of the total number of voting shares of the Company. The meeting considered the proposal in relation to the consortium formed by the subsidiary and the connected person of the Company for the purpose of participation in the investment in the PPP project and establishment of a joint venture company, and the transactions contemplated under or in connection with the PPP Project which small and medium investors' votes were counted separately. Anhui Transportation Holding Group, being the relevant connected shareholder, abstained from voting and the proposal was passed by more than half of the votes as ordinary resolutions. No addition or change to any proposal were made in the meeting.
2. On 20 May 2022, the Company held the 2021 annual general meeting. The meeting was called by the Board, chaired by Chairman Mr. Xiang Xiaolong, attended by the Directors, Supervisors and Company secretary, while other senior management, lawyers, accountants were present at the meeting. A combination of on-site voting and online voting was adopted for the meeting. The convening, holding and voting of the general meeting were all compliant with the Company Law and the Articles of Association. A total of 12 shareholders and proxies attended this general meeting, holding in total 1,098,295,418 shares with voting right, representing 66.22% of the issued shares of the Company. The meeting considered 5 proposals in total, among which small and medium investors' votes on proposal No. 4 and 5 were counted separately. Proposal No. 1 to 5 were passed by more than half of the votes as ordinary resolutions. No addition or change to any proposal were made in the meeting.

II. Change in directors, supervisors and senior management

Name	Position	Change
Li Huairu	Employee Representative Supervisor	Election
Ling Lang	Deputy General Manager	Appointment
Wu Changming	Deputy General Manager, Secretary to the Board	Appointment
Lee Chung Shing	Company secretary	Appointment
Xie Xinyu	Company secretary	Resignation
Li Huimin	Deputy General Manager	Resignation
Dong Huihui	Secretary to the Board	Resignation

Change of Directors, Supervisors and senior management of the Company

Due to the change of position, Mr. Wu Changming tendered his resignation from the position of employee representative Supervisor. The Company held an employee representative meeting on 5 January 2022 and elected Ms. Li Huairu as the employee representative supervisor of the ninth Supervisory Committee. The term of office started from the date of approval of the employee representative meeting to the date of expiration of the current term of the Supervisory Committee.

The Company held the sixteenth meeting of the ninth Board of Directors on 12 January 2022 and appointed Mr. Wu Changming as the deputy general manager 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 change of work arrangement, Mr. Xie Xinyu tendered his resignation as the company secretary, the secretary of the Audit Committee of the Company and an authorised representative of the Company (the "Authorised Representative") under Rule 3.05 of the Listing Rules, Ms. Dong Huihui tendered her resignation as the secretary to the Board and the secretary to the Strategic Development and Investment Committee of the Company. The Company held the twenty-first meeting of the ninth Board of Directors on 30 June 2022 and appointed Mr. Wu Changming, deputy general manager of the Company, as the secretary to the Board, the secretary to the Strategic Development and Investment Committee and the secretary of the Audit Committee of the Company; appointed Mr. Lee Chung Shing as the company secretary and Authorised Representative of the Company. their terms commencing from the passing date of the Board resolution to the expiry date of the term of the members of the current session of the Board.

Due to job changes, Mr. Li Huimin tendered his resignation as deputy general manager of the Company. The Company held the twenty-second meeting of the ninth Board of Directors on 11 August 2022 and appointed Mr. Ling Lang as the deputy general manager 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.

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 announcements and there is no progress or change in the follow-up implementation*

Applicable Not Applicable

2. *Incentives not disclosed in announcements 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 2022, 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 2022, the Company and its main subsidiaries employed approximately 2,025 employees (as at 30 June 2021: 2,109 employees), which included 1,393 production staff, 151 technicians, 42 financial staff and 439 administrative staff (as at 30 June 2021, the numbers were 1,489, 169, 42 and 411 respectively).

The Company has adopted two remuneration model of annual salary and monthly salary, with the integration of broadband remuneration and salary point system. The Company 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 RMB194,531.7 thousand (January to June 2021: RMB185,829.0 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 pays highly attention to staff education and training, and constantly optimizes 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 2022 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 actively launched online and offline training. In order to implement the spirits sixth plenary session of the 19th Central Committee of the Communist Party of China and eleventh congress of the communist party of China in the province, the Company further improved the business literacy of employees, raised the awareness of honest and self-discipline, held the "Wantong Lecture Hall" of "First Lesson in New Year" which provided special training on the conducts of Party's members, building of clean government and the capital operation. Each department launched operation and management and other business training that combined practical needs and business function of different departments, raised the standard of management, techniques and professional knowledge of employees. 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, covering Party construction, corporate management, pandemic prevention and control and other fields.

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

The Company strictly abided by the laws and regulations regarding water, atmosphere and soil such as “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”, “the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, “the Law of the People’s Republic of China on Prevention and Control of Soil Pollution”, developed and continued to improve the management system, including “Management Work Plan of Normalizing Expressway Environment”, to ensure the corporate sustainable development.

As of 30 June 2022, 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

The Company actively responded to the call of the country, focused on two key points including eco-friendly and pollution prevention and control, continued to deepen green traffic concept and practice environmental responsibility of corporate, and contributed enterprise power for building eco-friendly society.

1. Adopting emerging technology to protect ecosystem

(1) Application of green conservation technology

The Company upheld the enterprise principle of “surpassing oneself”, continued to raise the value of conservation technology while actively promoting the application of green conservation technology, to effectively erase or delay the existing road defects and realize the relative balance between enterprise economic benefits and environment benefits.

During the Reporting Period, the Company regarded the Implementation Plan on R&D and Application of “Highly Anti-skid, Low Noise, and Thin Overlay Technology” and relevant project leading group as the base, gradually promoted highly anti-skid, low noise, thin overlay technology. Such technology has a series of strengths, including low carbon, eco-friendly, highly anti-skid, low traffic noise, water sealed, high price-performance ratio, which can effectively raise the quality and durability of the roads, eliminate the risks to driving safety and save the maintenance expenses.

Xuanguang Company realized the quick removal of iron nails, iron filings and other iron substances dropped from open trunks, engine oil, fuel, paint, etc., through strong magnet adhesion or special cleaning methods, effectively preventing secondary accidents due to the substances thrown or splashed on the road. As of the end of the Reporting Period, Xuanguang Company has completed experimental work of such technology, which will be gradually promoted in the future.

(2) Special action for improving the road environmental quality

In order to further implement the requirements for improving the environmental quality of the Company’s roads, during the Reporting Period, the Company carried out the normalization management of the road environment, further created green traffic, and created a “smooth, safe, comfortable and beautiful” expressway environment.

This work mainly aims at the key areas involved in the operation process, establishing targeted management rules and regular inspection and assessment mechanism, and exploring the road cleaning mode based on mechanical cleaning in this process, continuously improving the green coverage of simulated turf, deeply cleaning, timely replacing safety facilities along the road, and building a beautiful and safe expressway ecological corridor.

2. Reducing emissions and promoting green development

(1) Reduction of noise pollution

The Company has always attached great importance to noise pollution generated in the process of operation. During the Reporting Period, the noise pollution was reduced by setting up sound barriers and isolation walls at noise sensitive points along the road, setting up no honking signs at sensitive noise receiving points and other measures to effectively improve the sound environment of residential areas along the road. In the second half of 2022, the Company's Hefei Management Office plans to continue to add sound barriers while strengthening the management and maintenance of the existing sound barriers to further reduce the impact of traffic noise on the life of residents along the road.

(2) Water resources management and sewage treatment

The Company has always been committed to achieving ecological protection in the process of maintenance and construction, focusing on reducing sewage discharge and realizing rational utilization of water resources by improving sewage treatment technology and strengthening water management. During the Reporting Period, Hefei Management Office of the Company implemented a number of sewage treatment and transformation projects at toll stations. In the future, rain and sewage can be separated and sewage can be treated centrally at all stations of the Company; the Company's Xiao County sub-center fully promoted the MBR sewage treatment process, and through the MBR sewage treatment process, the accumulated sewage discharge was reduced by 1,620 tonnes.

