



Anhui Expressway Company Limited

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

Stock Code: 0995

2024

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.
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IMPORTANT NOTICE

1. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and the senior management of the Company hereby warrant that the contents of the interim report are true, accurate and complete, and that there are no false accounts, misleading statements or significant omissions of information and jointly and individually accept the legal responsibility.
2. All the Directors of the Company attend the Board meeting.
3. The interim report was unaudited but was reviewed by the audit committee of the Company.
4. Mr. Wang Xiaowen, the Chairman of the Company, Mr. Yu Yong, 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 interim 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.

SECTION I DEFINITIONS

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

Definitions

"the Company", "Company"	Means	Anhui Expressway Company Limited
"the Group"	Means	the Company, its subsidiaries and associated companies
"ATHC" or "Anhui Transportation Holding Group"	Means	Anhui Transportation Holding Group Company Limited (formerly known as Anhui Expressway Holding Group Company Limited and Anhui Expressway Holding Corporation)
"China Merchants Highway"	Means	China Merchants Highway Network Technology Holding Company Limited (formerly known as China Merchants Hua Jian Highway Investment Company Limited)
"SSE"	Means	Shanghai Stock Exchange
"SEHK" or "Hong Kong Stock Exchange"	Means	The Stock Exchange of Hong Kong Limited
"Xuanguang Company"	Means	Xuanguang Expressway Company Limited
"Expressway Media"	Means	Anhui Expressway Media Company Limited
"Xin'an Financial"	Means	Anhui Xin'an Financial Group Company Limited
"Xin'an Capital"	Means	Anhui Xin'an Capital Operating Management Group Company Limited
"Xuancheng Transportation Investment" or "XCIC"	Means	Xuancheng Transportation Investment Group Company Limited (formerly known as Xuancheng Highway Construction Management Company Limited, Xuancheng Transportation Investment Company Limited)
"Ningxuanhang Company"	Means	Anhui Ningxuanhang Expressway Investment Company Limited
"Guangci Company"	Means	Xuancheng City Guangci Expressway Limited Liability Company
"Anqing Bridge Company"	Means	Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company

Anhui Expressway 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
"ATHC Capital"	Means	Anhui Transportation Holding Capital Investment Company Limited
"ATHC Fund Management Company"	Means	Anhui Transportation Holding Capital Fund Management Company Limited
"China Merchants Zhiyuan"	Means	China Merchants Zhiyuan Capital Investment Company Limited
"China Merchants Fund"	Means	Anhui Transportation China Merchants Industrial Fund (Limited Partnership)
"China Merchants Fund Management Company"	Means	Anhui Transportation China Merchants Investment Private Fund Management Company Limited
"Jinshi Merger and Acquisition Fund"	Means	Anhui Transportation Jinshi Merger and Acquisition Fund (Limited Partnership)
"Jinshi Equity Fund"	Means	Anhui Transportation Jinshi Equity investment Fund (Limited Partnership)
"Jinshi Fund Management Company"	Means	Anhui Transportation Jinshi Private Fund Management Co., Ltd.
"Jinshi Runze"	Means	Jinshi Runze (Zibo) Investment Consulting Partnership Company (Limited Partnership)
"Conch Jinshi Innovation Fund"	Means	Anhui Conch Jinshi Innovation Development Investment Fund Partnership Company (Limited Partnership)
"Jinshi Emerging Industry Fund"	Means	Anhui Transportation Jinshi Emerging Industry Equity Investment Fund Partnership Company (Limited Partnership)
"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 Liability Company

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	Wang Xiaowen

2. CONTACT PERSON AND CONTACT DETAILS

	Secretary to the Board of the Company	Representative of Securities Affairs
Name	Ding Yu	Hu Houbin
Contact address	520 Wangjiang West Road, Hefei, Anhui, the PRC	520 Wangjiang West Road, Hefei, Anhui, the PRC
Telephone	0551-65338697	0551-63738995、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

4. INFORMATION DISCLOSURE AND ADDRESSES FOR KEEPING REPORT

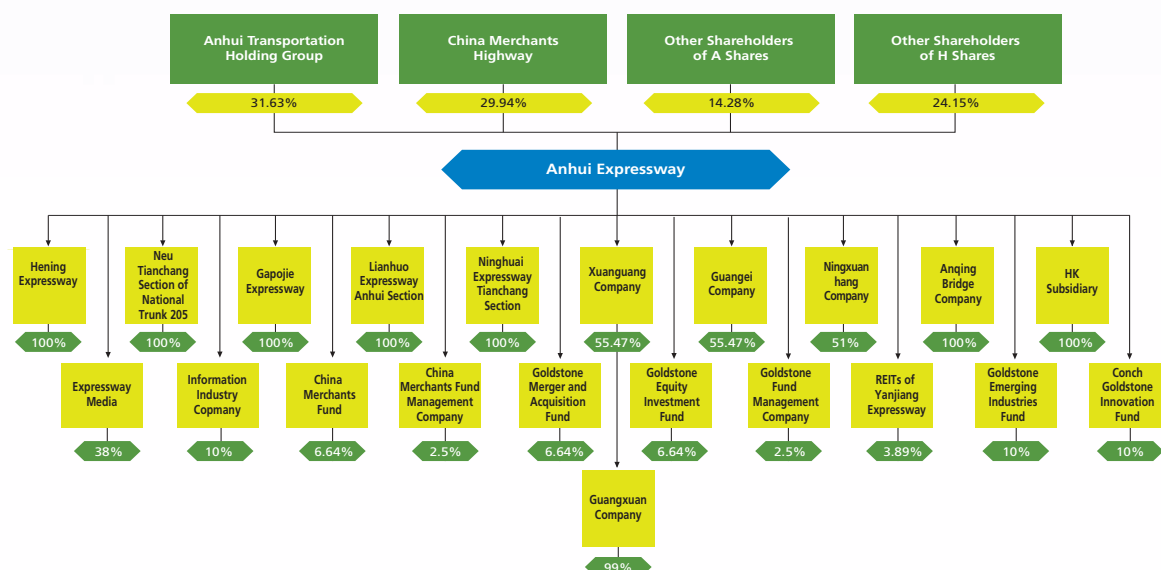
Newspapers for publishing report	China Securities Journal, Shanghai Securities News
Stock exchange websites for disclosure of the interim report	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Addresses designated for keeping the interim report	Shanghai Stock Exchange, 528 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 2024, the structure of the Company, its subsidiaries and associated companies (the "Group") and other equity investments is as follows:



7. MAIN ACCOUNTING DATA AND FINANCIAL INDICATORS

(1) Main Accounting Data

Unit: yuan Currency: RMB

Main Accounting Data	2024 (January-June)	2023 (January-June)	Change as compared to the corresponding period of last year (%)
Revenue	3,052,974,249.87	2,323,838,937.32	31.38
Net profit attributable to shareholders of the Company	809,871,026.64	839,500,426.23	-3.53
Net profit after extraordinary items attributable to shareholders of the Company	804,526,177.60	887,969,590.88	-9.40
Net cash flows from operating activities	1,436,551,361.31	1,428,122,285.48	0.59

	As at 30 June 2024	As at the end of 2023	Change as compared to the end of last year (%)
Net assets attributable to shareholders of the Company	12,470,265,592.89	12,656,911,593.98	-1.47
Total assets	23,362,606,972.27	21,738,743,118.83	7.47

(2) Main Financial Indicators

Main Financial Indicators	2024 (January-June)	2023 (January-June)	Change as compared to the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.4883	0.5061	-3.53
Diluted earnings per share (RMB/share)	0.4883	0.5061	-3.53
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.4851	0.5354	-9.40
Returns on net assets (weighted average) (%)	6.20	6.80	A decrease of 0.60 percentage point
Returns on net assets after deduction of non-recurring profit or loss (weighted average) (%)	6.16	7.20	A decrease of 1.04 percentage point

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

☐ Applicable ☒ Not applicable

8. DIFFERENCES BETWEEN FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH DIFFERENT DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

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

☐ Applicable ☒ Not applicable

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

Unit: '000 Currency: RMB

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Amount of current period	Amount of previous period	Amount at the end of period	Amount at the beginning of the period
PRC accounting standards	809,871.00	839,501.00	12,470,266.00	12,656,911.00
Items and amounts adjusted in accordance with HKAS:				
Valuation, depreciation/ amortization of assets and related deferred taxes(i)	-1,102.00	-1,102.00	30,036.00	31,138.00
HKAS	808,769.00	838,399.00	12,500,302.00	12,688,049.00

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

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

9. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS INVOLVED

Unit: yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Gains and losses from disposals of non-current assets, including the write-off portion of the asset impairment provision already made	8,879.31	
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)	6,465,104.58	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Head quarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the income amount of construction funds subsidies of Hening Expressway and Gaojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) received in 2010 amortised in the Reporting Period
In addition to the effective hedging business related to the normal operation of the company, the profit or loss of fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the loss or gain arising from the disposal of financial assets and financial liabilities	950,709.69	Being the fair value change income of CICC Anhui Transportation Expressway Closed Infrastructure Securities Investment Fund confirmed by the Company during the current Reporting Period.
Other non-operating income and expenditure other than above	352,877.14	
Subtract: Effect of income tax	1,726,626.95	
Effects of minority shareholders' interests (After tax)	706,094.73	
Total	5,344,849.04	

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		Change(%)
	2024	2023	
Revenue	3,052,974	2,323,839	31.38
Profit before income tax	1,083,005	1,170,321	-7.46
Profit attributable to owners of the Company	808,769	838,399	-3.53
Basic earnings per share attributable to owners of the Company (RMB)	0.4876	0.5055	-3.53

Unit: '000 Currency: RMB

Abstract of Assets and Liabilities	As at 30 June 2024	As at 31 December 2023 (audited)	Change(%)
Total assets	23,402,129	21,776,552	7.46
Total liabilities	9,424,248	7,631,261	23.50
Total net assets (Capital and reserve attributable to owners of the Company)	12,500,302	12,688,049	-1.48
Net assets value per share (RMB)	7.5366	7.6498	-1.48

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 in Anhui province, the People's Republic of China on 15 August 1996. It is the first highway company listed in Hong Kong and the only listed highway company in Anhui province. The principal business of the Company include investment, construction, operation and management of toll roads within Anhui province. The Company acquires operating expressway assets through various means such as investment and construction, acquisition or co-operative operation. The Company provides toll service for vehicles, collects vehicles toll according to the charging standard and maintains, repairs and carries out safety maintenance for the operating expressways. Toll roads are large-scale transportation infrastructures with long payback cycle, the characteristics is capital intensive, the investment return period is long and the income is relatively stable.

The Company owns all or part of the toll road equity in Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section, Lianhuo Highway Anhui Section (G30 Lianhuo Expressway Anhui Section), Ningxuanhang Expressway, Anqing Yangtze River Expressway Bridge and Yuewu Expressway Anhui section etc., all of which are located in Anhui Province. As of 30 June 2024, the Company has 609 kilometers of operating highway with total assets of about RMB23,362,607 thousand. Moreover, the Company also provides entrusted management services for Anhui Transportation Holding Group and other operating road property rights entities in the province. As of now, the total mileage of toll roads managed by the Company has reached 5,296 kilometers.

II. ANALYSIS ON CORE COMPETENCY DURING THE REPORTING PERIOD

1. *Excellent geographical location*

Our operating region is located in Anhui province, which connects the east and the west, the south and the north, 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. *Good asset quality*

The Hening Expressway, Gaojie Expressway, Xuanguang Expressway and other sections owned by our Group are considered high-quality assets in Anhui Province; After the renovation and expansion, the traffic capacity of the Hening Expressway has been greatly improved, and its location advantages have become more prominent; After the completion of the “missing link”, the economic benefits of the Ningxuanhang Expressway continue to be released; The renovation and expansion of Xuanguang Expressway is about to be completed, and the preliminary work for the renovation and expansion of Gaojie Expressway has also been initiated. The asset quality of the Company's road sections continues to improve.

3. *Management Service Excellence*

After years of development, the Company has gradually explored a mature highway management system; The concept of “Wanmei Expressway” has been deeply promoted and planted, and the traction function of the main road network travel service system has been effectively utilized; We will implement a “one point, one policy” rectification of road network congestion points, comprehensively investigate sections with unreasonable speed limit, pilot the smooth operation of tidal roads, maintain good road conditions, and continuously improve safety and smooth operation capabilities.

4. *Strong driving force for development*

Continuously improve the quality of core assets through renovation and expansion, and steadily implement operational management output work; The “University of Science and Technology Silicon Valley • Wantong Intelligent Transportation Industrial Park” has been put into operation, with scientific and technological innovation enterprises such as traffic control information companies entering to further strengthen the scientific and technological innovation platform; Optimizing industrial layout, we have orderly transferred the equity of Xin'an Finance, Xin'an Capital, and Wantong MicroCredit, achieving divestment of quasi-financial businesses, and make the Company more focused on its main responsibilities and businesses.

III. MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, faced with unfavorable factors such as insufficient domestic effective demand, difficulties in transition between new and old driving forces, and a large number of severe weather days, our Group resolutely implemented relevant decision-making arrangements, faced difficulties, worked hard, focused on the development of the main business of highways, and effectively carried out various business management work. The development quality was further improved, and the overall situation was stable and positive.

Make every effort to ensure smooth and stable revenue. Strengthen the overall coordination and scheduling of snow removal and transportation, significantly reducing the frequency of road closures and diversions. Conduct research on relevant topics and actively explore new ways and measures to increase revenue, reduce costs, and increase efficiency in the main business. For the first time, a monthly and quarterly “horse racing” mechanism has been implemented to match business indicators, compare performance, and strive for excellence, promoting the transmission of business pressure layer by layer. Coordinate with the traffic police department multiple times, hold coordination meetings for renovation and expansion projects, optimize construction and traffic organization plans, and make every effort to shorten the construction period, promote efficiency, and ensure revenue.

Consolidate the foundation work of fee inspection. Steadily promote the “paper to electronic” conversion of toll station toll invoices; Carry out special audits of container transport vehicles, and one case of stopping fare evasion was selected as an “Excellent Typical Case of 2023 Highway Audit”.

Enhance the operational control capability of the road network. Effectively responding to rainy and snowy weather, the road network has relatively better traffic quality and efficiency. Deepen comprehensive congestion management and optimize speed limit assessment. Deepen cooperation between highway operator and traffic police at the provincial level, establish a smart operation command center, launch the “Wanmei Rescue” management system, pilot tidal lanes for the first time, and ensure smooth operation of the road network during the Spring Festival travel rush and major holidays. The Spring Festival travel rush guarantee service and summer harvest agricultural machinery service have received social attention and public praise, further enhancing the influence of the “Wanmei Expressway”.

Improve the quality of road construction, management, and maintenance. Develop the “Three Year Action Plan for Addressing the Root Causes of Safety Production in Wantong Company (2024–2026)” to continuously improve the quality of risk and hidden danger investigation and rectification, as well as the ability to identify and solve problems. Organize and carry out special inspections on flood season safety prevention and the “Safety Production Month” special supervision, transform passivity into initiative, carefully identify deficiencies in the work of operating units, analyze the new situations and tasks currently faced, and combine with management reality to clarify new paths for improving governance capabilities. Carry out the “Road Maintenance Quality Improvement Action”, launch a special action to enhance the safety of old tunnels and prevent personal safety during road operations, and comprehensively improve the level of operational safety management.