(3) Waste management

The Company has always adhered to the principle of recycling and harmless treatment of wastes, actively explored ways of reusing waste traffic safety facilities, and improved the utilization efficiency of waste materials through high permeability and fine plant heat tracing regeneration technology; further strengthened the control frequency of waste materials, centrally controlled hazardous wastes such as batteries and engine oil, achieved a good closed-loop of waste material disposal, and reduced the risk of environmental pollution.

(4) Snow-melting agent management

Adhering to the concept of "scientific, refined, and environment-friendly", the Company has strictly managed the storage and use of snow-melting agents to reduce the risk of environmental pollution caused by snow-melting agents entering farmlands and rivers. The Company also used environment-friendly snow-melting agents with different specifications for different road sections, and carried out deicing and snow-melting work in the operation mode of "mechanical operation as main measure, with snow-melting agents as supplements" to effectively reduce the harm of snow-melting agents to the environment, roads, bridges, vehicles, etc.

(V) Measures taken to reduce its carbon emissions during the Reporting Period and their effectiveness

The Company has always regarded reducing carbon emissions as an important part of achieving the sustainable development goal of the enterprise. On the one hand, the Company actively promotes green office and energy management measures to reduce carbon emissions during project implementation; on the other hand, the Company flexibly applies digital technology and environmental protection technology to comprehensively promote ETC and reduce the overall carbon emissions of expressways.

1. Promoting green office and reducing energy consumption

(1) Carrying out green office publicity activities

The Company has actively practiced the concept of green office. By posting energy-saving cards, setting warm reminder boards, encouraging employees to travel green, and promoting smart office, the Company has imperceptibly improved employees' awareness of environmental protection and practiced green office methods.

(2) Standardizing the use of resources

The Company has always adhered to the idea of green and sustainable development, promoted green office from the institutional level, and strictly standardized the management of the use of water, electricity, office supplies and other resources. During the Reporting Period, the Company effectively controlled the water output of the faucet and put an end to the phenomenon of frequent running water; uniformly used energy-saving lighting, turned off non-office power, and reduced standby loss; reduced steam consumption by controlling the opening time of the central air-conditioning; promoted intelligent and paperless office, required paper to be used on both sides as much as possible, and uniformly collected waste paper to be reused as draft paper to effectively reduce the use of office consumables.

(3) Reducing industrial energy consumption

While promoting the greening of office space, the Company also actively promotes special energy conservation control to reduce industrial energy consumption. During the Reporting Period, the Company carried out the Company's regional lighting renovation project to minimize the energy consumption of the lighting system; carried out the water system transformation project and checked the leakage points.

The Company continued to strengthen the management and maintenance of equipment, carried out centralized electromechanical maintenance, improved the operating environment of electromechanical equipment, and effectively reduced the energy consumption of equipment; enriched the energy-saving mechanism, flexibly adjusted the opening mode of live track lighting, and avoided unnecessary power consumption while ensuring traffic safety; included the production power data into the scope of quantitative assessment, so as to standardize and streamline the power management and control; strengthened the management of oil and electricity, and required the maintenance personnel to report the actual tunnel oil consumption and toll station oil consumption on a regular basis, so as to effectively supervise the use of oil.

2. Flexible application of digital technology and environmental protection technology

(1) ETC promotion

The Company has actively responded to the national call for “green highways” construction, continued to increase the promotion of ETC, effectively improved the highway traffic efficiency, reduced the automobile carbon emissions, and built a green intelligent transportation while improving the digital and intelligent construction level of roads. During the Reporting Period, the Company set up 35 ETC service points and issued 20,900 sets of ETC equipment.

(2) Application of environmental protection technology

In order to deeply practice the concept of carbon reduction, the Company has actively applied environmental-friendly and low-energy technologies and processes, and strengthened the construction of green recycling and low-carbon maintenance technology system. Ningxuanhang Company has actively explored emerging technologies such as drainage asphalt pavement, low noise pavement, green maintenance of bridges and tunnels, and established a green recycling and low-carbon maintenance technology system through the warm mixing of asphalt concrete materials for maintenance projects, so as to effectively reduce carbon emissions while improving road quality.

II . Consolidation and Expansion of the Achievements of Poverty Alleviation and Rural Revitalization

While being committed to the rapid development of enterprises, the Company actively fulfills its corporate social responsibilities, accelerates the comprehensive revitalization of rural areas, enthusiastically participates in public welfare undertakings, pays close attention to pandemic prevention and control, and contributes to the social development.

(I) Rural revitalization

1. The Company has actively responded to the national rural revitalization work. In the first half of 2022, the Gaojie Management Office of the Company continued to carry out targeted assistance work in Lishu Village, Taihu County, Anqing City, Anhui Province, consolidated and expanded the achievements of poverty alleviation to get rid of poverty without shirking responsibility. As of 30 June 2022, 323 households with 1,101 people had been lifted out of poverty in Lishu Village.

(1) Continuous poverty alleviation assistance

Through regular household visits, the assistance team of Gaojie Management Office carried out poverty prevention and anti-poverty detection and tracking research on poverty alleviation results, provided local and nearby employment services for local poverty alleviation households, and organized the poverty alleviation population to work in the nearest village processing plant to achieve stable income growth; continued to increase industrial support, continued to promote the optimization and upgrade of many industrial projects, such as tea production and processing, free-range chicken breeding, and so on. At the same time, we carried out agricultural product production and marketing docking activities, and mobilized operating units to purchase unsalable agricultural products. As of the end of June, the sales volume reached RMB489,100.

(2) Increasing investment in infrastructure

The Company has always focused on and continued to increase investment in infrastructure and public service construction in Lishu Village. During the Reporting Period, the task force strived for RMB210,000 of project funds to be used for various infrastructure repair projects, allocated funds to carry out the improvement projects for the roads towards households, realized 100% household access rate in concentrated residential areas with more than three households, and continued to improve the rural residential environment.

(3) Strengthening the construction of spiritual civilization

The labor union of the Company, the Party, Labor Union and Youth League Organizations of Gaojie Management Office have carried out joint activities with the village women's federation and the youth league branch for many times, forming a strong atmosphere for the whole village to participate in the revitalization of rural culture. During the Reporting Period, the labor union of the Company carried out charity activities of education assistance, improved the office conditions of Liuhe primary school in Lishu Village, and enriched the cultural and sports life of students. The Gaojie Management Office opened a regular "civilized night school" in Lishu Village, carried out publicity activities such as rural residential environment improvement and Party history learning and education, and vigorously carried out selection activities for spiritual civilized families and individuals to further cultivate a new style of civilization.

2. Xuanguang Company took the initiative to connect with the joint-stock economic cooperative of Mamiao Village, Tianhua Town, Taihu County on the eve of the Spring Festival according to the needs, and purchased a total of 2,225 kilograms of beef, with a purchase amount of RMB267,000.

(II) Public welfare voluntary activities

The Company has always carried forward the volunteer spirit of "dedication, fraternity, mutual assistance and progress", and actively organized employees to carry out various public welfare voluntary condolence activities. During the Reporting Period, the employee volunteer service team set up by the Company sent warmth and blessings to the left-behind children and the elderly, and carried out voluntary activities such as voluntary planting of camellia oleifera, voluntary tree planting, community health cleaning, voluntary blood donation, civilized traffic persuasion, and contributed to social welfare.

(III) Social services

The Company has always adhered to the prevention and control of the pandemic. On the premise of ensuring “zero infection” of all employees on the operation front, the Company has firmly guarded the frontier of pandemic prevention and control on expressways and made every effort to ensure the smooth passage of freight vehicles. During the Reporting Period, the Company further strengthened the timely disinfection of travel passes, lanes, toll booths and personnel, and dynamically mastered the pandemic situation to ensure the smooth passage of freight vehicles.

The Company has always adhered to the concept of serving the people for a better trip, improved the smile service level by standardizing the appearance standard requirements of toll collectors, fully displayed the good window image of “sincere smile, attentive service” of the Company, and improved the service quality.

During holidays, the Company insisted on doing a good job in safety, smoothness and pandemic prevention and control, and made every effort to create a beautiful travel environment. During the Spring Festival transportation period, we actively carried out the activity of “Warm traffic, Love full journey”, set up convenience service desks at the entrances of toll stations, and prepared sufficient vehicle repair tools, emergency medicine and other commonly used convenience materials to provide “warm service” for drivers and passengers.

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 time limit for performance	Whether strictly comply in a timely manner
Commitment related to the share reform	Other	Anhui Transportation Holding Group	Continue to support the Company's acquisition of the good road assets owned by the Anhui 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

Anhui Expressway Company Limited

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 announcements and have no progress or change in the subsequent implementation

Item overview	Indexes of announcements
To provide expressway section entrusted management service	22 January 2021 "Announcement – Continuing Connected Transactions: Entrusted Management Agreements", 10 February 2021 "Supplemental announcement – Continuing Connected Transactions: Entrusted Management Agreements", 29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"* (《關於預計2022年度日常關聯交易的公告》), 22 June 2022 "Announcement-Continuing Connected Transaction: Entrusted Operation Management Agreement"
To receive networking charging service	31 December 2021 "Announcement-Continuing Connected Transactions: Entering into New Network Services Agreements", 29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To receive construction management service	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions", 15 June 2022 "Announcement-Continuing Connected Transactions: Sewage Treatment Work Contracts", 22 June 2022 "Announcement-Continuing Connected Transactions: Service Areas 'Toilets Revolution' Special Upgrading Work"
To receive construction supervision service	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To receive construction inspection service	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To receive property management service	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To provide the house rental services	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To provide service area rental services	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions", 29 April 2022 "Announcement-Continuing Connected Transaction: Operating Rights Lease Agreement"
To provide gas stations rental services	31 December 2021 "Announcement – Continuing Connected Transaction: Lease of Operating Rights of Gas Stations", 29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To provide venue rental and conference services	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
Purchase products	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"
To receive vehicle maintenance services	29 March 2022 "Announcement in relation to Contemplated 2022 Daily Related Party Transactions"

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

Applicable Not Applicable

3. Items which have not been disclosed in announcements

Applicable Not Applicable

(II) Related party transactions in relation to assets or equity acquisition and disposal

1. Items which have been disclosed in announcements and without further developments or changes in subsequent implementation

Applicable Not Applicable

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

Applicable Not Applicable

3. Items which have not been disclosed in announcements

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 announcements and without further developments or changes in subsequent implementation

Applicable Not Applicable

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

Item overview

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., 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 İċtař 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.

The seventeenth meeting of the ninth session of the board of directors of the Company was convened on 27 January 2022, at which the Resolution in relation to the Termination of the Acquisition of Overseas Assets by the Company and the Parties to the Consortium was considered and approved, and the Termination Agreement In Relation to the Acquisition of 51% equity interest in ICA IC İċtař Astaldi ÜçüncüBoğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş. and 51% equity interest in Eurasia Motorway Maintenance and Operations Limited was entered into among the parties on 9 March 2022.

During the Reporting Period, the termination agreement had been signed and performed, and deregistration of the SPV companies was underway.

Since the parties to the SPA have decided to terminate the transactions thereunder, and neither the Company nor the other Consortium Members (as defined in the Announcement) has made any payment to the Vendor or obtained the title and operation rights of the ICA Project of the target company, the abovementioned matters will not have significant impact on the operating and financial position of the Company.

Indexes of announcements

- 23 December 2019 "Joint Announcement Connected Transaction: Formation of Joint Venture"
- 28 January 2022 "The Resolutions of the seventeenth Meeting of the ninth Board"*(《第九屆董事會第十七次會議決議公告》)(LIN 2022-005)
- 11 March 2022 "Voluntary announcement-Announcement of Progress of the Transaction relating to the Formation of a Joint Venture by the Company and Members of the Consortium for the Acquisition of Overseas Assets"

Item overview

On 2 December 2021, the consortium formed by Anhui Transportation Holding Group and Xuanguang Company received the notice of award from the tenderer for the Public-Private-Partnership (PPP) project relating to the reconstruction and expansion of the G50 Shanghai Chongqing Expressway Guangde to Xuancheng Section (the "Project"). In order to ensure the smooth progress of the Project, the Company and its related party namely Xuancheng Transportation Investment Group Company Limited intended to increase the investment in Xuanguang Company in proportion to their shareholdings. The Company shall increase the investment by RMB1,513.78 million and Xuancheng Transportation shall increase the investment by RMB1,215.22 million. The matter was considered and approved at the 15th meeting of the ninth session of the Board and the first extraordinary general meeting of 2022 of the Company.

During the Reporting Period, the Company has increased the capital of RMB549 million to Xuanguang Company in accordance with the shareholding ratio, and Xuancheng Transportation has increased the capital of RMB441 million to Xuanguang Company as the project capital to be undertaken by Xuanguang Company. For details, please refer to the part named "Investment Analysis" in Section III Management Discussion and Analysis.

Indexes of announcements

Announcement on Winning of the Project Tender by a Holding Subsidiary* (《關於控股子公司項目中標的公告》) (LIN 2021 - 040) dated 4 December 2021

Announcement on Resolutions of the Fifteenth Meeting of the Ninth Session of the Board of Directors* (《第九屆董事會第十五次會議決議公告》) (LIN 2022-043), Announcement on Connected Transactions in relation to the Joint Establishment of a Joint Venture by a Holding Subsidiary and a Controlling Shareholder of the Company* (《關於本公司控股子公司與控股股東共同設立合資公司的關聯交易公告》) (LIN 2022-044) and Announcement of Increased Investment in a Holding Subsidiary of Anhui Expressway and Connected Transactions* (《皖通高速關於向控股子公司增加投資暨關聯交易的公告》) (LIN 2022-045) dated 1 January 2022

25 February 2022 "Voting results of the extraordinary general meeting of shareholders held on 25 February 2022"

Item overview

On 9 July 2021, the Company entered into the Partnership Agreement on Anhui Transportation Jinshi Equity Investment Fund Partnership (Limited Partnership) with Jinshi Fund Management Company, Anhui Transportation Capital Investment Management Co., Ltd. and Jinshi Investment Co., Ltd., to confirm the matters related to the second phase of Jinshi Investment Fund. The total subscribed capital for the second phase of the fund is RMB1,500,000,000, and the Company intends to invest RMB99,625,000, representing 6.64%.

As of the date of this report, the Company has made the second payment of RMB33.2083 million for the phase II of Anhui Transportation Jinshi Fund.

The Company held the eighteenth meeting of the ninth Board of Directors on 10 March 2022, deliberating and approving the Proposal on participating in phase II investment and Signing the Supplementary Agreement of Anhui Transportation China Merchants Industrial Fund. According to the relevant terms of the partnership agreement and supplementary agreement, the Company needs to contribute a total of RMB100 million.

On 7 April 2022, the Company signed a supplementary agreement with Anhui Transportation Capital Investment Management Co., Ltd., Anhui Anlian Expressway Co., Ltd., and China Merchants Zhiyuan Capital Investment Co., Ltd., confirming matters related to this investment fund.

In July 2022, the Company paid the initial investment of RMB19.9250 million for China Merchants Fund II.

Indexes of announcements

Announcement – Adjustment of Fund Partnership Terms and Establishment of Phase II Fund Partnership dated 9 July 2021

Announcement on the Progress of Participating in the Second Phase of Investment and Signing of Supplementary Agreement of Anhui Transportation China Merchants Industrial Fund* (《皖通高速關於參與安徽交控招商產業基金二期出資暨簽訂補充協議的進展公告》) (Lin 2022-015) dated 8 April 2022

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3. Matters not disclosed in the announcements

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	0.00	0.00	0.00	279,100	0.00	279,100
Xuancheng Transportation Investment	Other connected persons	0.00	0.00	0.00	84,248	-68,848	15,400
Total		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>363,348</u>	<u>-68,848</u>	<u>294,500</u>

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.