Intensify innovation in transportation technology. The Wuzhuang Smart Toll Station on the Hening Expressway has been completed and put into use; Actively apply for the digital transformation and upgrading of transportation infrastructure by the Ministry of Transport; Seriously promote the development plan of information technology in the operation and management of Wantong Company; The construction of the integrated operation platform (Phase I) has been selected as a “Typical Case of Highway Operation and Management in 2023” by the China Highway Society; Conduct research projects and release four landmark documents, including the “Guidelines for the Construction of Smart Highways”.

Enhance the level of road network integration, informatization, and intelligent control. On the first day of the 2024 Spring Festival travel rush, the intelligent operation command center for highways will be put into operation, and the Wanmei Expressway Brain System was launched. Through deep integration of cutting-edge technologies such as big data and neural networks, the system data base and four integrated platforms were developed to achieve functions such as road network monitoring and early warning, command and dispatch, and travel services, steadily improving the Company's road network management and control service level.

Smoothly promote the renovation and expansion work of Xuanguang Expressway. As a key highway renovation and expansion project in Anhui Province to accelerate the development of the Yangtze River Delta integration, the Company attaches great importance to it and is making every effort to promote this work. The planned investment in the capital of Xuanguang for the year 2024 in the amount of RMB 386 million has been completed by the end of March 2024, striving to complete the project renovation and expansion work as soon as possible.

Major operation status during the Reporting Period

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB3,052,974 thousand (corresponding period in 2023: RMB2,323,839 thousand), representing an increase of 31.38% compared with that of the corresponding period of last year. The profit before income tax was RMB1,084,474 thousand (corresponding period in 2023: RMB1,171,790 thousand), representing a decrease of 7.45% compared with that of the corresponding period of last year. Unaudited net profit attributable to owners of the Company reached RMB809,871 thousand (corresponding period in 2023: RMB839,500 thousand), representing a decrease of 3.53% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.4883 (corresponding period in 2023: RMB0.5061), representing a decrease of 3.53% compared with that of the corresponding period of last year. The main reason for the increase in revenue is the Company's recognition of the revenue for the Xuanguang Expressway reconstruction and expansion PPP project during the Reporting Period increased by RMB885 million as compared with same period of last year.

During the Reporting Period, in accordance with HKAS, the Group achieved a revenue of RMB3,052,974 thousand (corresponding period in 2023: RMB2,323,839 thousand), representing an increase of 31.38% compared with that of the corresponding period of last year; profit before income tax was RMB1,083,005 thousand (corresponding period in 2023: RMB1,170,321 thousand), representing a decrease of 7.46% compared with that of the corresponding period of last year; unaudited profit attributable to owners of the Company was RMB808,769 thousand (corresponding period in 2023: RMB838,399 thousand), representing a decrease of 3.53% compared with that of the corresponding period of last year; basic earnings per share was RMB0.4876 (corresponding period in 2023: RMB0.5055), representing a decrease of 3.53% compared with that of the corresponding period of last year. The main reason for the increase in revenue is the Company's recognition from the construction service of the Xuanguang Expressway reconstruction and expansion PPP project during the Reporting Period increased by RMB885 million as compared with same period of last year.

Toll Expressway Business

In the first half of 2024, the Group recorded a total toll revenue of RMB1,862,327,000 (after tax) (corresponding period in 2023: RMB2,036,390,000), representing a year-on-year decrease of 8.55%.

Insufficient domestic effective demand, policy exemptions, changes in road network and other reasons are the main factors affecting the toll revenue of the Group. In addition, the Group's toll revenue in the first half of the year was also affected by the four additional days of exemption for small passenger cars during the Spring Festival and Qingming Festival holidays, the continuous foggy days in early January, and the severe weather of several rounds of freezing rain and snow during the Spring Festival travel season.

During the Reporting Period, various policy relief measures continued to be implemented. It is estimated that in the first half of 2024, the total amount of various waivers granted by the Group amounted to RMB430.79 million (corresponding period in 2023: RMB360,190,000). Among which :

A total of approximately 102,300 green passage vehicles were exempted, with an exempted toll amount of approximately RMB66.68 million; During major holidays, the exiting volume of small passenger vehicles (with 7 seats or less) reached 5,191,300, and the exemption amount was approximately RMB223.23 million; the ETC concession was RMB132.07 million, of which the Anhui Transport Card concession for trucks was approximately RMB78.58 million; and other policy concessions were approximately RMB8.81 million.

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The operational performance of toll roads is also affected by factors such as changes in the surrounding competitive or synergistic road network, reconstruction and expansion of connected or parallel roads, etc. The impact varies according to each highway project.

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2024	First half of 2023	Change (%)	First half of 2024	First half of 2023	Change (%)
Hening Expressway	100%	45,301	46,848	-3.30	683,166	701,137	-2.56
New Tianchang Section of National Trunk 205	100%	6,786	7,065	-3.95	39,676	42,146	-5.86
Gaojie Expressway	100%	26,068	29,953	-12.97	410,134	476,412	-13.91
Xuanguang Expressway	55.47%	12,855	27,626	-53.47	112,905	269,019	-58.03
Lianhuo Expressway Anhui Section	100%	21,946	22,339	-1.76	133,428	141,482	-5.69
Ninghuai Expressway Tianchang Section	100%	41,902	46,086	-9.08	54,487	63,715	-14.48
Guangci Expressway	55.47%	19,395	35,412	-45.23	29,619	57,443	-48.44
Ningxuanhang Expressway	51%	16,052	9,153	75.37	198,458	114,220	73.75
Anqing Yangtze River Expressway Bridge	100%	30,891	33,286	-7.19	134,987	159,838	-15.55
Yuewu Expressway Anhui section	100%	16,956	9,774	73.48	122,092	72,873	67.54
Total	/				1,918,952	2,098,285	-8.55

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer per day (RMB)	
		First half of 2024	First half of 2023	First half of 2024	First half of 2023
Hening Expressway	100%	75:25	76:24	28,012	28,908
New Tianchang Section of National Trunk 205	100%	32:68	76:24	7,245	7,762
Gaojie Expressway	100%	63:37	64:36	20,486	23,928
Xuanguang Expressway	55.47%	80:20	76:24	7,358	17,694
Lianhuo Expressway Anhui Section	100%	75:25	75:25	13,577	14,475
Ninghuai Expressway Tianchang Section	100%	85:15	84:16	21,369	25,144
Guangci Expressway	55.47%	78:22	76:24	11,202	22,669
Ningxuanhang Expressway	51%	77:23	80:20	9,320	5,394
Anqing Yangtze River Expressway Bridge	100%	70:30	71:29	123,409	147,180
Yuewu Expressway Anhui section	100%	71:29	72:28	14,583	8,752

Notes:

1. The traffic volume data above does not include the data of small passenger cars passing through non-ETC lanes on major holidays except the New Tianchang Section of National Trunk 205;
2. The data of toll revenue above are tax-inclusive data, among which the data of Anqing Yangtze River Highway Bridge do not include the financial subsidy part of government purchasing services. Taking into account that the government subsidies for purchasing services during the Reporting Period amounted to approximately RMB21,530 thousand, the toll of Anqing Yangtze River Highway Bridge during the Reporting Period decreased by approximately 12.95% as compared with the same period last year;
3. The traffic volume data above are provided by Anhui Expressway Network Operation Co., Ltd. and Chuzhou Expressway Management Center respectively.

In addition, the relevant road sections of the Group were affected by the following factors:

Affected by the reconstruction and expansion of Xuanguang Expressway and Guangci Expressway, especially the one-way traffic implemented since March 8, 2024, some toll stations have been closed, resulting in a significant decline in tolls for these expressways.

Anqing Bridge was affected by the reconstruction and expansion of upstream Xuanguang Expressway and the diversion of Wuyue Expressway.

The opening of Wuyue Expressway and the entire line opening of the Anhui section of Huwu Expressway both had a negative impact on Gaojie Expressway, but had a positive impact on the Anhui section of Yuewu Expressway, resulting in substantial increase in its revenue.

Since the opening of the “missing link” of Ningxuanhang Expressway, the benefits have continued to grow, and the opening of Ning’an Expressway at the end of last year has brought new benefits to the revenue growth of Ningqian Expressway and Xuanning Expressway. Tolls of these expressways for the first half of the year increased substantially compared with the same period last year.

Major changes in the Company’s operating conditions during the Reporting Period, and events occurring during the Reporting Period that have a significant impact on the Company’s operating conditions 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	Year-on-year	
		Same period of last year	Increase/decrease (%)
Revenue	3,052,974,249.87	2,323,838,937.32	31.38
Cost of sales	1,877,495,633.85	987,585,601.73	90.11
Finance cost	32,431,455.98	52,597,045.22	-38.34
Taxes and surcharges	15,849,521.43	9,583,942.62	65.38
Investment income	23,257,219.95	34,594,353.10	-32.77
Net cash flows from investing activities	195,881,173.13	-1,304,843,204.55	N/A
Net cash flow from financing activities	280,825,763.33	-427,969,348.71	N/A

Reason for the change in revenue: due to an increase of RMB885 million in the construction service revenue of the PPP project for the Xuanguang Expressway renovation and expansion of the Group during the Reporting Period compared to the same period of last year;

Reason for the change in cost of sales: due to an increase of RMB885 million in the construction service cost of the PPP project for the Xuanguang Expressway renovation and expansion of the Group during the Reporting Period compared to the same period of last year;

Reason for the change in finance cost: due to the decrease in the interest rates of existing loans and the increase in the interest income from deposits of the Group during the Reporting Period;

Reasons for changes in taxes and surcharges: mainly due to the exemption of property tax and urban land use tax in the same period last year;

Reasons for changes in investment income: mainly due to the decrease in dividends from the CICC Anhui Transportation REIT Fund confirmed during the Reporting Period;

Reasons for the change in net cash flow from investment activities: mainly due to the large amount of fixed deposits certificate processed by the Group in the same period last year and the partial redemption on schedule in this period;

Reason for the change in net cash flow from financing activities: mainly due to an increase in borrowings obtained for Xuanguang Expressway renovation and expansion project compared to the same period of last year.

Anhui Expressway Company Limited

(1) Main operating income

During the Reporting Period, the Group achieved an operating income of RMB3,011,259 thousand (corresponding period in 2023: RMB2,298,044 thousand). 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 2024	Percentage (%)	The first half of 2023	Percentage (%)	Change(%)
Expressway business	1,889,910,710.06	62.76	2,061,869,418.72	89.72	-8.34
– Toll income	1,862,327,254.90	61.84	2,036,389,772.22	88.61	-8.55
– Service area income	27,583,455.16	0.92	25,479,646.50	1.11	8.26
Construction period revenue	1,121,347,935.21	37.24	236,174,410.82	10.28	374.80
Total	3,011,258,645.27	100.00	2,298,043,829.54	100.00	31.04

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

Unit: yuan Currency: RMB

In terms of industries	Principal businesses in terms of industries					
	Revenue	Cost of sales	Gross profit rate (%)	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	1,889,910,710.06	746,670,227.71	60.49	-8.34	0.59	A decrease of 3.51 percentage points
Construction period revenue/cost	1,121,347,935.21	1,121,347,935.21	0.00	374.80	374.80	N/A

Principal businesses in terms of products

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	672,782,554.14	226,145,371.21	66.39	-2.52	5.18	A decrease of 2.46 percentage points
Gaojie Expressway	404,468,603.22	100,501,351.21	75.15	-13.72	5.06	A decrease of 4.44 percentage points
Lianhuo Expressway	130,769,789.57	59,775,440.42	54.29	-5.64	-4.40	A decrease of 0.59 percentage points
Anhui Section						
Ninghuai Expressway	54,192,136.95	18,724,079.63	65.45	-14.18	-0.79	A decrease of 4.66 percentage points
Tianchang Section						
New Tianchang	37,786,837.64	20,700,216.48	45.22	-5.86	6.29	A decrease of 6.26 percentage points
Section of National Trunk 205						
Xuanguang Expressway	109,616,657.70	68,705,251.09	37.32	-58.03	-3.54	A decrease of 35.41 percentage points
Guangci Expressway	29,613,770.63	9,687,558.70	67.29	-47.70	-2.40	A decrease of 15.18 percentage points
Ningxuanhang Expressway	200,343,099.51	125,097,913.27	37.56	71.90	-10.99	An increase of 58.15 percentage points
Anqing Bridge	131,055,701.83	40,959,155.38	68.75	-15.55	14.33	A decrease of 8.16 percentage points
Yuewu Expressway	119,281,558.87	76,373,890.32	35.97	66.84	4.25	An increase of 38.43 percentage points
Anhui section						
Construction period revenue/cost	1,121,347,935.21	1,121,347,935.21	0.00	374.80	374.80	N/A
Total	3,011,258,645.27	1,868,018,162.92	37.97	31.04	90.91	A decrease of 19.45 percentage

Principal businesses in terms of regions

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	3,011,258,645.27	1,868,018,162.92	37.97	31.04	90.91	A decrease of 19.45 percentage points

(3) Expenses

Finance costs

During the Reporting Period, the Group's finance costs were RMB32,431 thousand (corresponding period in 2023: RMB52,597 thousand), representing a decrease of 38.34% as compared to the same period last year. The decrease was mainly because the decrease in interest rates on existing loans and the increase in deposit interest income of the Group during the reporting period;

Gain from fair value changes

During the Reporting Period, gain from fair value changes of the Group was RMB951 thousand (corresponding period in 2023: RMB-70,800 thousand). The increase in gain from fair value changes was mainly caused by changes in the fair value of CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund 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% (2023: 25%). During the Reporting Period, the Group's income tax expenses were RMB261,826 thousand (corresponding period in 2023: RMB309,774 thousand) with an increase of 15.48% compared to the same period last year. The decrease in income tax expense was due to the decrease in taxable income during the Reporting Period.

Value-Added Tax

The Company, Xuanguang Company, Anqing Bridge 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 road assistance service income, entrusted expressway management income, and operating lease income of service areas and gas stations were subject to value-added tax at 6%; the rentals for communication pipes, houses and venues were simply subject to value-added tax at 5%.

(4) Cash flows

During the Reporting Period, the Group's net cash inflows from operating activities were RMB1,436,551 thousand (the same period in 2023: RMB1,428,122thousand), representing an increase of 0.59% in the same period last year. Basically unchanged from the same period of last year, due to normal operations.

During the Reporting Period, the Group's net cash outflows from investing activities were RMB195,881 thousand (the same period in 2023: RMB-1,304,843 thousand), this is mainly due to the large amount of fixed-term certificates of deposit processed by our Group in the same period last year and the partial redemption of the current period;

During the Reporting Period, the Group's net cash outflows from financing activities were RMB280,826 thousand (the same period in 2023: -427,969 thousand), this is mainly due to the increase in loans obtained by our Group for the Xuanguang Expressway renovation and expansion project during the Reporting Period compared to the same period last year.

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 period to the total assets (%)	Percentage of amount at the end of the Reporting Period as compared to that of last year (%)	explanations
Monetary fund	5,368,605,042.59	22.98	3,947,533,293.99	18.16	36.00	
Accounts payable	961,086,382.95	4.11	631,684,718.17	2.91	52.15	
Payable taxes and fees	65,351,152.89	0.28	56,690,932.06	0.26	15.28	
Other payables	1,085,809,420.59	4.65	91,337,349.75	0.42	1,088.79	

Other explanations:

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

The increase in other current assets was mainly caused by the increase in engineering payments payable by Guangxuan Company;

The increase in taxes payable was mainly due to the increase in the balance of due but unpaid income tax at the end of this Reporting Period;

The increase in other payables is mainly caused by the Company's declaration of dividend distribution for 2023.