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 the matters related to tolls for vehicles on toll roads in our province"* (《關於我省收費公路車輛通行費有關事項的通知》) (Wan Jiao Lu [2020] No. 162) jointly issued by the Anhui Development and Reform Commission and the Finance Department of Anhui Province, Anhui's toll standard would run for one year on a trial basis until the end of 2020. With the consent of the provincial government, the new standard was formally implemented on 1 January 2021; The period of 15% discount for freight vehicles holding Anhui Transportation Card is tentatively extended for 3 years, namely from 1 January 2021 to 31 December 2023. For details, please refer to the Announcement on Standard of Toll Charges* (《關於通行費收費標準的公告》) (Lin 2020-033) published by the Company.

Unified 5% discount policy for ETC Users

According to the "Notice on Implementing Preferential Policies for ETC Vehicle Tolls on Toll Roads"* (《關於落實收費公路ETC車輛通行費優惠政策的通知》) issued by the Anhui Provincial Department of Transportation and Anhui Provincial Development and Reform Commission, from 1 July 2019, the use of electronic payment cards from other provinces to pay tolls on toll roads in Anhui Province Vehicles with a 5% discount on vehicle tolls shall be implemented.

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 21 June 2021, and authorized the management of the Company to handle all matters related to the liquidation and dissolution. As at the date of this report, the main project of the liquidation of Wantong Pawn has been basically completed, and the next step is to handle tax registry cancellation and industrial and commercial registry cancellation.

Payment of Toll for Small Passenger Cars with Wan R and Wan H License Plates Passing Through Anqing Yangtze River Highway Bridge

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

Change of accounting firm

Pursuant to the relevant regulations of the Anhui Provincial State-owned Assets Administration and Supervision Committee, PricewaterhouseCoopers Zhong Tian LLP, the Company's current auditors, have exceeded their engagement term, and will retire as the Company's external auditors for the year 2022. On the nineteenth meeting of the ninth session of the Board held on 28 March 2022 and the 2021 annual General Meeting of Shareholders held on 20 May 2022 respectively deliberated and approved the Proposal on the Change of Accounting Firm and the Proposal on the Appointment of the Company's 2022 Auditor and the authorization of the Board to determine its remuneration. Appointed Ernst & Young and Ernst & Young Hua Ming LLP (collectively referred to as "EY") as the auditors of the Company for the financial reporting in accordance with HKFRS and the financial reporting in accordance with CAS purposes for the year 2022.

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 in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders.

Diversification Policy of the Members of the Board

According to the requirements of the Corporate Governance Code, the Company has amended the work duties of the Human Resources and Remuneration Committee of the Board. The Company has also adopted a diversification policy of the board members, which was passed at the twentieth meeting of the 6th session of the Board.

Liability Insurance for Directors, Supervisors and Senior Executives

According to the requirements of the Corporate Governance Code, during the Reporting Period, the Company has selected insurance providers of liability insurance and completed insurance arrangements for directors, supervisors and senior executives in 2022, thereby providing protection for the directors, supervisors and senior executives in their performance of duties.

Audit Committee

From 1 January 2022 to the date of this report, the audit committee of the Company convened three meetings, during which it reviewed the 2021 annual report and financial statement prepared in accordance with PRC Accounting Standards and HKAS, the 2022 first quarterly financial statement, as well as the 2022 interim results announcement and 2022 interim unaudited financial statement prepared in accordance with PRC Accounting Standards and HKAS.

Independent Non-executive Directors

The Company has appointed sufficient independent non-executive directors with professional knowledge in accordance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The ninth session of the Board contained 3 independent non-executive directors, two 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 2022, 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 2022.

Purchase, Sale and Redemption of the Company's Securities

During the six months ended 30 June 2022, neither the Company nor any of the subsidiaries and joint ventures purchased, sold or redeemed any of the Company's listed securities.

XIII. Events after the Reporting Period

Save as disclosed in this report, from the date of 30 June 2022 to the date of this report, there is no events that have a significant impact on the Group.

SECTION VII CHANGE OF SHARES AND SHAREHOLDERS

I. Change of ordinary share capital

(I) Change of ordinary shares

1. Change of ordinary shares

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

2. Explanation of Change of ordinary 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 Disclosures that the Company deems necessary or required by the Securities Regulatory Authority.

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

23,622

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(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 Share status	Number	Nature of shareholders
		Shareholding as at the end of the Reporting period	Shareholding percentage (%)				
Anhui Transportation Holding Group Company Limited	0	524,644,220	31.63	0	None		State-owned shares
HKSCC NOMINEES LIMITED	956,000	484,209,899	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	-6,625,188	28,378,677	1.71	0	None		Overseas legal person
Qingdao Liben Private Equity Fund Management Partnership (Limited Partnership) – Liben Growth No. 2 Private Securities Investment Fund	3,692,386	15,964,774	0.96	0	None		Other
Ding Xiuling	0	5,411,435	0.33	0	None		Domestic natural person
Chen Rongzhi	-97,100	3,360,000	0.20	0	None		Domestic natural person
Beijing Yuanfeng Private Equity Fund Management Partnership (limited partnership) – Yuanfeng Value Private Equity Investment Fund	2,621,200	2,621,200	0.16	0	None		Other
Ding Guangzhong	0	2,526,025	0.15	0	None		Other
Guolian Securities Co., Ltd	-10,846,600	2,500,000	0.15	0	None		State-owned legal 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	484,209,899	Overseas listed foreign shares	484,209,899
China Merchants Highway Network Technology Holding Company Limited	404,191,501	Renminbi-denominated ordinary shares	404,191,501
Hong Kong Securities Clearing Co. Ltd	28,378,677	Renminbi-denominated ordinary shares	28,378,677
Qingdao Liben Private Equity Fund Management Partnership (Limited Partnership) – Liben Growth No. 2 Private Securities Investment Fund	15,964,774	Renminbi-denominated ordinary shares	15,964,774
Ding Xiuling	5,411,435	Renminbi-denominated ordinary shares	5,411,435
Chen Rongzhi	3,360,000	Renminbi-denominated ordinary shares	3,360,000
Beijing Yuanfeng Private Equity Fund Management Partnership (limited partnership) – Yuanfeng Value Private Equity Investment Fund	2,621,200	Renminbi-denominated ordinary shares	2,621,200
Ding Guangzhong	2,526,025	Renminbi-denominated ordinary shares	2,526,025
Guolian Securities Co., Ltd	2,500,000	Renminbi-denominated ordinary shares	2,500,000
The top ten shareholders of the buyback account information	Nil		
The above explanation of shareholders' entrustment voting right, entrusted voting right and abandonment of voting right	Nil		
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 (《上市公司股東持股變動信息披露管理辦法》)."		
Description of the reinstated preferred shareholders and the number of shareholdings	Nil		

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Note:

1. At the end of the Reporting Period, the total number of A-share shareholders is 23,556 and the total number of H-share shareholders is 66 :
2. H shares held by HKSCC NOMINEES LIMITED represent the holding of many clients.

shareholdings and restrictions of top ten restricted shareholders

Applicable Not Applicable

(III) Strategic investor 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) Other explanations

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 2022, 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 2022, 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 2022.

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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

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SECTION X FINANCIAL REPORT

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 (Restated) RMB'000
ASSETS			
Non-current assets			
Concession intangible assets	7	13,843,185	13,207,681
Right-of-use assets	7	6,426	6,808
Property, plant and equipment	7	1,191,674	1,232,704
Investment properties	7	360,361	370,239
Intangible assets	7	382	418
Investment in associates		145,089	136,892
Deferred income tax assets		97,487	107,096
Financial assets at fair value through profit or loss ("financial assets at FVPL")	9	254,010	304,213
Financial assets at fair value through other comprehensive income ("financial assets at FVOCI")	8	115,563	115,138
Total non-current assets		16,014,177	15,481,189
Current assets			
Inventories		5,000	5,399
Other current assets		11,922	14,699
Receivables and prepayments	10	226,667	176,629
Time deposits with original maturity over three months	27	1,427,710	927,635
Cash and cash equivalents	27	3,506,314	3,359,918
Total current assets		5,177,613	4,484,280
Total assets		21,191,790	19,965,469

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 (Restated) RMB'000
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	(727,879)	(728,178)
Retained earnings		8,833,923	9,078,629
		<u>11,180,247</u>	<u>11,424,654</u>
Non-controlling interests		<u>778,521</u>	<u>555,169</u>
Total equity		<u>11,958,768</u>	<u>11,979,823</u>
Non-current liabilities			
Long-term payables	17	275,000	294,500
Borrowings	14	6,231,493	4,726,409
Deferred income tax liabilities		38,934	41,069
Deferred income	16	120,318	126,783
Total non-current liabilities		<u>6,665,745</u>	<u>5,188,761</u>

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INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 (Restated) RMB'000
Current Liabilities			
Trade and other payables	13	1,946,035	2,154,283
Current income tax liabilities		63,832	215,824
Provision	15	121,682	77,844
Borrowings	14	435,728	348,934
		<u>2,567,277</u>	<u>2,796,885</u>
Total liabilities		<u>9,233,022</u>	<u>7,985,646</u>
Total equity and liabilities		<u>21,191,790</u>	<u>19,965,469</u>

The notes on pages 76 to 108 are an integral part of the condensed consolidated interim financial information.

The financial information set out on pages 68 to 108 was approved by the board of directors on 26 August 2022 and the interim condensed consolidated balance sheet was signed by the following directors on behalf of the board:

Director (Xiang Xiaolong)

Director (Tao Wensheng)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited Six months ended 30 June	
	Note	2022 RMB'000	2021 (Restated) RMB'000
Revenue	19	2,816,252	1,947,814
Cost of sales	20	(1,781,058)	(788,461)
Gross profit		1,035,194	1,159,353
Other income and gains – net	18	66,540	81,098
Administrative expenses	20	(69,352)	(55,538)
Net impairment reversal on financial assets	21	109	91
Operating profit		1,032,491	1,185,004
Finance costs	22	(118,045)	(142,188)
Share of profits of associates		8,196	6,595
Profit before income tax		922,642	1,049,411
Income tax expenses	23	(275,375)	(270,228)
Profit for the period		647,267	779,183
Attributable to:			
Owners of the Company		667,510	764,241
Non-controlling interests		(20,243)	14,942
		647,267	779,183
Basic and diluted earnings per share (expressed in Renminbi per share)	24	0.4025	0.4608

Anhui Expressway Company Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

	Unaudited Six months ended 30 June	
	2022	2021 (Restated)
	RMB'000	RMB'000
Profit for the period	647,267	779,183
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	319	210
Total comprehensive income for the period	647,586	779,393
Attributable to:		
Owners of the Company	667,829	764,451
Non-controlling interests	(20,243)	14,942
	647,586	779,393

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

(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 (restated)	<u>1,658,610</u>	<u>1,415,593</u>	<u>518,952</u>	<u>7,948,104</u>	<u>637,193</u>	<u>12,178,452</u>
Comprehensive income						
Profit for the period (unaudited)	-	-	-	764,241	14,942	779,183
Other comprehensive income (unaudited)						
- Fair value change on financial assets at FVOCI, net of tax (unaudited)	-	-	210	-	-	210
Total comprehensive income/(loss) for the period ended 30 June 2021 (unaudited)	<u>-</u>	<u>-</u>	<u>210</u>	<u>764,241</u>	<u>14,942</u>	<u>779,393</u>
Transactions with owners						
Dividends relating to 2020 (unaudited)	-	-	-	(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)	<u>1,658,610</u>	<u>1,415,593</u>	<u>519,142</u>	<u>8,330,885</u>	<u>538,963</u>	<u>12,463,193</u>

Anhui Expressway Company Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2022

(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 2022 (audited)		1,658,610	1,415,593	(728,178)	9,078,629	555,169	11,979,823
Comprehensive income							
Profit for the period (unaudited)		-	-	-	667,510	(20,243)	647,267
Other comprehensive income (unaudited)							
– Fair value change on financial assets at FVOCI, net of tax (unaudited)		-	-	319	-	-	319
Total comprehensive income for the period ended 30 June 2022 (unaudited)		-	-	319	667,510	(20,243)	647,586
Transactions with owners							
Dividends relating to 2021 (unaudited)	25	-	-	-	(912,236)	-	(912,236)
Dividends paid to a non-controlling interest of subsidiaries relating to 2021 (unaudited)		-	-	-	-	(201,246)	(201,246)
Capital injection by non-controlling interest		-	-	-	-	444,841	444,841
Others (unaudited)		-	-	(20)	20	-	-
Balance at 30 June 2022 (unaudited)		1,658,610	1,415,593	(727,879)	8,833,923	778,521	11,958,768

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June	
		2022	2021 (Restated)
Cash flows from operating activities			
Cash generated from operations		1,504,074	1,155,293
Interest paid		(112,466)	(61,692)
Income tax paid		(420,000)	(413,829)
Net cash generated from operating activities		971,608	679,772
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(23,930)	(3,231)
Purchase of intangible assets	7	(327)	(75)
Additions to service concession arrangements		(1,044,503)	–
Net increase in restricted cash		(500,000)	(89,981)
Proceeds from disposal of financial assets at FVPL		76,379	3,127,357
Payments for purchase of financial assets at FVPL		(33,208)	(2,500,000)
Proceeds from sales of property, plant and equipment		790	11,121
Interest received		11,776	22,797
Dividend received from financial assets at FVPL		13,283	17,933
Dividend received from financial assets at FVOCI		10,384	6,291
Net cash (used in)/generated from investing activities		(1,489,356)	592,212
Cash flows from financing activities			
Proceeds from bank borrowings		1,791,107	1,753,342
Repayments of bank borrowings		(246,058)	(748,773)
Proceeds from non-controlling interests' contributions to subsidiaries		444,841	–
Repayments of long-term payables		(19,500)	(238,428)
Dividends paid to the non-controlling interests		(201,246)	–
Payment of consideration acquisition of a subsidiary under common control		(1,105,000)	–
Net cash generated from financing activities		664,144	766,141
Net increase in cash and cash equivalents		146,396	2,038,125
Cash and cash equivalents at beginning of the period		3,359,918	1,973,718
Exchange gains on cash and cash equivalents		–	(44)
Cash and cash equivalents at end of the period	27	3,506,314	4,011,799

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

1 General information

Anhui Expressway Company Limited (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 15th August 1996 as a joint stock limited company. The Company and its subsidiaries (the “Group”) are principally engaged in the construction, operation, management and development of the toll roads and associated service sections in the Anhui Province. Besides, the Group has commenced to operate pawn business since 2012. On June 21, 2021, the Board of Directors approved the liquidation and dissolution of Wantong Pawn.

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 2022, 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 25 July 1998 to 24 July 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 27 March 2002 to 24 July 2027
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 Qianqiguan 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 2047
Yuewu Expressway Anhui Section	46	From 31 December 2015 to 30 December 2045
Anqing Yangtze River Bridge	6	From 26 December 2004 to 25 December 2033

(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. The Group received the approval from Anhui Provincial People’s Government on June 2022, confirming that the formal concession period is determined to be 30 years, starting from 30 December 2017 to 29 December 2047.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

2 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

3 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

3 Changes in accounting policies and disclosures (Continued)

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Annual Improvements to HKFRSs 2018–2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

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 2021.

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 2021.

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 2021, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

5 Financial risk management and financial instruments (Continued)

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).

The following table presents the Group's financial assets that are measured at fair value at 30 June 2022 and 31 December 2021.

As at 30 June 2022 (unaudited)

Financial assets

Financial assets at FVPL
Financial assets at FVOCI

Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
–	–	254,010	254,010
–	–	115,563	115,563
–	–	369,573	369,573

As at 31 December 2021 (audited)

Financial assets

Financial assets at FVPL
Financial assets at FVOCI

Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
–	–	304,213	304,213
–	–	115,138	115,138
–	–	419,351	419,351

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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 changes in level 3 instruments for six months ended 30 June 2022.