2. Overseas assets

(1) Asset scale

Including: overseas assets in the amount of RMB2,096,243.25, 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

☐ Applicable ☒ Not Applicable

(IV) Investment Analysis**1. Overall analysis of external equity investments**

The company conforms to the development trend of the expressway industry, seizes major strategic opportunities such as the integration of the Yangtze River Delta, continues to optimize and expand its main business of expressways, and makes steady progress in foreign investment. The PPP project for the expansion and renovation of Xuanguang continues to advance, further increasing the Company's asset size; Actively participating in the establishment of investment funds has further enhanced the overall investment level and profitability of the company. During the reporting period, the company paid an investment of RMB6.6417 million to Anhui Transportation China Merchants Industrial Fund Phase II and RMB10 million to Jinshi Emerging Industry Fund.

(1) Material equity investments

Unit: yuan Currency: RMB

Invested Company name	Main business	Whether the target is mainly investment business	Investment method	Investment amount	Shareholding ratio	consolidated or not	Report subjects (if applicable)	Source of Funds	Partner (if applicable)	Investment term (if any)	Progress as of the balance sheet date	Expected revenue (if any)	Current profit and loss impact	involved in litigation or not	Disclosure date (if any)	Disclosure index (if any)
Xuanguang Company	Expressway enterprises; yes The business scope is highway construction, management and operation. Currently, the main business is construction, management, and operation of the Xuanguang Expressway management, and operation.		Capital increase	385,511,060.00	55.47%	yes	Long term equity investment	Own funds	Xuancheng Transportations Investment	long-term	Capital increase completed			no		
total	/	/	/	385,511,060.00	/	/	/	/	/	/	/			/	/	/

(2) Material non-equity investments

The PPP project for the renovation and expansion of Xuanguang Expressway commenced construction in February 2022. During the Reporting Period, the completed investment amount was RMB1.121 billion, and the cumulative actual investment amount was RMB5.014 billion.

Anhui Expressway Company Limited

(3) Financial assets measured at fair value

Unit: yuan Currency: RMB

Item	Opening balance	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value recognized in equity	Impairment provision for this period	Purchase amount for this period	Sale/redemption amount for this period	Other changes	Ending balance
Trading financial assets-structured deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity instruments – shares of unlisted companies								
– China Merchants Fund Management Company	1,427,382.26	0.00	1,226,702.11	0.00	0.00	0.00	0.00	1,601,702.11
– Anhui Transportation Jinshi Private Fund Management Co., Ltd.	3,422,322.44	0.00	3,283,112.28	0.00	0.00	0.00	0.00	3,658,112.28
Other non current financial assets – fund investments								
– Anhui Transportation China Merchants Industrial Fund	124,875,080.98	2,854,398.34	0.00	0.00	6,641,667.00	2,656,666.67	0.00	131,714,479.65
– Anhui Transportation Jinshi Merger and Acquisition Fund	104,763,978.09	-179,354.67	0.00	0.00	0.00	0.00	0.00	104,584,623.42
– Anhui Transportation Jinshi Equity Fund	100,785,197.08	4,731,666.29	0.00	0.00	0.00	0.00	0.00	105,516,863.37
– Conch Jinshi Innovation Fund	50,025,786.60	-115,300.27	0.00	0.00	0.00	0.00	0.00	49,910,486.33
– Jinshi Emerging Industry Fund	10,000,000.00	0.00	0.00	0.00	10,000,000.00	0.00	0.00	20,000,000.00
– CICC Anhui Transportation closed infrastructure securities investment fund	288,210,100.00	-6,340,700.00	0.00	0.00	0.00	0.00	0.00	281,869,400.00
total	683,509,847.45	950,709.69	4,509,814.39	0.00	16,641,667.00	2,656,666.67	0.00	698,855,667.16

Securities investment situation

☐ Applicable ☒ Not Applicable

Explanations of securities investment situation

☐ Applicable ☒ Not Applicable

Private fund investment situation

☐ Applicable ☒ Not Applicable

Investment in derivatives

☐ Applicable ☒ Not Applicable

(V) Material Asset and Equity Interest Disposal

☐ Applicable ☒ Not Applicable

Anhui Expressway Company Limited

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

Unit: '000 Currency: RMB

Name of company	Equity capital The Group possesses	Registered Capital	30 June 2024		The six months ended 30 June 2024		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	111,760	5,293,827	3,149,248	1,231,730	21,461	Expressway enterprises; The business scope is highway construction, management and operation. Currently, the main business is construction, management, and operation of the Xuanguang Expressway management, and operation.
Ningxuanhang Company	51%	300,000	3,878,605	34,022	201,411	-7,283	Expressway enterprises; The business scope is highway construction, Currently, the main business is construction, management, and operation of the Ningxuanhang Expressway (Anhui Section)
Guangci Company	55.47%	56,800	211,840	207,330	29,614	15,246	The construction, management and operation of Guangci Expressway
Anqing Bridge Company	100%	150,000	2,914,850	1,608,896	250,832	79,750	Expressway enterprises; The business scope is highway construction, management, and operation. Currently, the main construction, management, and operation of Anqing Yangtze River Expressway Bridge and Yuewu Expressway
AEHK	100%	1,817	1,831	1,737	0	-23	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
Expressway Media	38%	50,000	524,762	409,861	85,122	22,286	Design, making, publication of and agency for domestic advertisements
Information Industry Company	10%	60,000	276,721	81,439	90,026	1,083	Construction, operation and service of traffic charging system; Computer Software development; Information system integration services, etc.
China Merchants Fund	6.64%	3,000,000	2,028,618	1,983,154	0.00	42,977	Investment in are as such as energy conservation and environmental protection in transportation services
China Merchants Private Fund Management Company	2.5%	30,000	66,619	64,068	9,377	6,973	Daily management and investment consultation of Anhui Transportation China Merchants Industrial Fund
Jinshi Private Fund Management Company	2.5%	30,000	153,578	146,324	14,636	9,432	Daily management and investment consultation of Anhui Transportation Jinshi Fund
Jinshi Merger and Acquisition Fund	6.64%	3,000,000	1,965,824	1,574,674	520	-2,711	Equity investment, asset management, enterprise management consulting
Jinshi Equity Fund	6.64%	1,500,000	1,632,154	1,588,711	83,290	71,242	Equity investment, asset management, enterprise management consulting
Anhui Transportation Jinshi Emerging Industry Fund	10%	2,000,000	201,394	200,015	194	-1,185	Equity investment, investment Management · asset management
Conch Jinshi Innovation Fund	10%	500,000	502,840	499,105	2,872	-1,153	Equity investment, asset management, enterprise management consulting

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

☐ Applicable ☒ Not Applicable

V. OTHER DISCLOSURE**1. Possible risk factors****Policy risk****1. Policy risk of industry**

The Regulations on the Administration of Toll Roads (revised draft) has not been promulgated after many years of revision, which brings many uncertainties to the toll collection, operation, reconstruction and expansion of toll roads after their expiration. At the same time, the cancellation of provincial border toll stations on expressways, the acceleration of ETC development and the launch of the national network toll collection system have put forward higher requirements for the Company's operation and management level, and the cost input has continued to increase. The continuous introduction of various reduction and exemption policies, the adjustment of toll charging methods and toll standards, etc., will have a certain impact on the Company's operating results.

Response measures: The Group adheres to the implementation of various work requirements, focuses on the main business of expressways, continuously promotes the high-quality and sustainable development of the Company, and strives to complete various objectives and tasks. Actively face the reform of operation management, carefully study and judge the characteristics of changes in traffic flow and vehicle type structure of the road network, deeply study the key points of the policy, improve the toll management mode, improve the traffic capacity, and reduce the management cost of policy implementation through fine management.

2. Franchise expiration risk

According to the Regulations on the Administration of Toll Highways, the toll period of toll roads shall be examined and approved by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government in accordance with relevant standards.

At present, the Company's main road property resources have entered a mature period. If the Company's existing expressway toll period expires without timely replenishment of other newly built or acquired operational expressway projects, it will adversely affect the Company's sustainable development.

Response measures: comply with relevant industrial policies, deeply integrate into the integrated development of the Yangtze River Delta and the construction of the Yangtze River Economic Belt, expand the scale of the main road industry, strive to build a high-quality modern comprehensive transportation system, promote the reengineering of the industrial chain and the upgrading of the value chain, and form new competitive advantages. Pay attention to connotative development, make good use of their own resources, and tap the potential of internal growth. Increase investment in a timely manner, optimize fund and equity investment, and actively cultivate new profit growth points.

market risk

1. *Risk of Macroeconomic Fluctuation*

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

Response measures: In response to the risk of economic fluctuations, the Company will continue to track and analyze the impact of macroeconomic environment, national policies, and the regional economy where the Company's road assets are located on its business operations, and develop corresponding response measures; at the same time, it will firmly establish the idea of living a "tight life", continuously improve management level, actively broaden sources of income and reduce expenditure, and make every effort to minimize the impact of macroeconomic factors on the Company's revenue.

2. *Risk of Road Network Change*

With the further improvement and increase in density of the expressway network, parallel lines and alternative lines will continue to increase, and the diversion of the expressway network will have a certain impact on the growth of the Company's toll revenue. Anhui Province has become the first tier in terms of mileage of high-speed rail, coupled with the development of private cars and the integration of urban and rural passenger transport, the diversion of highway passenger transport is serious. The macro-policy adjustment of "shifting from expressway transportation to railroad transportation and waterway transportation" for bulk goods will affect the growth rate of highway freight volume to a certain extent. All these factors have an impact on the operating results of the Group's toll road projects.

Response measures: The Company will strengthen communication with the government and major shareholders to keep abreast of the road network planning, project construction progress and other information. Carry out special analysis on the road network in advance and reasonably predict the impact of relevant projects on the traffic volume of the Company's existing projects. Make full use of Anhui's location and transportation advantages, through improving road signs, expanding route publicity and promotion, change from passive to active, and actively use the advantages of information technology to carry out road marketing.

2. Other disclosure

In the second half of the year, the Group will endeavor to advance various initiatives, and strive to achieve the annual targets and tasks in terms of quality

1. Fully implement the concept of operating highways

We will unwaveringly implement the concept of operating highways, organize mobilization and deployment meetings, issue work plans, refine work measures, and specifically focus on the “Five Ones”: carry out actions to implement the concept of operating highways, firmly establish the awareness of all employees’ management, revise and improve a set of management assessment and incentive mechanisms, cultivate a team of management cadres who understand how to operate highways, and achieve a number of cost reduction and efficiency improvement management indicators on schedule.

2. Refine, and implement the operational management platform

Firstly, we will focus on toll collection. By strengthening coordination at the provincial level and deepening cooperation mechanisms between operating units, we aim to reduce road closures and diversion, and make every effort to stabilize and maintain revenue; Strengthen the tracking and scheduling of renovation and expansion, and promote the balance between operation and renovation. The second is to focus on mechanical and electrical maintenance. We will coordinate and promote the smooth and intelligent improvement of ETC lanes at key toll stations, as well as the intelligent improvement of tunnel electromechanical safety detection projects, and accelerate the digital transformation of smart toll stations and highway operations. The third is to focus on safety control. We will continue to carry out special actions such as the three-year action plan to tackle the root causes of safety production and improve the safe passage conditions of old tunnels. Upgrade and improve the travel service system of the “Wanmei Expressway” main road network, establish a brand display platform, develop a set of service standards, build a command and dispatch system, raise a number of service indicators, upgrade a series of brand work methods, and build a number of Wanmei Expressway comprehensive service stations by the end of 2024.

3. Strengthen, optimize and expand the capital operation platform

The first is to optimize the layout of state-owned capital investment. Efforts will be made to raise funds for the expansion and renovation project of Xuanguang Expressway, and strive to commence the construction of the Gaojie Expressway expansion and renovation project; Strive to complete the investment work of the lonch Jinshi Innovation Fund and Jinshi Emerging Industry Fund. The second is to implement the “Wantong Smart Transportation Industrial Park” and create a new quality productivity cultivation base.

4. Carry out actions to deepen and enhance the reform of state-owned enterprises

Continuously optimize the assessment and evaluation system, improve the setting of performance assessment indicators and scoring rules, and use the assessment “baton” to promote the implementation of business concepts. Issuing and implementing the ‘Management Measures for Total Wages of Operating Units’, establishing a new framework for operating salary management. We will focus on strengthening risk prevention and control, and coordinate basic work such as institutional construction, compliance management, rule of law for enterprises, and contract management. and quantity.

3. Liquidity, financial resources and capital structure (in accordance with Hong Kong Accounting Standards)

The objectives of the Group's capital management policies are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders while at the same time maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group uses the gearing ratio to monitor its capital. This ratio is calculated as net debt divided by total capital. Net debt equals to total borrowings (including short-term borrowings, long-term borrowings and long-term payables) minus cash and cash equivalents. Total capital is the sum of shareholders' equity and net debt as presented in the consolidated balance sheet. As at 30 June 2024, the gearing ratio of the Group is 22.57% (31 December 2023 : 28.33%).

During the Reporting Period, the net cash flow from operating activities of the Group was RMB1,284,586 thousand (same period in 2023: RMB1,302,860 thousand), which was basically unchanged from the same period of the previous year and was due to normal operations.

During the Reporting Period, the net cash flow from investing activities of the Group was RMB233,424 thousand (same period in 2023: – RMB1,293,808 thousand), which was mainly due to the issuance of large time deposits in the same period of the previous year and the on-time redemption of some time deposits in the current period.

During the Reporting Period, the net cash flow from financing activities of the Group was RMB395,283 thousand (same period in 2023: – RMB313,7551 thousand), which was mainly due to the increase in borrowings obtained by the Group during the reporting period compared to the same period in the previous year.

During the Reporting Period, the accumulated bank loans of the Group amounted to RMB967 million (January to June 2023: RMB80 million). As at the end of the Reporting Period, the outstanding balance of bank loans amounted to RMB6.873 billion (December 31, 2023: RMB6.477 billion), which were mainly long-term borrowings. Among them, the floating rate loans borrowed from banks for the construction of Ningxuanhang Expressway, the special funds borrowed from the State Development Bank for the expansion of Hening Expressway, the long-term loans obtained for the acquisition of Anqing Bridge Company and the engineering loans for Xuanguang Expressway Reconstruction and Expansion Project have annual interest rates ranging from 1.20% to 3.30% (December 31, 2023: 1.20% to 4.55%). The principal will be repaid between 2024 and 2052.

In terms of the currency units of the Group's borrowings, the composition and distribution of cash held are approximately the same as those as at 31 December 2023.

As the Group's income and expenses are mainly denominated in RMB, the Group does not expect significant currency risk arising from its operating activities. The Group also has no foreign exchange hedging arrangements to manage foreign exchange risk (the same period in 2023: Nil).

4. *Charges on assets and contingent liabilities*

As at 30 June 2024, bank borrowings of approximately RMB260 million were pledged with the toll revenue to be enjoyed by the Group upon completion of the reconstruction and expansion project of Hening Expressway (31 December 2023: RMB300 million).

The bank borrowings of approximately RMB1.287 billion were pledged with the toll revenue of the Liqiao-Xuancheng section of the Ningxuanhang Expressway (Anhui Section) to which the Group is entitled (31 December 2023: RMB730 million).

Bank borrowings of approximately RMB1,160 million were pledged with the Group's toll revenue from the Xuancheng-Ningguo section of the Ningxuanhang Expressway (Anhui Section) (31 December 2023: RMB1,759 million).

The bank borrowings of approximately RMB830 million were secured by the Group's toll revenue from Ningguo to Qianqiuguan of Ningxuanhang Expressway (Anhui Section) (31 December 2023: RMB569 million).

As at 30 June 2024, the Group had no contingent liabilities (31 December 2023: Nil).

5. *Major investments, acquisitions and sales*

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the Reporting Period (corresponding period in 2023: Nil).