	For six months ended 30 June 2022		
	Financial assets at FVPL	Financial assets at FVOCI	Total
Opening balance (audited)	304,213	115,138	419,351
Additions (unaudited)	33,208	–	33,208
Disposals (unaudited)	(76,380)	–	(76,380)
Gains recognised in profit or loss (unaudited) (Note 18)	(7,031)	–	(7,031)
Gains recognised in other comprehensive income (unaudited) (Note 8)	–	425	425
Closing balance (unaudited)	<u>254,010</u>	<u>115,563</u>	<u>369,573</u>

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

	Fair value as at 30 June 2022 (unaudited)	Valuation technique	Unobservable input	Range (weighted average)
Financial assets at FVPL	254,010	Market comparable approach	Price/Earnings	57.4~70.2/(63.8)
Financial assets at FVOCI	100,563	Income approach	Discount rate	13.3%~11.8%/(13.5%)
Financial assets at FVOCI	15,000	Market comparable approach	Price/Book value	10~13/(11.5)
	<u>369,573</u>			

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 2022

(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 2022.

The Group is domiciled in Anhui Province, the PRC. Its revenue is generated from Anhui Province, the PRC. As at 30 June 2022 and 31 December 2021, 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 2022

(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 2021					
Opening net book amount as at					
1 January 2021 (audited)	13,805,195	2,580	1,377,427	400,095	7,571
Additions	33,129	274	(13,072)	-	-
Adjustment of cost	-	-	(7,118)	-	-
Transfers	-	1,278	(1,278)	-	-
Disposals	-	-	(470)	-	-
Depreciation/amortisation (Note 20)	(361,583)	(2,092)	(79,891)	(10,324)	(382)
Closing net book amount as at 30 June 2021 (unaudited)	<u>13,476,741</u>	<u>2,040</u>	<u>1,275,598</u>	<u>389,771</u>	<u>7,189</u>
Six months ended 30 June 2022					
Opening net book amount as at					
1 January 2022 (audited)	13,207,681	418	1,232,704	370,239	6,808
Additions	1,011,223	327	23,930	-	-
Adjustment of cost	-	-	(1,145)	-	-
Transfers	(5,254)	-	5,254	-	-
Disposals	-	-	(520)	-	-
Depreciation/amortisation (Note 20)	(370,465)	(363)	(68,549)	(9,878)	(382)
Closing net book amount as at 30 June 2022 (unaudited)	<u>13,843,185</u>	<u>382</u>	<u>1,191,674</u>	<u>360,361</u>	<u>6,426</u>

As at 30 June 2022, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

For the six months ended June 30, 2022, the amount of the borrowing costs has been capitalised by RMB488 thousand (same period of 2021: no borrowing costs has been capitalised).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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 2022 (audited)	71,943	24,610	15,000	1,302	2,283	115,138
Fair value gains on financial assets at FVOCI recognised in OCI	-	-	-	138	287	425
At 30 June 2022 (unaudited)	71,943	24,610	15,000	1,440	2,570	115,563

(a) As at 30 June 2022, financial assets at 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 RMB71,943 thousand (31 December 2021: 6.62% and fair value of RMB71,943 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 RMB24,610 thousand (31 December 2021: 6.62% and fair value of RMB24,610 thousand).

For the six months ended 30 June 2022, AXCM distributed dividends to the Company of RMB4 thousand.

(b) As at 30 June 2022, 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 asset at FVOCI.

(c) As at 30 June 2022, 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 asset at FVOCI.

(d) As at 30 June 2022, 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 asset at FVOCI.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

9 Financial assets at FVPL

	30 June 2022 (unaudited)	31 December 2021 (audited)
Non-current assets		
Investments in LPs		
– ATGBF (a)	121,262	139,911
– ATZIIF (b)	66,953	131,292
– ATGEIF (c)	65,795	33,010
	254,010	304,213

- (a) As at 30 June 2022, the Company invested in RMB69,737 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 2022, the Company invested in RMB53,133 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.

In six months ended 30 June 2022, dividend of RMB13,283 thousand was declared and paid by ATZIIF.

- (c) As at 30 June 2022, the Company invested RMB66,417 thousand and held 6.64% of the interest in Anhui Transportation Goldstone Equity Investment Fund LP (“安徽交控金石股權投資基金合夥企業(有限合夥)”, “ATGEIF”). As a limited partner, the Company does not engage in management or decision making of ATGEIF.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

10 Receivables and prepayments

	30 June 2022 (unaudited)	31 December 2021 (audited)
Other receivables		
– Toll roads income receivable (a)	118,823	84,302
– Pawn loans to customers (b)	28,579	28,579
– Receivables for construction	30,051	30,051
– Interest receivable	49,809	30,653
– Dividends receivable	–	10,380
– Others	34,300	28,045
	<u>261,562</u>	<u>212,010</u>
Less: Provision for impairment of pawn loans (b)	(20,005)	(20,005)
Provision for impairment of others (c)	(15,833)	(15,943)
	<u>225,724</u>	<u>176,062</u>
Prepayments		
– Prepaid expenses	943	567
	<u>226,667</u>	<u>176,629</u>

The ageing analysis of the other receivables were as follows:

	30 June 2022 (unaudited)	31 December 2021 (audited)
Within 1 year	191,222	146,403
Between 1 and 2 years	5,921	1,688
Between 2 and 3 years	1,193	1,737
Over 3 years	63,226	62,182
	<u>261,562</u>	<u>212,010</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

10 Receivables and prepayments (Continued)

(a) As at 30 June 2022, 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 RMB117,585 thousand (31 December 2021: RMB81,795 thousand) for uncollected toll roads income (Note 28).

(b) Pawn loans to customers

As at 30 June 2022 and 31 December 2021, the analysis of pawn loans to customers is as follows:

	30 June 2022 (unaudited)	31 December 2021 (audited)
Pawn loans to customers		
– Principal	28,579	28,579
– Interest	–	–
	<u>28,579</u>	<u>28,579</u>
Less: Impairment allowances	(20,005)	(20,005)
Pawn loans to customers, net	<u>8,574</u>	<u>8,574</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 2022 (2021: bore fixed interest rates ranging from 10.92% to 12.00%). 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 2022	2021
Beginning of the period (audited)	(20,005)	(31,949)
Impairment losses reversed (unaudited) (Note 21)	–	83
End of the period (unaudited)	<u>(20,005)</u>	<u>(31,866)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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	
	2022	2021
Beginning of the period (audited)	(15,943)	(5,228)
Impairment losses recognised (unaudited) (Note 21)	110	8
End of the period (unaudited)	(15,833)	(5,220)

As at 30 June 2022 and 31 December 2021, all other receivables balances were denominated in RMB.

As at 30 June 2022 and 31 December 2021, 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 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
At 1 January 2022 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2022 (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 2022

(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 2021 (restated)	2,243	955,881	658	46,717	296,638	(710,116)	(73,069)	518,952
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>296,638</u>	<u>(710,116)</u>	<u>(72,859)</u>	<u>519,142</u>
Balance at 1 January 2022 (audited)	2,243	955,881	658	46,677	(948,061)	(710,116)	(75,460)	(728,178)
Usage of enterprise safety fund (unaudited)	-	-	-	(20)	-	-	-	(20)
Changes in fair value of financial assets at FVOCI, net of tax (unaudited)	-	-	-	-	-	-	319	319
Balance at 30 June 2022 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>46,657</u>	<u>(948,061)</u>	<u>(710,116)</u>	<u>(75,141)</u>	<u>(727,879)</u>

In accordance with the PRC Company Law, the Company's subsidiary established in the Mainland China is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital, provided that the balance after such conversion is not less than 25% of the registered capital of the entity. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

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 2022

(All amounts in Renminbi thousands unless otherwise stated)

12 Other reserves (Continued)

- (a) The merger reserve as at 30 June 2022 and 31 December 2021 represented the excess of consideration over the Company's share of paid-in capital and capital surplus of Guangci and AQDQ acquired under common control.

(i) Merger reserve from acquisition of Guangci

The Company's share of paid-in capital of Guangci
Less: consideration paid to the then equity owner for acquisition of
Guangci under common control

Merger reserve

30 June 2022
(unaudited)

28,968

(215,330)

(186,362)

(ii) Merger reserve from acquisition of AQDQ

AQDQ and ATHC entered into a debts conversion agreement on 26 July 2021 (the "Agreement"). According to the Agreement, long-term payables with amount of RMB965,301 thousand was converted to shareholders' investment and recorded in capital reserve to RMB1,298,301 thousand.

The Company's share of paid-in capital of AQDQ
The Company's capital surplus of AQDQ
Less: consideration paid to the then equity owner for acquisition of
AQDQ under common control

Merger reserve

30 June 2022
(unaudited)

150,000

1,298,301

(2,210,000)

(761,699)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

12 Other reserves (Continued)

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

13 Trade and other payables

	30 June 2022 (unaudited)	31 December 2021 (audited)
Payable for the acquisition of AQDQ	–	1,105,000
Dividends payable	912,236	–
Payables on acquisition of concession intangible assets	750,642	775,612
Staff salaries and welfare	80,074	28,731
Advance rent receipts	56,692	37,245
Deposits for construction projects	47,225	63,698
Interest payable	31,094	25,514
Current portion of long-term payables (Note 17)	19,500	66,330
Other taxation payables	15,544	21,056
Service fee for the collection of toll roads income	6,760	7,376
Others	26,268	23,721
	<u>1,946,035</u>	<u>2,154,283</u>

As at 30 June 2022, trade and other payables of RMB298,174 thousand were aged over one year (31 December 2021: RMB430,371 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 2022 and 31 December 2021, the fair values of trade and other payables, except for staff salaries and welfare, other taxation payables and advance rent receipts approximated their carrying amounts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

14 Borrowings

	30 June 2022		31 December 2021	
	Interest rate per annum (unaudited)	Amount	Interest rate per annum (audited)	Amount
Long-term bank borrowings				
Denominated in RMB				
– guaranteed and unsecured (a)	3.05%-3.55%	3,275,000	3.35%-3.45%	1,837,000
– pledged (b)	1.20%-4.90%	<u>3,392,221</u>	1.20%-4.90%	<u>3,238,343</u>
		<u>6,667,221</u>		<u>5,075,343</u>
Less: current portion				
Denominated in RMB				
– guaranteed and unsecured (a)	3.05%-3.55%	(265,000)	3.35%-3.45%	(187,400)
– pledged (b)	1.20%-4.90%	<u>(170,728)</u>	1.20%-4.90%	<u>(161,534)</u>
		<u>(435,728)</u>		<u>(348,934)</u>
Non-current borrowings		<u>6,231,493</u>		<u>4,726,409</u>
Current portion of long-term borrowings		<u>435,728</u>		<u>348,934</u>
Current borrowings		<u>435,728</u>		<u>348,934</u>
Total borrowings		<u>6,667,221</u>		<u>5,075,343</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

14 Borrowings (Continued)

- (a) Bank borrowings of RMB3,257,000 thousand were guaranteed by the Company as at 30 June 2022 (31 December 2021: RMB1,837,000 thousand were guaranteed by the Company).
- (b) As at 30 June 2022, the long-term bank borrowings of RMB420,000 thousand was pledged by estimated future toll roads cash inflow from the completion of reform and expansion of Hening Expressway (31 December 2021: RMB460,000 thousand) and the long-term bank borrowings of RMB782,116 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 2021: RMB792,484 thousand), and bank borrowings of RMB1,610,150 thousand was pledged by estimated future toll roads cash inflow from Ningxuanhang Expressway Xuancheng to Ningguo Section (December 2021: RMB1,527,650 thousand), and bank borrowings of RMB579,955 thousand was pledged by estimated future toll roads cash inflow from Ningxuanhang Expressway Ningguo to Qianqiuguan Section (December 2021: RMB458,209 thousand).

As at 30 June 2022 and 31 December 2021, the Group's borrowings are repayable as follows:

	30 June 2022 (unaudited)	31 December 2021 (audited)
Within 1 year	435,728	348,934
Between 1 and 2 years	465,136	383,938
Between 2 and 5 years	2,511,550	1,798,780
Over 5 years	3,254,807	2,543,691
	<u>6,667,221</u>	<u>5,075,343</u>

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

	30 June 2022 (unaudited)	31 December 2021 (audited)
Expiring within one year	<u>720,000</u>	<u>3,153,000</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

15 Provision – maintenance/resurfacing obligations

Balance at 1 January 2022 (audited)	77,844
Addition of provision (unaudited)	43,838
Utilisation of provision (unaudited)	–
	<hr/>
Balance at 30 June 2022 (unaudited)	<u>121,682</u>

16 Deferred income

	30 June 2022 (unaudited)	31 December 2021 (audited)
Government grants	<u>120,318</u>	<u>126,783</u>

Deferred income represents government grants relating to assets and is amortised over 7 to 30 years.

For the six months ended 30 June 2022, amortisation of RMB6,465 thousand (2021: RMB2,885 thousand) has been charged in “other income and gains – net” (Note 18) and amortisation of RMB0 thousand (2021: RMB242 thousand) 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 2022 (unaudited)	31 December 2021 (audited)	30 June 2022 (unaudited)	31 December 2021 (audited)
Long-term payables to ATHC (a)	279,100	279,100	279,127	279,100
Long-term payables to XCIC (b)	<u>15,400</u>	<u>81,730</u>	<u>15,401</u>	<u>82,252</u>
Long-term payables – total	294,500	360,830	294,528	361,352
Less: current portion of long-term payables (Note 13)	<u>(19,500)</u>	<u>(66,330)</u>	<u>(19,500)</u>	<u>(66,330)</u>
	<u>275,000</u>	<u>294,500</u>	<u>275,028</u>	<u>295,022</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

17 Long-term payables (Continued)

- (a) As at 30 June 2022, the balances represented interest-bearing loans of RMB279,100 thousand.
- (b) As at 30 June 2022, the balances represented interest-bearing loans of RMB15,400 thousand.

As at 30 June 2022, the undiscounted amount of long-term payables to XCIC and ATHC was RMB15,400 thousand and RMB279,100 thousand respectively (31 December 2021: RMB84,248 thousand and RMB279,100 thousand respectively).

The fair values of long-term payables are based on cash flows discounted using 4.45%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2022 (31 December 2021: 4.75%).

18 Other income and gains – net

	Unaudited For the six months ended 30 June	
	2022	2021
Interest income	52,591	29,658
Dividend income	13,287	24,224
(Losses)/gains from financial assets at FVPL	(7,031)	22,180
Amortisation of government grants relating to assets (Note16)	6,465	2,885
Government grants relating to profits	713	479
Gains from disposal of property, plant and equipment	270	1,157
Donations	(4)	–
Others	249	515
	<u>66,540</u>	<u>81,098</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

19 Revenue

	Unaudited For the six months ended 30 June	
	2022	2021
Toll roads income, rental income and others	1,824,618	1,914,453
Revenue from construction or upgrade work under Service Concessions	991,634	32,951
Interest income from pawn loans to customers	–	410
	<u>2,816,252</u>	<u>1,947,814</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	
	2022	2021
Costs payable to vendors for construction or upgrade work under the Service Concessions	991,634	32,951
Depreciation and amortisation expenses (Note 7)	449,637	454,272
Employee benefit expenses	194,532	185,829
Repair and maintenance expenses	152,078	92,893
Tax related to revenues (a)	14,839	13,091
Auditor's remuneration		
– Annual audit services	990	1,050
Others	46,700	63,913
	<u>1,850,410</u>	<u>843,999</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 2022

(All amounts in Renminbi thousands unless otherwise stated)

21 Net impairment reversal on financial assets

	Unaudited For the six months ended 30 June	
	2022	2021
Impairment reversal for other receivables (Note 10(c))	(109)	(8)
Impairment reversal for pawn loans to customers (Note 10(b))	—	(83)
	<u>(109)</u>	<u>(91)</u>