SECTION IV CORPORATE GOVERNANCE

I. BRIEF INTRODUCTION TO THE GENERAL MEETING OF SHAREHOLDERS

Meeting Session	Date of convening	Query index of the designated website where the resolution is published	Disclosure date of the publication of the resolution	Resolution of the meeting
2023 Annual General Meeting	2024-06-06	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkexnews.hk http://www.anhui-expressway.net	2024-06-07	For details of the resolutions passed at the meeting, please refer to the "2023 Annual General Meeting" (Lin 2024-015) published by the Company on the website of the Shanghai Stock Exchange on 7 June 2024 and the announcement published by the Company on the website of the Hong Kong Stock Exchange on 6 June 2024 and headed "(1) VOTING RESULTS AT ANNUAL GENERAL MEETING HELD ON 6 JUNE 2024; (2) CHANGE OF DIRECTORS, SUPERVISORS, MEMBERS OF THE BOARD COMMITTEES AND AUTHORIZED REPRESENTATIVE; (3) CHANGE OF GENERAL MANAGER AND DEPUTY GENERAL MANAGERS; AND (4) REAPPOINTMENT OF COMPANY SECRETARY AND CHANGE OF SECRETARY TO THE BOARD".

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

☐ Applicable ☒ Not Applicable

Description of the General Meeting of Shareholders

On June 6, 2024, the Company held the 2023 annual general meeting. The meeting was convened by the board of directors of the Company and chaired by Mr. Xiang Xiaolong, the chairman of the Board. Some directors, supervisors and the secretary of the board of directors of the Company attended the meeting, while Du Jian, a director, was unable to attend the general meeting due to other reasons. Other senior management, new director candidates, new supervisor candidates, lawyers and accountants were present at the meeting. The meeting adopted a combination of on-site voting and online voting. The convening, holding and voting of the meeting were in compliance with the relevant requirements of the Company Law and the Articles of Association. A total of 20 shareholders and proxies attended the meeting, representing a total of 1,176,845,448 shares with voting rights, or 70.95% of the total voting shares of the Company. A total of 25 resolutions (including 11 sub-resolutions) were considered at the meeting, of which resolutions 1 to 7, 13 and 14 were voted in favour by more than 1/2 of the total number of shares with valid voting rights held by the shareholders or shareholder representatives present at the meeting (Anhui Transportation Holding Group, a connected shareholder, abstained from voting on resolution 6) and were duly passed as ordinary resolutions. Resolutions 8 to 12 were voted in favour by more than 2/3 of the total number of shares with valid voting rights held by the shareholders or shareholder representatives present at the meeting and were duly passed as special resolutions. Resolutions 15.01-15.06, 16.01-16.03 and 17.01-17.02, each of which received more than half of the total number of shares with valid voting rights held by the shareholders or shareholder representatives present at the meeting, were duly passed as ordinary resolutions. No proposal was added or changed at the meeting.

II CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position held	Change situation
Wang Xiaowen	Chairman	Election
Yu Yong	Vice Chairman	Election
Chen Jiping	Vice Chairman	Election
Wu Changming	Executive Director	Election
Lu Taiping	Independent director	Election
Zhao Jianli	Independent director	Election
Guo Xiaoze	Chairman of the Supervisory Committee	Election
Yu Yong	General manager	Appointment
Wu Changming	Executive Deputy General Manager	Appointment
Shen Zhixiang	Deputy General Manager	Appointment
Ding Yu	Secretary of the Board of Directors	Appointment
Xiang Xiaolong	Chairman	Resignation
Liu Hao	Independent director	Resignation
Fang Fang	Independent director	Resignation
Cheng Xijie	Chairman of the Supervisory Committee	Resignation
Wang Xiaowen	General manager	Resignation
Ling Lang	Deputy General Manager	Resignation
Wu Changming	Secretary of the Board of Directors	Resignation

Description of changes in directors, supervisors and senior management of the Company

On May 6, 2024, the Company announced that the Board of Directors had recently received the written resignation of Mr. Ling Lang, the deputy general manager. Mr. Ling Lang applied to resign from the position of deputy general manager of the Company due to job change, and the resignation shall take effect from the date of delivery to the board of directors. After his resignation, Mr. Ling Lang no longer held any position in the Company.

The term of office of the members of the ninth session of the Board and the Supervisory Committee of the Company has expired. The Company elected the members of the new session of the Board and the Supervisory Committee of the Company at the 2023 annual general meeting on June 6, 2024. Mr. Wang Xiaowen, Mr. Yu Yong, Mr. Chen Jiping and Mr. Wu Changming were elected as the executive directors of the tenth session of the board of directors of the Company. Mr. Yang Xudong and Mr. Du Jian were elected as the non-executive directors of the tenth session of the board of directors of the Company. Mr. Zhang Jianping, Mr. Lu Taiping and Ms. Zhao Jianli were elected as independent non-executive directors of the tenth session of the board of directors of the Company; Mr. Guo Xiaozhe and Mr. Jiang Yue were elected as the shareholder representative supervisors of the tenth session of the Supervisory Committee of the Company (Ms. Li Huairu was elected as the employee representative supervisor of the tenth session of the Supervisory Committee at the employee representative meeting of the Company). The term of office of the above persons shall be three years commencing from 6 June 2024.

The Company held the first meeting of the tenth session of the Board on the same day and elected Mr. Wang Xiaowen as the Chairman of the Board and Mr. Yu Yong and Mr. Chen Jiping as the Vice Chairmen. To appoint Mr. Yu Yong as the general manager of the Company, Mr. Wu Changming as the executive deputy general manager, Mr. Zhang Jinlin and Mr. Shen Zhixiang as deputy general managers, Mr. Wu Jianmin as the chief engineer, Mr. Huang Yu as the chief financial officer, Mr. Zhang Xianxiang as the general counsel and Ms. Ding Yu as the secretary to the Board. The term of office of the above persons shall commence from the date of approval at the meeting of the Board of Directors and end on the expiry date of the term of the tenth session of the Board of Directors. After the conclusion of the meeting, the Company continued to convene the first meeting of the tenth session of the Supervisory Committee and elected Mr. Guo Xiaozhe as the chairman of the Supervisory Committee of the Company for a term commencing from the date of consideration and approval at the meeting of the Supervisory Committee and ending on the expiry date of the term of the tenth session of the Supervisory Committee.

III. PLAN FOR PROFIT DISTRIBUTION OR CAPITAL ACCUMULATION FUND TRANSFER

Semi-annual profit distribution plan and plan for transfer of capital reserve to share capital

Whether to allocate or increase No

Number of bonus shares for every 10 shares (shares) 0

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

1. *The relevant equity incentive matters have been disclosed in the interim announcement and there is no progress or change in the subsequent implementation.*

☐ Applicable ☒ Not Applicable

2. *Incentives not disclosed in the interim announcement or with subsequent progress*

Equity incentive

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

Employee Stock Ownership Plan

☐ Applicable ☒ Not Applicable

Other incentives

☐ Applicable ☒ Not Applicable

V. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As of June 30, 2024, None of the Directors, Supervisors, chief executives of the Company or their associates has any interest in any shares of the Company or any associated corporation within the meaning of Part XV of the Securities and Futures Ordinance. Has or is deemed to have any interests or short positions in the underlying Shares and debentures which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he has or is deemed to have pursuant to such provisions of the SFO); Or in the register referred to in section 352 of the Securities and Futures Ordinance, or required to be disclosed in this report pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

VI. STAFF, SALARY AND TRAINING

As of June 30, 2024, the Company (including its major subsidiaries) had 1,922 employees (June 30, 2023: 1,910 in total), 1,223 production personnel, 202 technical personnel, 47 financial personnel and 450 administrative personnel (June 30, 2023: 1,348 production personnel, 177 technical personnel, 40 financial personnel and 345 administrative personnel respectively).

The Company adopts annual salary system and monthly salary system, and integrates the salary method of broadband salary and salary point system. Different salary sequences are formulated, different levels are divided according to the characteristics of the sequences, and the labor remuneration of employees is closely linked with post value, accumulated contribution and work performance, thus building a multi-channel for career development and salary promotion of 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 to ensure the incentive effect of the implementation of the salary system. During the Reporting Period, staff remuneration amounted to RMB232,897,900 (January-June 2023: RMB212,494,200). The Company strictly implements various national social insurance policies, and has handled various social insurance for employees, such as endowment insurance, unemployment insurance, medical insurance, industrial injury insurance, etc.

The Company attaches great importance to the education and training of employees, continuously improve training organization and management of training expenses, and continuously optimize the training system. At the beginning of the year, our Company formulated the "2024 Education and Training Plan" based on a survey of training needs, and carried out various types of training in an orderly manner according to the plan to continuously improve the level of training work. The Company established the first batch of internal trainers for Party affairs in the Company, strengthened the daily learning and education of internal trainers, organized internal trainers to participate in management course training, and continuously improved their professional abilities and qualities; organized the "Young Talents" Basic Talent Rotation Training Class (Phase 1) to further enhance the comprehensive qualities and abilities of young talents in document writing, innovative thinking management, cross departmental communication, public speaking and expression; organized a rotation training course for Party branch secretaries, with training targets covering senior executives born in the 1980s and executives born after 1985, continuously improving the political, theoretical, professional, and party spirit literacy of cadres; held a special training course on compliance management at Wantong Lecture Hall to effectively enhance the legal thinking and awareness of management personnel at all levels of the company. Each department carried out various business training based on their actual work and departmental functions, effectively improving employees' operational management, vocational skills, and professional knowledge levels. In addition, the Company actively utilized online education tools, explores online education resources, and encourages employees to increase online learning exchanges with a focus on self-learning on the online business school platform. The course content covers various categories such as macro situation, enterprise management, and career development.

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. ENVIRONMENTAL INFORMATION

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

☐ Applicable ☒ Not Applicable

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

1. Administrative penalties for environmental problems

☐ Applicable ☒ Not Applicable

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

The Company thoroughly implements the national "carbon peaking and carbon neutrality" goal, strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Action Plan for Carbon Peak by 2030 and the relevant requirements of Anhui Provincial Leading Group Office for Carbon Peak and Carbon Neutralization. Sound internal systems have been formulated for noise, waste gas, waste water, waste and carbon emissions generated in the course of business operation, which are managed in accordance with the law and regulations, and are fully disclosed in the annual reports and the annual environmental, social and governance reports.

As of June 30, 2024, the Company is not a major pollutant discharge unit announced by the environmental protection department, nor is there any violation of pollutant discharge or administrative penalty received due to environmental problems.

3. Reasons for not disclosing other environmental information

☐ Applicable ☒ Not Applicable

(III) *Description of the subsequent progress or changes in the contents of the environmental information disclosed during the Reporting Period*

☐ Applicable ☒ Not Applicable

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

In the first half of 2024, the Company fully implemented President Xi's ecological civilization thought, firmly established the concept of "green water and green hills are golden mountains and silver mountains", integrated energy conservation and environmental protection with road operation and management, and further strengthened the prevention and control of road noise pollution, the collection and treatment of road runoff in ecologically sensitive areas and drinking water source protection areas, and the connection of domestic sewage to municipal sewage pipelines. The Company actively promoted ecological priority, conservation and intensive, green and low-carbon development, and in accordance with the requirements of the Notice on Drawing Lessons from the Chuhe River Water Pollution Incident and Effectively Doing a Good Job in the Investigation and Prevention of Potential Ecological Environmental Risks of the Group (Wan Jiao Kong An Han [2024] No.14), carried out the investigation and prevention of potential ecological environmental risks.

1. Actively develop noise control

The Company actively organized various operating units to carry out highway noise investigation and control work, and completed the investigation work on March 25, 2024. As of June 30, 2024, the Company has received 6 noise complaints from the masses. The Company arranged special personnel to communicate with the complainants, determined the main body responsible for noise reduction according to the relevant provisions of the State, carried out noise detection on the complaint sections, implemented relevant engineering noise reduction measures on the sections with excessive noise, and effectively solves the disputes with the residential areas along the line. At the same time, we would regularly do a good job in checking the functional completeness of sound barriers, and timely replace and repair the old sound barriers with loss of board body or function.

2. Effectively promote water pollution prevention and control

In the first half of the year, the Company completed and implemented the design of sewage upgrading schemes for 10 stations, including 5 sewage connection to municipal pipe networks and 3 new sewage equipment. The relevant operating units have completed the review of the schemes and the preparation of the list and cost. In addition, the Company urged the operation and maintenance units to strengthen the management and maintenance of the existing sewage treatment facilities to ensure the normal operation, and through the transformation year by year, so as to achieve the full coverage of the sewage pipe network in the toll station area of the operating units, the full collection and treatment of domestic sewage, eliminate the water pollution around the toll station park, and achieve the objectives and requirements of the ecological environment around the toll station. Further strengthened the investment in environmental protection facilities in water source protection areas and ecologically sensitive areas, improved the warning signs in water source protection areas, set up and improve the bridge deck water collection system at highway crossings, and centralized the bridge deck water to the sedimentation tank for sedimentation and filtration before discharge; The existing water source environmental protection facilities are regularly inspected and maintained to ensure that they are in good technical condition. On the other hand, the Company comprehensively promoted environmental snow-melting agents to remove ice and snow, and minimized the pollution of water sources and soil. Through the installation of ice warning and disposal system at the sensitive points of the bridge, the early warning of snow and ice on the bridge deck can be carried out in time, and the spraying of liquid non-chlorine environmental protection snow-melting agent can be automatically started, which not only reduced the use of snow-melting agent, but also protected the environment.

3. Standardize the disposal of solid waste and domestic waste

First, the Company actively explored the recycling of solid waste. In the recycling of highway waste materials, milling old materials were recycled for pavement pit maintenance, waste guardrail columns as retaining wall anchor columns, etc., to improve the recycling rate of resources; The second is to reduce the risk of solid hazardous waste pollution, the solid waste that cannot be recycled were transported to the designated place for centralized storage and disposal, so as to make harmless, reduction and resource conversion; Third, the operating units actively cooperated with local environmental protection departments, and hand over domestic waste to qualified treatment units for classification and professional treatment, so as to prevent secondary pollution by domestic waste.

4. Do a solid job in air pollution prevention and control

The first is to coordinate the dust control at the maintenance construction site, through the installation of automatic washing devices at the entrance and exit of the maintenance work area, the installation of negative ion smoke absorption, dust humidification and emission devices at the asphalt mixing station, and the installation of spraying dust suppression devices at the forklift operation area, so as to effectively reduce the dust on the site. At the same time, the Company also used a combination of water mist washing, spraying self-priming cleaning, atomization spraying and other operating equipment to achieve the synchronization of sprinkling, suction and sweeping, so as to minimize the construction dust. Second, the Company strengthened the pollution control of transport vehicles, strictly implemented the management of closed and covered transportation, and reduced the dust and odor leakage caused by inadequate coverage during transportation which affected the lives of residents along the highway. The third is to unite the toll stations in the jurisdiction area, pay attention to the unclean body, poor sealing and muddy road conditions of the road crossing muck transport vehicles, and once found, timely dissuade or report to the road administration unit for treatment; the fourth is to coordinate the dust management of the reconstruction and expansion section, actively urge the construction unit to increase the frequency of sprinkling water on the construction site and the sidewalk, and take dust suppression measures in time when dust is found; the fifth is to strengthen the coordination with traffic police and road administration, organize and divert road congestion in time, and minimize the stay time of vehicles on the road.

5. Continuously optimize the road environment

The company continued to do a good job in the greening management and maintenance of the central belt, slope, toll station and interchange area along the expressway, regularly implemented the pruning and weeding of the expressway landscape greening, and adopted diversified ways such as "mechanical cleaning + stationary cleaning + special cleaning" to carry out road cleaning work. In view of the key areas such as interchange hub, entrance and exit of toll station, entrance and exit of service area and bridge, various measures such as sectional contracting of mobile cleaning vehicles, mechanical circulation cleaning and fixed-point cleaning of key sections have been adopted to strengthen the cleaning along roads and key areas, effectively maintaining a good greening and traffic environment, and ensuring the safety of traffic. The Company regularly carried out garbage cleaning, greening management, cleaning and improvement of traffic safety facilities and other renovation work.

6. Classification and disposal of office waste

The Company advocated the concept of waste classification and disposal, and promoted waste classification and disposal. The kitchen waste in the staff canteen shall be reduced and disposed of as required, collected and classified separately, and cleaned up regularly by the cleaning and transportation unit designated by the community; Hazardous wastes classified in the office process, such as old toner cartridges, lamps and batteries, shall be stacked uniformly by various departments, and designated office supplies and consumables suppliers and property management companies shall regularly carry out special recycling and transportation.

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

1. Actively organize and carry out the National Energy Conservation Publicity Week and the National Low Carbon Day

Focusing on the theme of this year's National Energy Conservation Publicity Week "Green Transformation, Energy Conservation Struggle", the theme of Transportation Industry Energy Conservation Publicity Week "Green Transportation, Low Carbon Transformation", and the theme of National Low Carbon Day "Green Low Carbon, Beautiful China", the Company actively carried out various forms of energy conservation, low carbon and environmental protection publicity activities, and its operating units closely focus on the activities. Through various ways and means to carry out ecological environmental protection publicity, practiced the concept of green low-carbon, vigorously promoted the application of energy-saving and emission reduction technologies, carried out in-depth ecological environment investigation and special renovation, firmly promoted the implementation of ecological environmental protection work, and served the public to travel better.

2. Vigorously promote the application of energy saving and emission reduction technologies

(1) The Company actively explored the digital intelligent operation and management of expressways, and innovated the intelligent construction and management mode of toll stations. Two smart toll stations have been built in Quanjiao West and Xuancheng West by adopting the "cloud, edge and end" toll collection system architecture and relying on the six "smart" capabilities of free flow, pavilion-free, unmanned, integrated, remote and pre-positioned. Through innovative applications such as self-service card issuance, payment robots, "paper-to-electronic" toll bills, and automatic printing of paper tickets, the travel time of crossing vehicles has been greatly reduced, carbon emissions at crossings have been further reduced, and green transformation has been promoted. At the same time, the Company introduced the concept of green low-carbon environmental protection in the maintenance of expressways and the construction of office parks. In the renovation and upgrading project of Hefei Management Office Park, with green building as the goal, the concept of energy saving, environmental protection, harmony and low-carbon was fully considered in the design stage, and facilities such as charging pile parking spaces, solar panels and air energy were set up, as well as coal gangue environmental protection bricks and XPS insulation boards. The construction site is equipped with a complete set of dust noise monitoring system and closed-loop sprinkler system to effectively control the dust noise pollution on site.

- (2) The Company continued to promote the construction of road resource photovoltaic projects to help the transportation industry achieve the goal of “carbon peaking and neutrality”. By the end of June this year, the accumulated PV installed capacity of the Company in the office park of the headquarters, road station and service area was 14.34 MW; in the first half of this year, the PV power generation was 7.1 million kWh, which saved RMB330,000 in electricity expenses for the Company. Among them, since December 2023, the Company has built a new energy comprehensive application demonstration project of “photovoltaic + charging pile” in the office park. The project uses the parking lot and roof resources of the park to install solar power generation components, which can be used for power supply in the whole park. The installed capacity of photovoltaic power generation system is 586.09 KW, including 1024 photovoltaic panel modules, 21 charging piles, 2 grid-connected cabinets and 5 inverters. The photovoltaic power generation system was completed and put into use in April 2024, and is expected to generate 586,100 kWh of electricity throughout the year.
- (3) The Company actively implemented the “carbon peaking and neutrality” requirements and creates a “green kitchen”. As at the date of disclosure of this report, the fuel stoves in the canteens and kitchens of all operating units have all been converted to electric stoves, and each set of electric stoves saved an average of 105L of fuel per month. Meanwhile, the Company transformed and installed cooking fume purification machines, which not only improved the purification efficiency, but also further reduced the concentration of cooking fume emissions.

3. Insist on road greening

The Company has cultivated the concept of low carbon, firmly promoted the work of “carbon neutralization”, and used the photosynthesis of greening along the expressway to absorb carbon dioxide. As of the disclosure date of this report, the greening rate of each operating unit of the Company has basically reached 100%, and the actual green vegetation area (the main greening locations such as the slope of the main line of the expressway, the middle belt, the interchange area and the toll park) is expected to neutralize carbon dioxide by about 1,280 tons per day. During the Reporting Period, the accumulated amount of neutralized carbon dioxide was approximately 232,968 tonnes.

4. Responding to the initiative of energy conservation and consumption reduction and implementing fine energy management

Each operating unit strictly implements the system of official vehicle dispatch, and rationally allocates vehicles by carpooling, so as to improve the efficiency of vehicle use and reduce unnecessary carbon emissions. Hefei Management Office implements the working mechanism of water and electricity management quota contracting, weekly meter reading monitoring and early warning management, and further promotes the fine management of water and electricity by scientifically guiding the use of water and electricity (such as setting the air conditioning temperature in the monitoring room at 26 degrees to reduce the energy consumption of operation), eliminating the phenomenon of “long running water and long light”, and improving the management of water and electricity. Through the low-carbon office mode, the awareness of resource and energy saving of all employees is enhanced; Xuanguang Company formulated the planned management of power consumption, issued the power consumption plan of each toll station at the beginning of the year, counts the power consumption of each unit monthly, reports quarterly and inspects the safe power consumption management of each station irregularly.

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

The Company has earnestly implemented the decisions and arrangements of the State on consolidating and expanding the achievements of poverty alleviation and comprehensively promoting rural revitalization, helping to accelerate the modernization of agriculture and rural areas, and building momentum for rural revitalization.

(I) Continue to carry out fixed-point assistance work in villages

The Company has assisted Lishu Village, Liufan Township, Taihu County for 8 consecutive years since 2017, and appointed village cadres to assist Lishu Village. In the first half of 2024, the eighth and ninth batches of village teams of the Company carried out rotation work and successfully completed the “stubble handover”:

1. Keep the bottom line against returning to poverty. We carried out the normalization of dynamic monitoring, through the “three-line parallel” dynamic monitoring and early warning mode of farmers’ self-declaration, screening and comparison, and arranging visits, Party members and cadres took measures such as pairing assistance, bottom-up security and temporary assistance to follow up and eliminate the risk of returning to poverty. From January to June 2024, 8 monitoring grids were optimized and adjusted, 11 people from 6 households who had not eliminated the risk were continuously monitored and assisted, and 137 households were rescued and consoled in winter and spring. Social assistance funds in the amount of RMB4,000 were obtained. The quality of monitoring and assistance work has been continuously improved, and there has been no case of returning to poverty.
2. Promote stable income growth of the people out of poverty. We helped the people out of poverty stabilize their industries, employment and income, and to promoted the development of industries and employment of poverty alleviation households and monitoring objects. Strengthened the management and protection of industrial bases, built industrial roads, repaired damaged facilities and equipment, improved the product quality of village collective agricultural products processing plants, reduce costs and increase efficiency. In conjunction with township and village cadres, we went to the surrounding villages and towns to investigate industrial (shoemaking) projects, and participated in two agricultural products fairs, namely, the “Gathering Social Forces to Promote Rural Industry” and the “2023 Online New Year’s Festival Goods Fair”. The village cooperative tea processing plant produced more than 2,000 kilograms Jin of dry tea. The annual purchase amount of consumer assistance amounted to RMB581.914 million.
3. Build livable, industrial and beautiful villages. We focused on the general requirements of the “Five Revitalizations”, did a good job in the key work of Rural Revitalization, and promoted rural development. Coordinated with the Gaojie Management Office to support 2 tons of snow-melting agent, properly dealt with the low-temperature freezing rain and snow disaster, and disposed of an agricultural greenhouse damaged by the disaster. We have completed construction of 80 meters of household road, 265 meters of industrial road and 1600 meters of group-level road, and started the project of upgrading and renovating the Party and Mass Service Center and improving the living environment. We have obtained more than RMB1.2 million of special funds such as finance, and implemented two immigration and transportation projects.

(II) Consumption helps agricultural products

In January 2024, in accordance with the requirements of the Anhui Provincial Government’s policy of aiding Xizang and Xinjiang, the Company’s headquarters purchased RMB184,800 of agricultural products.

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 of commitment	Whether there is time limit for performance	Term of commitment	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	No	long term effective	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	No	long term effective	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	No	long term effective	Yes

II. NON-BUSINESS FUND APPROPRIATION BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES

☐ Applicable ☒ Not Applicable

III. PROVISION OF GUARANTEES IN VIOLATION OF SPECIFIED DECISION-MAKING PROCEDURE

☐ Applicable ☒ Not Applicable

IV. THE AUDITED CONDITION OF THE INTERIM REPORT

☐ Applicable ☒ Not Applicable

V. THE CHANGES AND TREATMENT OF THE MATTERS INVOLVED ARE SET OUT IN THE NON-STANDARD AUDIT OPINION IN LAST YEAR'S ANNUAL REPORT

☐ Applicable ☒ Not Applicable

VI. BANKRUPTCY OR REORGANIZATION

☐ Applicable ☒ Not Applicable

VII. SIGNIFICANT LITIGATIONS AND ARBITRATION EVENTS

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

VIII. SUSPECTED VIOLATION OF LAWS AND REGULATIONS, PUNISHMENT AND RECTIFICATION FOR LISTED COMPANIES AND THEIR DIRECTORS, SUPERVISORS, SENIOR MANAGERS, CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

☐ Applicable ☒ Not Applicable

IX. EXPLANATION OF THE CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND EFFECTIVE CONTROLLER DURING THE REPORTING PERIOD

☐ Applicable ☒ Not Applicable

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

X. MAJOR RELATED PARTY TRANSACTIONS

(I) Related Party transactions in relation to daily operations

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

Summary of Items

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To provide expressway section entrusted management service

Announcement of Resolutions of the 41st Meeting of the 9th Board of Directors* (《第九届董事會第四十一次會議決議公告》) on December 29, 2023, ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: ENTRUSTED MANAGEMENT AGREEMENTS on January 2, 2024, and Announcement on Expected Daily Related Transactions for the Year 2024* (《關於預計2024年度日常關聯交易的公告》) on March 29, 2024

To receive network charging services

Announcement of Resolutions of the 41st Meeting of the 9th Board of Directors on December 29, 2023, ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: ENTERING INTO NEW NETWORK AGREEMENTS on January 4, 2024, Announcement of Expected Daily Connected Transactions for the Year 2024 on March 29, 2024

To receive construction management services

ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: (1) CEMENT PURCHASE CONTRACT; (2) CIVIL ENGINEERING CONSTRUCTION CONTRACT; AND (3) CENTRAL LABORATORY CONTRACT on January 19, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: PRECAST CONCRETE COMPONENT WORK CONTRACT on March 17, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: MAINTENANCE WORK CONTRACTS on June 8, 2023; (1) ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION: BRIDGE MAINTENANCE WORK CONTRACT; AND (2) SUPPLEMENTAL ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: MAINTENANCE WORK CONTRACTS on June 19, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: DESIGN AND CONSTRUCTION GENERAL CONTRACTING AGREEMENTS FOR BUILDING FACILITIES RENOVATION AND UPGRADING on September 28, 2023; ANNOUNCEMENT – CONNECTED TRANSACTION: FEASIBILITY STUDY CONTRACT FOR RECONSTRUCTION AND EXPANSION PROJECT OF THE ANQING

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GEZIDUN TO SUSONG SECTION OF G50 HUYU EXPRESSWAY on October 30, 2023; ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS: DESIGN AND CONSTRUCTION GENERAL CONTRACTING AGREEMENTS FOR COMPREHENSIVE UPGRADING AND RENOVATION PROJECT OF SERVICE AREAS on November 6, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: THIN OVERLAY MAINTENANCE WORK CONTRACT on November 13, 2023; ANNOUNCEMENT –CONTINUING CONNECTED TRANSACTIONS: HENING INTELLIGENT EXPRESSWAY CONSTRUCTION WORK CONTRACTS on November 29, 2023; ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION: BITUMEN PURCHASE CONTRACT on November 30, 2023, ANNOUNCEMENT CONNECTED TRANSACTION: CONSTRUCTION GENERAL CONTRACTING AGREEMENT FOR RENOVATION AND UPGRADING PROJECT OF HEFEI MANAGEMENT OFFICE PARK on December 19, 2023; Announcement of Resolutions of the 43rd Meeting of the 9th Board of Directors* (《第九屆董事會第四十三次會議決議公告》) on March 13, 2024; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: HOUSING CONSTRUCTION AGREEMENT on March 13, 2024; ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION: MECHANICAL AND ELECTRICAL ENGINEERING AGREEMENT on March 18, 2024; Announcement of Expected Daily Connected Transactions for the Year 2024 on March 29, 2024; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: MAINTENANCE WORK CONTRACTS on May 9, 2024; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: SUPPLEMENT ALAGREEMENT OF BRIDGE MAINTENANCE WORK CONTRACT AND AMENDMENT TO ANNUAL CAP on June 13, 2024; ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION: SURVEY AND DESIGN CONTRACT FOR RECONSTRUCTION AND EXPANSION OF THE ANQING GEZIDUN TO ANHUI-HUBEI BORDER SECTION OF G50 HUYU EXPRESSWAY on June 28, 2024

To receive construction supervision service Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024

Summary of Items

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To receive construction inspection services	ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: (1) CEMENT PURCHASE CONTRACT; (2) CIVIL ENGINEERING CONSTRUCTION CONTRACT; AND (3) CENTRAL LABORATORY CONTRACT on January 19, 2023; and Announcement of Expected Daily Connected Transactions for the Year 2024 on March 29, 2024
To receive property management services	Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024
To provide the house rental services	Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024
To provide service area rental services	Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024
To provide gas stations rental services	ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: LEASE OF OPERATING RIGHTS OF GAS STATIONS on December 30, 2022; and Announcement of Expected Daily Connected Transactions for the Year 2024 on March 29, 2024
To provide venue rental and conference services	Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024
To purchase products and service	Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024
To receive vehicle maintenance	Announcement on Expected Daily Related Transactions for the Year 2024 on March 29, 2024

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

On January 4, 2024, each of the Company and its wholly-owned/controlling subsidiaries (Namely Xuanguang Company, Guangci Company, Ningxuanhang Company and Anqing Bridge Company) entered into expressway network operation services agreement for the year 2024–2026 (the “original service agreements”) with AENO and Anhui Transportation United Card Holding Co., Ltd., with an estimated total fee of RMB34.47 million to be paid to AENO for the years 2024–2026.

On June 28, 2024, according to the minutes of the first meeting of the Anhui Provincial Expressway Network Toll Management Committee in 2024, each of the Company and its wholly-owned/controlling subsidiaries signed a supplementary agreement with AENO to adjust the service fee rate and other related clauses of the original service agreement entered into with AENO in 4 January 2024. The expected total fees to be paid to AENO for 2024–2026 will be approximately RMB49.53 million after the adjustment. This adjustment is in line with the interests of the highway operating entities, will not harm the interests of the Company and shareholders, especially small and medium-sized shareholders, and will not have adverse effects on the Company’s production and operation. For details, please refer to the Company’s announcement “Resolution Announcement of the Second Meeting of the Tenth Board of Directors” * (《第十屆董事會第二次會議決議公告》) (Lin 2024-018) and the H-share announcement “CONTINUING CONNECTED TRANSACTIONS: SUPPLEMENTAL AGREEMENTS TO THE NEW NETWORK SERVICES AGREEMENTS AND REVISION OF ANNUAL CAPS”.