22 Finance costs

	Unaudited For the six months ended 30 June	
	2022	2021
Interest expenses	118,533	142,188
Including: amortisation of long-term payables	4,431	73,091
Less: capitalised interest expenses (Note 7)	488	—
	<u>118,045</u>	<u>142,188</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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	
	2022	2021
Current taxation – CIT (a)	268,007	297,087
Deferred taxation credited to the consolidated income statement	7,368	(26,859)
	<u>275,375</u>	<u>270,228</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 the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The Group will fulfill the obligation of WHT in 2022 for dividends related to 2021 which will be paid to foreign shareholders.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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	
	2022	2021
Profit attributable to equity holders of the Company	667,510	764,241
Weighted average number of ordinary shares in issue (<i>thousand</i>)	1,658,610	1,658,610
Basic earnings per share (<i>expressed in RMB per share</i>)	0.4025	0.4608

25 Dividends

A final dividend in respect of 2021 of RMB0.55 per share, amounting to a total dividend of RMB912,236 thousand was proposed at the Board meeting on 28 March 2022. The profit distribution plan was proposed to be approved by the shareholders' meeting on 20 May 2022 and was paid in July 2022. Dividends paid to H-share institutional shareholders have been subject to income tax withholding at 10%.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2022 (same period of 2021: nil).

26 Commitments

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

	30 June 2022 (unaudited)	31 December 2021 (audited)
Contracted but not provided for		
– Concession intangible assets	269,036	70,471
– Property, plant and equipment	77,524	68,716
	346,560	139,187

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

27 Cash and cash equivalents

	30 June 2022 (unaudited)	31 December 2021 (audited)
Cash at bank and on hand	4,934,024	4,287,553
Less: time deposits with original maturity over three months	(1,427,710)	(927,635)
Cash and cash equivalents at end of the period	<u>3,506,314</u>	<u>3,359,918</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. The Group believes that these transactions are carried out on terms that are similarly and consistently applied to all other customers or suppliers. However, due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. As a result, these transactions with other government-related entities and their subsidiaries are exempted from the related party transaction disclosure requirements as set out in HKAS 24 (Revised).

The Company's directors believe that information in respect of related party transactions has been adequately disclosed in the consolidated financial statements and are of the view that the following companies are related parties that had material transactions or balances with the Group during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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
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
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
AENO	Subsidiary of ATHC
WTMC	Subsidiary of ATHC
Anhui Transportation Construction Management Co., Ltd. (“安徽省交控建設管理有限公司”, “ATCMC”)	Subsidiary of ATHC
Anhui 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 Transportation Engineering Group Co., Ltd. (formerly named Anhui Gaolu Construction Co., Ltd.) (“安徽交控工程集團有限公司”, 原名“安徽省高路建設有限公司”, “ATEGC”)	Subsidiary of ATHC
Anhui Expressway Experiment Research Centre (“安徽省高速公路試驗檢測科研中心”, “AERC”)	Subsidiary of ATHC
Hefei Bangning Property Management Company (“合肥市邦寧物業管理有限公司”, “BNMC”)	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. (“安徽高速融資租賃有限公司”, “AWFC”)	Subsidiary of ATHC
Anhui Transport Consulting & Design Institute Co., Ltd. (“安徽省交通規劃設計研究總院股份有限公司”, “ATCD”)	Subsidiary of ATHC

Anhui Expressway Company Limited

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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 Qixing Project Testing Co., Ltd. ("安徽省七星工程測試有限公司", "AQPT")	Subsidiary of ATHC
Anhui Wangqian Expressway Co., Ltd. ("安徽省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
Anhui Transportation United Card Holding Co., Ltd. ("安徽省交通一卡通控股有限公司", "ATUCC")	Subsidiary of ATHC
Anhui Shengxuan Municipal Garden Engineering Co., Ltd., ("安徽省盛軒市政園林工程有限公司", "ASGEC")	Subsidiary of ATHC
Anhui Jiaoyun Group Automobile Sales Co., Ltd. ("安徽省交運集團汽車銷售有限公司", "AJASC")	Subsidiary of ATHC
Anhui Traffic Survey and Design Institute Co., Ltd. ("安徽省交通勘察設計院有限公司", "ATSDC")	Subsidiary of ATHC
Anhui Transportation Resource Co., Ltd. ("安徽省交控資源有限公司", "ATRC")	Subsidiary of ATHC
Anhui High-way Real Estate Group Co., Ltd. ("安徽省高速地產集團有限公司", "AHREC")	Subsidiary of ATHC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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	
	2022	2021
ATHC	4,877	4,618
ALEC	292	292
AYEC	110	104
AWQEC	71	71
ALGEC	52	52
AWEC	24	24
	<u>5,426</u>	<u>5,161</u>

(ii) Rental income

	Unaudited For the six months ended 30 June	
	2022	2021
AEPC	14,284	13,610
YTMC	5,736	5,630
ATHC	2,738	2,759
ATCMC	843	839
ALEC	315	295
ATRC	221	–
AWFC	211	211
ATCIM	58	165
WTMC	54	106
ATZFM	50	50
ATGFM	50	50
AWQEC	14	14
BNMC	–	14
AHREC	10	–
ATII	–	7
	<u>24,584</u>	<u>23,750</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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	
	2022	2021
AJCG	23,496	–
BNMC	1,109	1,627
ATCD	816	–
ATEGC	557	–
AEAC	404	–
ATII	263	–
AERC	57	–
AHHCD	–	744
	<u>26,702</u>	<u>2,371</u>

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

	Unaudited For the six months ended 30 June	
	2022	2021
AENO	<u>1,776,897</u>	<u>1,629,079</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(b) Related party transactions (Continued)

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

	Unaudited For the six months ended 30 June	
	2022	2021
AENO	4,797	8,823
ATUCC	3,065	–
	<u>7,862</u>	<u>8,823</u>

(vi) 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	
	2022	2021
Salaries and other short-term employee benefits	<u>1,475</u>	<u>1,086</u>

Anhui Expressway Company Limited

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(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 2022		As at 31 December 2021	
	Book value (unaudited)	Provision for impairment (unaudited)	Book value (audited)	Provision for impairment (audited)
AENO	117,585	(127)	81,795	(185)
YTMC	5,250	(6)	193	(1)
ALEC	378	–	–	–
ATCMC	359	–	–	–
ALGEC	165	–	110	–
AWQEC	87	–	–	–
ATGFM	18	–	–	–
ATRC	1	–	–	–
	<u>123,843</u>	<u>(133)</u>	<u>82,098</u>	<u>(187)</u>

(ii) Trade payables

	30 June 2022 (unaudited)	31 December 2021 (audited)
ATCD	20,011	20,006
ATEGC	8,010	109,583
AHHCD	5,153	6,418
AJCG	2,192	13,908
AZPMC	1,305	1,979
AQPT	1,080	1,007
ATII	350	394
AERC	167	2,112
ASGEC	86	86
AEAC	61	394
AJASC	57	57
BNMC	5	5
ATSDC	1	350
	<u>38,478</u>	<u>156,299</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(c) Related party balances (Continued)

(iii) Other payables

	30 June 2022 (unaudited)	31 December 2021 (audited)
ATHC	307,797	17,648
ENTH	222,305	–
AEPC	36,208	36,965
ATUCC	3,877	4,240
YTMC	3,843	4,620
AENO	2,884	3,136
XCIC	2,123	1,364
ATEGC	1,808	1,993
ATCD	862	192
AJCG	449	1,623
WTMC	116	100
AWFC	63	30
ASGEC	40	40
AZPMC	40	26
BNMC	37	–
ATCIM	36	86
ATRC	30	–
ATCMC	–	526
ALEC	–	109
AQPT	–	31
ATGFM	–	17
AWQEC	–	2
	<u>582,518</u>	<u>72,748</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

28 Related party transactions (Continued)

(c) Related party balances (Continued)

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

	30 June 2022 (unaudited)	31 December 2021 (audited)
ATHC	279,100	279,100
XCIC	15,400	81,730
	294,500	360,830

As at 30 June 2022 and 31 December 2021, 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