3. Items which have not been disclosed in temporary announcement

☐ Applicable ☒ Not Applicable

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

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

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

3. Items which have not been disclosed in temporary announcement

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

(III) Major related party transactions of joint external investment

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

☐ Applicable ☒ Not Applicable

2. Items that have been disclosed in the interim announcement and have progress or change in subsequent implementation

Participate in the second phase investment of Anhui Transportation China Merchants Industrial Fund

On April 7, 2022, the Company entered into a supplementary agreement to the limited partnership agreement of Anhui Transportation China Merchant Industry Investment Fund (Limited Partnership)* (《安徽交控招商產業投資基金(有限合伙)之有限合伙協議之補充協議》) with ATHC Capital, Anlian Company, and China Merchants Zhiyuan, confirming the investment in the second phase of Transportation Holding China Merchant Industry Fund. For details, please refer to the Company's announcement "Progress Announcement on Participating in Anhui Transportation Holding Investment Promotion Industry Fund Phase II Investment and Signing Supplementary Agreements"* (《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). During the Reporting Period, the Company completed a capital contribution of RMB6.6417 million.

Investment and participation in the establishment of Anhui Transportation Jinshi Emerging Industry Fund

On November 2, 2023, the Company signed the "Anhui Transportation Jinshi Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) Partnership Agreement" with ATHC Capital, ATHC Fund Management Company, Jinshi Investment Limited, and Jinshi Runze, investing and participating in the establishment of Anhui Transportation Jinshi Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (tentative name, subject to registration). For details, please refer to the Company's announcement dated 2 November 2023 and headed "CONNECTED TRANSACTION: ESTABLISHMENT OF FUND PARTNERSHIP". In May 2024, Jinshi Emerging Industry Fund completed the registration of private investment funds with the Asset Management Association of China. For details, please refer to the Company's announcement "Announcement on Completion of Private Equity Investment Fund Registration of Jinshi Emerging Industry Fund"* (《關於安徽交控金石新興產業股權投資基金完成私募投資基金備案登記的公告》) (Lin 2024-014). During the Reporting Period, the Company completed a capital contribution of RMB10 million.

3. Items which have not been disclosed in temporary announcement

☐ Applicable ☒ Not Applicable

(IV) Related debtor and creditor account

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

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

3. Items which has not been disclosed in announcements

Unit: '000 Currency: RMB

Related parties	Connected relation	The Company provides capital to related parties			Related parties provide capital to the Company		
		Initial Balance	Amount incurred	Closing Balance	Initial Balance	Amount incurred	Closing Balance
ATHC	Controlling shareholder	0	0	0	77,560	0	77,560
Total		0	0	0	77,560	0	77,560

The circumstances under which the related debt is formed The total investment of ATHC exceeding the project capital of Ningxuanhang Company is included in the long-term payables and repaid according to the agreed period.

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. PROGRESS OF UTILISATION OF RAISED FUNDS

☐ Applicable ☒ Not Applicable

XIII. OTHER MAJOR EVENTS

Change of Board of Directors and Supervisory Committee of the Company

The term of office of the members of the ninth session of the board and the supervisory committee of the Company has expired. The Company held the 2023 annual general meeting on June 6, 2024 to elect the members of the tenth session of the Board of Directors and the Supervisory Committee of the Company, and elected Mr. Wang Xiaowen, Mr. Yu Yong, Mr. Chen Jiping and Mr. Wu Changming as the executive directors of the tenth session of the board of directors of the Company; Mr. Yang Xudong and Mr. Du Jian as the non-executive directors of the tenth session of the board of directors of the Company; Mr. Zhang Jianping, Mr. Lu Taiping and Ms. Zhao Jianli as independent non-executive directors of the tenth session of the board of directors of the Company; Mr. Guo Xiaoze and Mr. Jiang Yue were elected as the shareholder representative supervisors of the tenth session of the supervisory committee of the Company (Ms. Li Huairu was elected as the employee representative supervisor of the tenth session of the supervisory committee at the employee representative meeting of the Company). The term of office of the above persons shall be three years commencing from 6 June 2024. For details, please refer to the announcement of the Company dated 6 June 2024 and headed "(1)VOTING RESULTS AT ANNUAL GENERAL MEETING HELD ON 6 JUNE 2024; (2) CHANGE OF DIRECTORS, SUPERVISORS, MEMBERS OF THE BOARD COMMITTEES AND AUTHORIZED REPRESENTATIVE; (3) CHANGE OF GENERAL MANAGER AND DEPUTY GENERAL MANAGERS; AND (4) REAPPOINTMENT OF COMPANY SECRETARY AND CHANGE OF SECRETARY TO THE BOARD".

Issuance of corporate bonds

In order to further broaden financing channels, reduce financing costs, meet the Company's development capital needs and optimize the debt structure, the Company intends to apply for registration with the CSRC and publicly issue corporate bonds with a size of not more than RMB5 billion (inclusive) and a term of not more than 5 years (inclusive) to professional investors on the Shanghai Stock Exchange. The use of funds raised by bonds includes but is not limited to project construction, equity contribution, repayment of corporate debts and replenishment of working capital. The matter was considered and approved at the second meeting of the tenth session of the Board of Directors and the second meeting of the tenth session of the Supervisory Committee held on June 28, 2024 and the first extraordinary general meeting of 2024 held on July 25. The application materials such as the prospectus of corporate bonds have been submitted to the Shanghai Stock Exchange for examination on August 8, 2024. As of the date of this report, no approval document for registration has been obtained. For details, please refer to the announcement of the Company dated 28 June 2024 and headed "PROPOSED ISSUANCE OF CORPORATE BONDS".

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 ode of Human Resources and Remuneration Committee has so far been effective and suits the needs of the Company better, and most of the members of the Human Resources and Remuneration Committee are independent directors, which can ensure the protection of the interests of shareholders), the Company has always complied with the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "CG Code") in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company.

Diversification Policy of the Members of the Board

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

Liability Insurance for Directors, Supervisors and Senior Executives

According to the requirements of the CG Code, during the Reporting Period, the Company has selected insurance providers of liability insurance and completed insurance arrangements for directors, supervisors and senior executives in 2024, thereby providing protection for the directors, supervisors and senior executives in their performance of duties.

Audit Committee

From 1 January 2024 to the date of this report, the audit committee of the Company has reviewed the 2023 annual results report and financial report, the 2024 first quarterly financial report and the 2024 interim results announcement of the Group prepared in accordance with PRC GAAP and Hong Kong Accounting Standards and the unaudited 2024 interim financial report prepared in accordance with PRC GAAP and Hong Kong Accounting Standards.

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 2024, the Company has adopted a code of conduct regarding securities transactions by directors and supervisors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange. The Company has made specific enquiry of all Directors and Supervisors, and the Directors and Supervisors have confirmed that they have complied with the Model Code for Securities Transactions by Directors of Listed Issuers and its code of conduct regarding Directors' securities transactions as set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange for the six months ended 30 June 2024.

Purchase, Sale and Redemption of the Company's Securities

During the six months ended 30 June 2024, neither the Company nor any of the subsidiaries and joint ventures purchased, sold or redeemed any of the Company's listed securities (including sales of any treasury shares). As at 30 June 2024, the Company did not hold any treasury shares.

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 necessarily or required by the Securities Regulatory Authority.

☐ Applicable ☒ Not Applicable

(II) Change of restricted shares

☐ Applicable ☒ Not Applicable

II. Shareholders

(I) Number of shareholders

Total number of shareholders of ordinary shares as at the end of the Reporting Period 17,867

Total number of preference shareholders with voting rights restored at the end of the reporting period 0

(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 shareholder (Full Name)	Shareholdings of top 10 shareholders (excluding shares lent through refinancing)						Nature of shareholders
	Change during the Reporting Period	Shareholding as at the end of the Reporting period	Shareholding percentage (%)	Number of Restricted shares	Shares pledged or locked-up Share status Number		
Anhui Transportation Holding Group Co., Ltd.	0	524,644,220	31.63	0	None		State
HKSCC NOMINEES LIMITED	20	489,009,899	29.48	0	Unknown		Overseas legal person
China Merchants Highway Network Technology Holdings Co., Ltd	0	404,191,501	24.37	0	None		State-owned legal person
Hong Kong Securities Clearing Company Limited	-6,778,438	12,252,135	0.74	0	None		Overseas legal person
Ping An Life Insurance Company of China, Ltd. – Own Funds	11,099,294	11,699,594	0.71	0	None		Other
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L – CT001 Shanghai	1,893,495	6,173,495	0.37	0	None		Other
China Universal Asset Management Co., Ltd. – Social Security Fund 1103 Portfolio	423,900	5,654,500	0.34	0	None		Other
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	2,399,669	5,634,169	0.34	0	None		Other
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	878,800	5,059,300	0.31	0	None		Other
Ding Xiuling	0	4,914,735	0.26	0	None		Domestic natural person

Anhui Expressway Company Limited

Shareholding of the ten largest unrestricted shareholders

Name of shareholder	Number of unrestricted circulating shares held	Type and number of shares	
		Type	Number
Anhui Transportation Holding Group Co., Ltd.	524,644,220	Renminbi-denominated ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	489,009,899	Overseas listed foreign shares	489,009,899
China Merchants Highway Network Technology Holdings Co., Ltd	404,191,501	Renminbi-denominated ordinary shares	404,191,501
Hong Kong Securities Clearing Company Limited	12,252,135	Renminbi-denominated ordinary shares	12,252,135
Ping An Life Insurance Company of China, Ltd. – Own Funds	11,699,594	Renminbi-denominated ordinary shares	11,699,594
China Life Insurance Company Limited – Traditional – General Insurance Products – 005L–CT001 Shanghai	6,173,495	Renminbi-denominated ordinary shares	6,173,495
China Universal Asset Management Co., Ltd.– Social Security Fund 1103 Portfolio	5,654,500	Renminbi-denominated ordinary shares	5,654,500
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	5,634,169	Renminbi-denominated ordinary shares	5,634,169
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	5,059,300	Renminbi-denominated ordinary shares	5,059,300
Ding Xiuling	4,914,735	Renminbi-denominated ordinary shares	4,914,735
The buyback account information of the top ten shareholders	Nil		
Explanation of the above 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		

Note:

1. As at the end of the Reporting Period, the total number of holders of a shares was 17,805, and the total number of holders of H shares was 62;
2. The H Shares held by the HKSCC NOMINEES LIMITED were held on behalf of a number of clients.

Lending of shares by shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the refinancing business

Unit: shares

Name of shareholder (Full Name)	Lending of shares by shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the refinancing business							
	Shares held in general account and credit account at the beginning of the period		Shares lent by refinancing at the beginning of the period and not yet returned		Shares held in general account and credit account at the end of the period		Shares lent by refinancing at the end of the period and not yet returned	
	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage
	quantity	(%)	quantity	(%)	quantity	(%)	quantity	(%)
China Universal Asset Management Co., Ltd. – Social Security Fund 1103 Portfolio	5,230,600	0.32	84,600	0.0051	5,654,500	0.34	0	0
Bank of China Limited – E Fund CSI Dividend Trading Open-end Index Securities Investment Fund	3,234,500	0.20	795,400	0.0480	5,634,169	0.34	429,100	0.0259
Shanghai Pudong Development Bank Co., Ltd. – China Merchants Securities Dividend Trading Open-end Index Securities Investment Fund	4,180,500	0.25	200,200	0.0121	5,059,300	0.31	0	0

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to refinancing lending/repayment.

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

III. Directors, Supervisors and senior management

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

☐ Applicable ☒ Not Applicable

Information on other issues

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

(III) Information on other issues

☐ Applicable ☒ Not Applicable

IV. Change of Controlling Shareholders and Effective Controllers

☐ Applicable ☒ Not Applicable

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

As at 30 June 2024, 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	Class of Shares	% of H shares	Pledged or locked-up
China Merchants Highway Network Technology Holdings Co., Ltd	Interests in controlled corporation	92,396,000 (long position)	H shares	18.74%	Pledged
HSBC Holdings plc	Interests in controlled corporation	98,525,221 (long position)	H shares	19.98%	Unknown
		99,825,933 (short position)		20.25%	

Name of shareholder	Capacity	Number of shares	Class of Shares	% of A shares	Pledged or locked-up
Anhui Transportation Holding Group Co., Ltd.	Beneficial owner	524,644,220	A shares	45.01%	No
China Merchants Highway Network Technology Holdings Co., Ltd	Beneficial owner	404,191,501	A shares	34.68%	No

Notes: Save as disclosed in this report, as at 30 June 2024, 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 2024.

Anhui Expressway Company Limited

SECTION VIII RELATED INFORMATION OF PREFERENCE SHARES

☐

Applicable

☒

Not Applicable

SECTION IX RELATED INFORMATION OF BONDS

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

☐ Applicable ☒ Not Applicable

II. Convertible Corporate Bonds

☐ Applicable ☒ Not Applicable

SECTION X FINANCIAL REPORT

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

		Six months ended 30 June	
	Notes	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
REVENUE	5	3,052,974	2,323,839
Cost of sales		(1,894,814)	(998,638)
Gross profit		1,158,160	1,325,201
Other income and gains – net	5	88,054	16,574
Administrative expenses		(74,114)	(73,107)
Net impairment losses on financial assets		(96)	(119)
Operating profit		1,172,004	1,268,549
Finance costs	7	(97,669)	(106,230)
Share of gain of associates		8,670	8,002
PROFIT BEFORE INCOME TAX	6	1,083,005	1,170,321
Income tax expense	8	(261,459)	(309,407)
PROFIT FOR THE PERIOD		821,546	860,914
Attributable to:			
Owners of the Company		808,769	838,399
Non-controlling interests		12,777	22,515
		821,546	860,914
Basic and diluted earnings per share (expressed in RMB per share)	10	0.4876	0.5055

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Profit for the period		821,546	860,914
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in value of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	13	309	(15,960)
Total comprehensive income for the period		821,855	844,954
Attributable to:			
Owners of the Company		809,078	822,439
Non-controlling interests		12,777	22,515
		821,855	844,954

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

	Notes	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
ASSETS			
NON-CURRENT ASSETS			
Concession intangible assets	11	15,220,338	15,024,602
Right-of-use assets	11	48,595	56,633
Property, plant and equipment	11	1,143,947	1,208,764
Investment properties	11	288,946	296,972
Intangible assets	11	589	634
Investment in associates		163,891	155,221
Deferred income tax assets		83,597	83,021
Financial assets at fair value through profit or loss ("FVPL")	12	693,596	678,660
Financial assets at fair value through other comprehensive income	13	5,260	4,850
Total non-current assets		17,648,759	17,509,357
CURRENT ASSETS			
Inventories		3,915	4,458
Receivables and prepayments	14	517,077	457,629
Time deposits with original maturity over three months	15	2,356,740	2,842,728
Cash and cash equivalents	15	2,875,638	962,380
Total current assets		5,753,370	4,267,195
TOTAL ASSETS		23,402,129	21,776,552

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

	Notes	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	16	1,658,610	1,658,610
Share premium	16	1,415,593	1,415,593
Other reserves	17	(649,435)	(649,724)
Retained earnings		10,075,534	10,263,570
		<u>12,500,302</u>	<u>12,688,049</u>
Non-controlling interests		<u>1,477,579</u>	<u>1,457,242</u>
Total equity		<u>13,977,881</u>	<u>14,145,291</u>
NON-CURRENT LIABILITIES			
Long-term payables	18	77,560	77,560
Borrowings	19	6,234,668	5,959,721
Deferred income tax liabilities		30,392	32,528
Deferred income	20	94,457	100,922
Total non-current liabilities		<u>6,437,077</u>	<u>6,170,731</u>
Current liabilities			
Trade and other payables	21	2,241,391	842,815
Current income tax liabilities		52,425	38,423
Provision	22	55,220	61,606
Borrowings	19	638,135	517,686
Total current liabilities		<u>2,987,171</u>	<u>1,460,530</u>
Total liabilities		<u>9,424,248</u>	<u>7,631,261</u>
TOTAL EQUITY AND LIABILITIES		<u>23,402,129</u>	<u>21,776,552</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

	Notes	Attributable to owners of the Company				Non-controlling interests	Total
		Ordinary share capital	Share premium	Other reserves	Retained earnings		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 and 1 January 2024 (audited)		1,658,610	1,415,593	(649,724)	10,263,570	1,457,242	14,145,291
Comprehensive income							
Profit for the period (unaudited)		-	-	-	808,769	12,777	821,546
Other comprehensive income (unaudited):							
– Fair value gain on financial assets at FVOCI, net of tax (unaudited)	13	-	-	309	-	-	309
Total comprehensive income for the period (unaudited)		-	-	309	808,769	12,777	821,855
Transactions with owners							
Dividends relating to 2023 (unaudited)	9	-	-	-	(996,825)	-	(996,825)
Dividends paid to non-controlling interests of subsidiaries relating to 2023 (unaudited)		-	-	-	-	(107,159)	(107,159)
Acquisition of non-controlling interests (unaudited)		-	-	-	-	114,719	114,719
Others (unaudited)		-	-	(20)	20	-	-
As at 30 June 2024 (unaudited)		1,658,610	1,415,593	(649,435)	10,075,534	1,477,579	13,977,881

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

	Notes	Attributable to owners of the Company				Non-controlling interests	Total
		Ordinary share capital	Share premium	Other reserves	Retained earnings		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022 and 1 January 2023 (audited)		1,658,610	1,415,593	(727,940)	9,611,890	1,579,019	13,537,172
Comprehensive income							
Profit for the period (unaudited)		–	–	–	838,399	22,515	860,914
Other comprehensive loss (unaudited):							
– Fair value loss on financial assets at FVOCI, net of tax (unaudited)	13	–	–	(15,960)	–	–	(15,960)
Total comprehensive income for the period (unaudited)		–	–	(15,960)	838,399	22,515	844,954
Transactions with owners							
Dividends relating to 2022 (unaudited)		–	–	–	(912,236)	–	(912,236)
Dividends paid to non-controlling interests of subsidiaries relating to 2022 (unaudited)		–	–	–	–	(150,218)	(150,218)
Others (unaudited)		–	–	(20)	20	–	–
As at 30 June 2023 (unaudited)		<u>1,658,610</u>	<u>1,415,593</u>	<u>(743,920)</u>	<u>9,538,073</u>	<u>1,451,316</u>	<u>13,319,672</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

		Six months ended 30 June	
	Notes	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cash flows from operating activities			
Cash generated from operations		1,673,888	1,698,885
Interest paid		(114,457)	(114,218)
Income tax paid		(274,845)	(281,807)
Net cash generated from operating activities		1,284,586	1,302,860
Cash flows from investing activities			
Purchases of property, plant and equipment		(7,968)	(2,115)
Additions of intangible assets		–	(287)
Additions of right-of-use assets		–	(52,669)
Additions of concession intangible assets		(317,492)	(416,526)
Net increase in time deposits		486,000	(785,000)
Proceeds from disposal of financial assets at FVPL	26	2,657	104,109
Purchase of financial assets at FVPL		(16,642)	(153,133)
Proceeds from disposal of property, plant and equipment		808	778
Interest received		71,473	11,035
Dividends received from financial assets at FVPL	12	14,588	–
Net cash from/(used in) investing activities		233,424	(1,293,808)
Cash flows from financing activities			
Proceeds from bank borrowings		967,237	80,000
Repayments of bank borrowings		(579,514)	(224,033)
Repayments of long-term payables	18	–	(19,500)
Cash from minority shareholder's contribution to subsidiaries		34,671	–
Dividends paid to non-controlling interests of subsidiaries		(27,111)	(150,218)
Net cash from/(used in) financing activities		395,283	(313,751)
Net increase/(decrease) in cash and cash equivalents		1,913,293	(304,699)
Cash and cash equivalents at beginning of the period		962,380	2,903,848
Exchange (losses)/gains on cash and cash equivalents		(35)	9
Cash and cash equivalents at end of the period		2,875,638	2,599,158

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

1. GENERAL INFORMATION

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

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

These consolidated financial statements are presented in thousand of Renminbi (“RMB’000”), unless otherwise stated.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 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 2023.

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 2023, 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 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

4. OPERATING SEGMENT INFORMATION

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

Entity-wide disclosures

Geographical information

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

Information about major customers

During the six months ended 30 June 2024 and 2023, no revenue derived from a single customer accounted for 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Toll income from toll roads operation	1,862,327	2,036,390
Service income from management of toll roads	7,738	6,795
Revenue from construction or upgrade work under Service Concessions	1,121,348	236,174
Rental income	39,952	34,636
– from toll gas stations (a)	20,876	19,133
– from toll road service sectors (b)	6,708	6,346
– from other investment properties	12,368	9,157
Service income from road emergency assistance	21,510	9,747
Others	99	97
Total	3,052,974	2,323,839

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

5. REVENUE, OTHER INCOME AND GAINS (Continued)

- (a) Pursuant to a lease agreement with Anhui Expressway Petrochemical Co., Ltd. (“安徽省高速石化有限公司”, “AEPC”), a subsidiary of Anhui Transportation Holding Group Co., Ltd. (“安徽省交通控股集團有限公司”, “ATHC”), the Company’s gas stations were leased to AEPC at an annual rental fee of RMB27,355 thousand. The lease period is from 1 January 2023 to 31 December 2025.

Pursuant to a lease agreement entered by AEPC and Anhui Ningxuanhang Expressway Investment Company Limited (“安徽寧宣杭高速公路投資有限公司”, “Ningxuanhang Company”), Ningxuanhang Company’s gas stations were leased to AEPC at an annual rental fee of RMB4,555 thousand. The lease period is from 1 January 2024 to 31 December 2027.

Pursuant to a lease agreement entered by AEPC and Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company (“安徽安慶長江公路大橋有限責任公司”, “Anqing Bridge Company”), Anqing Bridge Company’s gas stations were leased to AEPC at an annual rental fee of RMB1,492 thousand. The lease period is from 1 January 2016 to 30 December 2045.

- (b) Pursuant to a lease agreement with Anhui Yida Toll Road Service Sector Management Co., Ltd. (“安徽省驛達高速公路服務區經營管理有限公司”, “YTMC”), a subsidiary of ATHC, the Company’s toll road service sectors were leased to YTMC at an annual rental fee of RMB9,092 thousand. The lease period lasts until 30 April 2025.

Pursuant to a lease agreement entered by YTMC and Xuancheng Guangci Expressway Co., Ltd. (“宣城市廣祠高速公路有限責任公司”, “Guangci Company”), Guangci Company’s toll road service sectors were leased to YTMC at an annual rental fee of RMB1,714 thousand. The lease period is from 1 August 2009 to 20 July 2029.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

5. REVENUE, OTHER INCOME AND GAINS (Continued)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income and gains – net		
Interest income	65,287	53,603
Dividend income (Note 12)	14,588	26,592
Government grants relating to profits	403	330
Amortisation of government grants relating to assets (Note 20)	6,465	6,465
Fair value gains/(losses) on financial assets at FVPL (Note 12)	951	(70,800)
Net gains from disposal of property, plant and equipment	9	240
Others	351	144
	<hr/>	<hr/>
Other income and gains	88,054	16,574
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

6. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

		Six months ended 30 June	
	Notes	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Costs for outsourced construction or upgrade work under the Service Concessions		1,121,348	236,174
Repair and maintenance expenses		95,648	106,613
Taxes and surcharges		15,850	9,584
Auditor's remuneration		990	990
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and allowances, social security and benefits		202,755	182,972
Defined contribution pension schemes		30,143	29,522
Depreciation in respect of:			
– property, plant and equipment	11	65,841	74,069
– investment properties	11	8,026	8,185
Amortisation in respect of:			
– concession intangible assets	11	368,242	375,711
– right-of-use assets	11	8,038	820
– intangible assets	11	1,938	2,815
Net gains from disposal of property, plant and equipment	5	(9)	(240)
Net impairment losses on financial assets		96	119
Foreign exchange differences, net		(14)	(89)
Finance costs	7	97,669	106,230
Interest income	5	(65,287)	(53,603)
Dividend income from financial assets at FVPL	12	(14,588)	(26,592)
Fair value (gains)/losses from financial assets at FVPL	12	(951)	70,800

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses of borrowings	118,730	116,125
Interest expenses of long-term payables	1,921	2,092
Less: Capitalised interest expenses	22,982	11,987
Total	97,669	106,230

8. INCOME TAX

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current taxation – CIT (a)	264,273	330,247
Deferred taxation charged to the consolidated income statement	(2,814)	(20,840)
Total	261,459	309,407

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

8. INCOME TAX (Continued)

(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 Chinese Mainland. 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 Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group will fulfill the obligation of WHT in 2024 for dividends related to 2023 which will be paid to foreign shareholders.

9. DIVIDENDS

A final dividend in respect of 2023 of RMB0.601 per share, amounting to a total dividend of RMB996,825 thousand was proposed at the Board meeting on 28 March 2024. The profit distribution plan was proposed to be approved by the shareholders' meeting on 6 June 2024 and was paid in July 2024. 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 2024 (same period of 2023: nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,658,610,000 in issue during the six months ended 30 June 2024 (during the six months ended 30 June 2023: 1,658,610,000).

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit attributable to equity holders of the Company (RMB'000)	808,769	838,399
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.4876	0.5055

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

11. CAPITAL EXPENDITURES

	Concession intangible assets RMB'000	Intangible assets RMB'000	Property, plant and equipment RMB'000	Investment properties RMB'000	Right-of-use assets RMB'000
Six months ended 30 June 2023					
(unaudited)					
Opening net book amount as at					
1 January 2023(audited)	13,497,875	5,679	1,216,473	352,289	6,045
Additions (unaudited)	712,668	287	2,115	–	52,668
Adjustment of cost (unaudited)	–	–	–	–	–
Transfers (unaudited)	–	–	39,130	(39,130)	–
Disposals (unaudited)	–	–	(538)	–	–
Depreciation/amortisation (unaudited) (Note 6)	(375,711)	(2,815)	(74,069)	(8,185)	(820)
Closing net book amount as at					
30 June 2023 (unaudited)	13,834,832	3,151	1,183,111	304,974	57,893
Six months ended 30 June 2024					
(unaudited)					
Opening net book amount as at					
1 January 2024(audited)	15,024,602	634	1,208,764	296,972	56,633
Additions (unaudited)	563,978	–	5,967	–	–
Adjustment of cost (unaudited)	–	–	(2,251)	–	–
Transfers (unaudited)	–	1,893	(1,893)	–	–
Disposals (unaudited)	–	–	(799)	–	–
Depreciation/amortisation (unaudited) (Note 6)	(368,242)	(1,938)	(65,841)	(8,026)	(8,038)
Closing net book amount as at					
30 June 2024 (unaudited)	15,220,338	589	1,143,947	288,946	48,595

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

11. CAPITAL EXPENDITURES (Continued)

For the six months ended 30 June 2024, the amount of the borrowing costs has been capitalised by RMB22,982 thousand (during the six months ended 30 June 2023: RMB11,987 thousand).

As at 30 June 2024, land use right certificates for one toll station in Guangde and the expansion part of Guangde to Xuancheng section of the G50 Huyu Expressway have not yet been obtained.

As at 30 June 2024, there was no indication of impairment of the Group's intangible assets and no provision for impairment of intangible assets was required (31 December 2023: Nil).

All of the Group's right-of-use assets are located in Anhui Province, the PRC and are held on lease terms of 30 years from the dates of acquisition, expiring in 2053.

The Group's investment properties are leased to other parties under operating leases to earn rental income, which are measured using the cost model and are classified and accounted for as investment properties.

12. FINANCIAL ASSETS AT FVPL

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Non-current assets		
Investments in limited partnerships ("LP"s)		
Anhui Transportation Goldstone Buy-out Fund LP ("ATGBF")	104,585	104,764
Anhui Transportation Zhaoshang Industry Investment Fund LP ("ATZIIIF")	131,714	124,875
Anhui Transportation Goldstone Equity Investment Fund LP ("ATGEIF")	105,517	100,785
Anhui Conch Goldstone Innovation Development Investment Fund LP	49,911	50,026
Anhui Transportation Holding Goldstone Emerging Industry Equity Investment Fund LP ("ATGEEF")	20,000	10,000
Others		
CICC Anhui Transportation Holding Expressway Closed-end Infrastructure Securities Investment Fund	281,869	288,210
Total	693,596	678,660

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

12. FINANCIAL ASSETS AT FVPL (Continued)

(a) Amounts recognised in profit or loss

During the period, the following gains/(losses) were recognised as "other income and gains – net" in profit or loss:

	As at 30 June 2024 RMB'000 (unaudited)	As at 30 June 2023 RMB'000 (unaudited)
Fair value gains/(losses) on financial assets at FVPL (Note 5)	951	(70,800)
Dividends from investments at FVPL recognised in profit or loss in other gains – related to investments held at the end of the period (Note 5)	14,588	26,592

13. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI comprise equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in the category. These are strategic investments and the Group considers this classification to be more relevant.

Equity investments at FVOCI comprise the following individual investments:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)	Cumulative fair value change recognised in other comprehensive income RMB'000 (unaudited)
Anhui Transportation Zhaoshang Private Fund Management Co., Ltd. ("ATZFM")	1,602	1,428	1,227
Anhui Transportation Goldstone Private Fund Management Co., Ltd. ("ATGFM")	3,658	3,422	3,283
Total	5,260	4,850	4,510

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

13. FINANCIAL ASSETS AT FVOCI (Continued)

Equity investments at FVOCI comprise the following individual investments: (Continued)

On disposal of these equity investments, any related balance within the financial assets at FVOCI reserve is reclassified to retained earnings.

(a) Amounts recognised in profit or loss and OCI

During the period, the following gains/(losses) were recognised in profit or loss and OCI:

	As at 30 June 2024 RMB'000 (unaudited)	As at 30 June 2023 RMB'000 (unaudited)
Gains/(losses) recognised in OCI – related to equity investments	410	(21,280)
Dividends from equity investments at FVOCI recognised in profit or loss in other gains – related to investments held at the end of the period	–	–
	<u>410</u>	<u>–</u>

(b) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value is provided.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

14. RECEIVABLES AND PREPAYMENTS

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Receivables:		
Toll road income receivable (a)	93,256	56,784
Interest receivable	136,227	142,426
Receivables for construction	30,051	30,051
Pawn loans to customers (b)	19,643	19,643
Toll road income compensation receivable	7,723	39,208
Input tax deduction	235,097	185,023
Others	20,186	11,615
	<u>542,183</u>	<u>484,750</u>
Less: Provision for impairment of pawn loans (b)	13,750	13,750
Provision for impairment of others (c)	16,137	16,041
	<u>512,296</u>	<u>454,959</u>
Prepayments:		
Prepaid expenses	4,781	2,670
	<u>517,077</u>	<u>457,629</u>
Total		

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

14. RECEIVABLES AND PREPAYMENTS (Continued)

The ageing analysis of the receivables is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Within 1 year	487,745	426,619
Between 1 and 2 years	2,343	5,783
Between 2 and 3 years	1,118	1,479
Over 3 years	50,977	50,869
Total	542,183	484,750

(a) As at 30 June 2024, toll road income receivables mainly represented receivables from Anhui Expressway Network Operations Company Limited of RMB93,256 thousand (31 December 2023: from Anhui Expressway Network Operations Company Limited of RMB56,648 thousand) for uncollected toll road income.

(b) Reconciliation of provision account for loss on pawn loans is as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Beginning of the period/year	(13,750)	(13,750)
Impairment loss reversed	—	—
Receivables written off as uncollectible	—	—
End of the period/year	(13,750)	(13,750)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

14. RECEIVABLES AND PREPAYMENTS (Continued)

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

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Beginning of the period/year	(16,041)	(15,685)
Impairment loss recognised	(98)	(405)
Impairment loss reversed	2	11
Receivables written-off as uncollectible	—	38
End of the period/year	(16,137)	(16,041)

The Group recognises lifetime expected credit losses ("ECLs") for receivables and measures the lifetime ECLs on a specific basis according to management's assessment of the recoverability of the individual receivables, are as follows:

	As at 30 June 2024				As at 31 December 2023	
	Book value RMB'000 (unaudited)	Provision for impairment RMB'000 (unaudited)	Provision ratio	Reason for impairment	Book value RMB'000 (audited)	Provision for impairment RMB'000 (audited)
Receivables for construction	30,052	(15,026)	50%	Continuous uncollected receivables	30,051	(15,026)
Pawn loans to customers	19,643	(13,750)	70%	Continuous uncollected receivables	19,643	(13,750)
Total	49,695	(28,776)			49,694	(28,776)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

14. RECEIVABLES AND PREPAYMENTS (Continued)

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

Set out below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

Period ended 30 June 2024

	12-month ECLs	Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the period (audited)	1,015	–	28,776	29,791
Impairment loss recognized (unaudited)	98	–	–	98
Impairment loss reversed (unaudited)	(2)	–	–	(2)
Receivables written-off as uncollectible (unaudited)	–	–	–	–
At 30 June 2024 (unaudited)	1,111	–	28,776	29,887

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

15. CASH AND CASH EQUIVALENTS

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Cash and bank balances	5,232,378	3,805,108
Time deposits	(2,356,740)	(2,842,728)
Cash and cash equivalents	2,875,638	962,380

At the end of the reporting period, cash and bank balances were denominated in RMB and HKD. At the end of the reporting period, the cash and bank balances of the Group denominated in HKD amounted to RMB2,455,637.23 (31 December 2023: RMB2,474,669.09).

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the deposit rates of the respective periods. The bank balances are deposited with creditworthy banks with no recent history of default. The Group expects no significant credit risk associated and that there would not be any significant losses due to non-performance by these counterparties.

The weighted average interest rate per annum on cash at bank in the six months ended 30 June 2024 was approximately 3.13% (31 December 2023: 3.19%).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

16. SHARE CAPITAL

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Issued and fully paid	1,658,610	1,658,610

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue thousand	Share capital RMB'000
At 1 January 2023, 31 December 2023, 1 January 2024(audited) and 30 June 2024 (unaudited)	1,658,610	1,658,610

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

17. OTHER RESERVES

	Capital surplus RMB'000	Statutory surplus reserve fund RMB'000	Discretionary surplus reserve fund RMB'000	Enterprise safety fund RMB'000	Merger reserve RMB'000	Excess of the consideration over carrying amount of the non- controlling interests acquired RMB'000	Fair value change of financial assets at FVOCI, net of tax RMB'000	Total RMB'000
Balance at 1 January 2023 (audited)	2,243	955,881	658	46,637	(948,061)	(710,116)	(75,182)	(727,940)
Usage of enterprise safety fund	-	-	-	(20)	-	-	-	(20)
Changes in fair value of financial assets at FVOCI, net of tax (Note 13)	-	-	-	-	-	-	(15,960)	(15,960)
Balance at 30 June 2023 (unaudited)	2,243	955,881	658	46,617	(948,061)	(710,116)	(91,142)	(743,920)
Balance at 1 January 2024 (audited)	2,243	955,881	658	46,597	(948,061)	(710,116)	3,074	(649,724)
Usage of enterprise safety fund	-	-	-	(20)	-	-	-	(20)
Changes in fair value of financial assets at FVOCI, net of tax (Note 13)	-	-	-	-	-	-	309	309
Balance at 30 June 2024 (unaudited)	2,243	955,881	658	46,577	(948,061)	(710,116)	3,383	(649,435)

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

18. LONG-TERM PAYABLES

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Long-term payables to ATHC		
Beginning of the period/year	77,560	97,060
Repayments	—	(19,500)
End of the period/year	77,560	77,560
Total long-term payables	77,560	77,560
Less: Current portion of long-term payables	—	—
Total	77,560	77,560

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

18. LONG-TERM PAYABLES (Continued)

The principal of the payables was repayable from 2024 to 2028 with the interest rate of 4.90%.

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

	Carrying amounts		Fair values	
	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Long-term payables to ATHC	<u>77,560</u>	<u>77,560</u>	<u>77,560</u>	<u>77,560</u>

The undiscounted amounts of long-term payables (including current portion) are as follows:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Long-term payables to ATHC	<u>77,560</u>	<u>77,560</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

19. BORROWINGS

	30 June 2024 (unaudited)			31 December 2023 (audited)		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Long-term bank borrowings						
Denominated in RMB						
Guaranteed and unsecured (a)	2.84%-3.30%	2024-2052	3,336,000	2.90%-3.45%	2024-2052	3,119,000
Pledged (b)	1.20%-3.10%	2024-2040	3,536,803	1.20%-4.55%	2024-2040	3,358,407
			<u>6,872,803</u>			<u>6,477,407</u>
Less: current portion						
Denominated in RMB						
Guaranteed and unsecured (a)	2.84%-3.30%	2024-2052	(430,490)	2.90%-3.45%	2024-2052	(330,761)
Pledged (b)	1.20%-3.10%	2024-2040	(207,645)	1.20%-4.55%	2024-2040	(186,925)
			<u>(638,135)</u>			<u>(517,686)</u>
Non-current borrowings			<u>6,234,668</u>			<u>5,959,721</u>

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Bank loans repayable:		
Within 1 year	638,135	517,686
Between 1 and 2 years	2,680,079	655,444
Between 2 and 5 years	1,499,809	1,926,664
Over 5 years	<u>2,054,780</u>	<u>3,377,613</u>
Total	<u>6,872,803</u>	<u>6,477,407</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

19. BORROWINGS (Continued)

- (a) As at 30 June 2024, the bank credit loan of RMB1,786,000 thousand was borrowed by the Group for the acquisition of equity and related claims of AQDQ Company, with interest paid quarterly, and the principal amount will be repaid between 2024 and 2028. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract. (31 December 2023: RMB1,969,000 thousand).

The bank credit loan of RMB50,000 thousand was borrowed by the Group for the reconstruction and expansion project of the Guangde to Xuancheng section of the G50 Shanghai-Chongqing Expressway, with interest paid quarterly, and the principal will be repaid between 2025 and 2042. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract (31 December 2023: RMB50,000 thousand).

The bank credit loan of RMB1,500,000 thousand was borrowed by the Group for the reconstruction and expansion project of G50 Shanghai-Chongqing Expressway Guangde to Xuancheng Section, with interest paid quarterly, and the principal will be repaid between 2025 and 2052. The above-mentioned long-term borrowing interest rate is adjusted annually in accordance with the loan market quotation rate ("LPR") published by the National Interbank Lending Center in accordance with the provisions of the loan contract (31 December 2023: RMB1,100,000 thousand).

- (b) As at 30 June 2024, bank borrowings of RMB260,000 thousand were pledged by estimated future toll road cash inflow from the completion of reform and expansion of Hening Expressway, with interest paid quarterly, and the principal will be repaid between 2024 and 2027 (31 December 2023: RMB300,000 thousand).

The bank borrowings of RMB1,286,588 thousand were pledged by estimated future toll road cash inflow from Liqiao to Xuancheng Section of Ningxuanhang Expressway, with interest paid quarterly, and the principal will be repaid between 2024 and 2035 (31 December 2023: RMB730,356 thousand). The bank borrowings of RMB1,160,345 thousand were pledged by estimated future toll road cash inflow from Xuancheng to Ningguo Section of Ningxuanhang Expressway, with interest paid quarterly, and the principal will be repaid between 2024 and 2041 (31 December 2023: RMB1,759,491 thousand). The bank borrowings of RMB829,870 thousand were pledged by estimated future toll road cash inflow from Ningguo to Qianqiuguan Section of Ningxuanhang Expressway, with interest paid quarterly or semi-annually, and the principal will be repaid between 2024 and 2039 (31 December 2023: RMB568,560 thousand).

As at 30 June 2024 and 31 December 2023, the fair values of current and non-current borrowings approximated their carrying amounts as the discounting impact is not significant.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

20. DEFERRED INCOME

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Government grants	94,457	100,922

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

For the six months ended 30 June 2024, amortisation of RMB6,465 thousand (during the six months ended 30 June 2023: RMB6,465 thousand) has been charged in "other income and gains – net" (Note 5).

21. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Trade payables – payables on acquisition of concession intangible assets	918,904	627,853
Deposits for construction projects	38,510	42,549
Advance rent receipts	54,690	39,064
Staff salaries and welfare	94,078	28,181
Interest payable	32,802	34,280
Other taxation payables	12,926	18,268
Service fee payable for collection of toll roads income	12,041	9,082
Dividends payable	996,825	–
Others	80,615	43,538
Total	2,241,391	842,815

As at 30 June 2024, trade and other payables of RMB225,029 thousand (31 December 2023: RMB211,927 thousand) were aged over one year. These payables were mainly payables on acquisition of concession intangible assets which will be settled after the completion of construction.

As at 30 June 2024 and 31 December 2023, the fair values of trade and other payables, except for staff salaries and welfare, other taxation payables and advance from customers, approximated their carrying amounts.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

22. PROVISION**30 June 2024 (unaudited)**

At 1 January 2024 (audited)
 Additional provision
 Amounts utilised during the period

At 30 June 2024 (unaudited)

Total
 RMB'000

61,606
 95,648
 (102,034)

55,220

30 June 2023 (unaudited)

At 1 January 2023 (audited)
 Additional provision
 Amounts utilised during the period

At 30 June 2023 (unaudited)

Total
 RMB'000

71,005
 106,613
 (98,233)

79,385

23. CONTINGENT LIABILITIES

At the end of the period, the Group did not have any significant contingent liabilities.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

24. COMMITMENTS

The Group had the following contractual commitments at the end of the Reporting Period:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Contracted, but not provided for:		
– Concession intangible assets	3,830,491	4,291,806
– Property, plant and equipment	8,788	45,766
Total	3,839,279	4,337,572

25. 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(a) Information about related parties

Name	Relationships with the Group
ATHC	Parent company
ALEC	Subsidiary of ATHC
AEPC	Subsidiary of ATHC
YTMC	Subsidiary of ATHC
WTMC	Subsidiary of ATHC
AENO	Subsidiary of ATHC
ATCD	Subsidiary of ATHC
ATZIF	Significantly influenced by ATHC
ATGEEF	Significantly influenced by ATHC
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
AEAC	Associate
ATII	Associate
China Merchants Expressway Network Technology Holdings Co., Ltd. ("招商局公路網絡科技控股股份有限公司", "ENTH")	The second-largest shareholder
Anhui Transportation Property Management Co., Ltd. ("安徽交控物業服務 有限公司", 原名"合肥市邦寧物業管理有限公司", "ATPMC")	Subsidiary of ATHC
Anhui Expressway Experiment Research Centre Co., Ltd. ("安徽省高速公路 試驗檢測科研中心有限公司", "AERC")	Subsidiary of ATHC
Anhui Transportation Engineering Group Co., Ltd. (formerly named Anhui Gaolu Construction Co., Ltd.) ("安徽交控工程集團有限公司", 原名"安徽省 高路建設有限公司", "ATEGC")	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. ("安徽高速融資租賃有限公司", "AWFC")	Subsidiary of ATHC
Anhui Qixing Project Testing Co., Ltd. ("安徽省七星工程測試有限公司", "AQPT")	Subsidiary of ATHC
Anhui Transportation Road Maintenance Co., Ltd. ("安徽交控道路養護有限 公司", 原名"安徽省環宇公路建設開發有限責任公司", "ATRCM")	Subsidiary of ATHC
Anhui Transportation Material Technology Co., Ltd. ("安徽交控材料科技有 限公司", "ATMT")	Subsidiary of ATHC
Anhui Zhongxing Project Management Co., Ltd. ("安徽省中興工程監理有限 公司", "AZPMC")	Subsidiary of ATHC
Anhui Jiaoyun Group Automobile Sales Co., Ltd. ("安徽交運集團汽車銷售有 限公司", "AJASC")	Subsidiary of ATHC

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(a) Information about related parties (Continued)

Name	Relationships with the Group
Anhui Traffic Intelligence Technology Co., Ltd. (“安徽交通數智科技有限公司”, 原名“安徽交通一卡通控股有限公司”, “ATITC”)	Subsidiary of ATHC
Anhui Wangqian Expressway Co., Ltd. (“安徽望潛高速公路有限公司”, “AWQEC”)	Subsidiary of ATHC
Anhui Yangji Expressway Co., Ltd. (“安徽省揚績高速公路有限公司”, “AYEC”)	Subsidiary of ATHC
Anhui Liguang Expressway Co., Ltd. (“安徽省溧廣高速公路有限公司”, “ALGEC”)	Subsidiary of ATHC
Anhui Wuyan Expressway Co., Ltd. (“安徽省蕪雁高速公路有限公司”, “AWEC”)	Subsidiary of ATHC
Anhui Shengxuan Municipal Garden Engineering Co., Ltd. (“安徽省盛軒市政園林工程有限公司”, “ASGEC”)	Subsidiary of ATHC
Anhui Transportation Resource Co., Ltd. (“安徽交控資源有限公司”, “ATRC”)	Subsidiary of ATHC
Anhui High-way Real Estate Group Co., Ltd. (“安徽省高速地產集團有限公司”, “AHREC”)	Subsidiary of ATHC
Anhui Hezong Expressway Co., Ltd. (“安徽省合縱高速公路有限責任公司”, “AHEC”)	Subsidiary of ATHC
Anhui Jinggong Materials Co., Ltd. (“安徽省經工物資有限公司”, “AJQMC”)	Subsidiary of ATHC
Anhui Yuehuang Expressway Co., Ltd. (“安徽省嶽黃高速公路有限責任公司”, “AYHEC”)	Subsidiary of ATHC
Anhui Traffic Control Construction Engineering Group Co., Ltd. (安徽交控建設工程集團有限公司, 原名“安徽省經工建設集團有限公司”, “ATCG”)	Subsidiary of ATHC
Anhui Transportation Group Feiyan Tourism Passenger Transport Co., Ltd. (“安徽交運集團飛雁旅遊客運有限公司”, “ATFTC”)	Subsidiary of ATHC
Anhui Bihao Ecology Technology Co., Ltd. (“招商智廣科技(安徽)有限公司”, “ABETC”)	Subsidiary of ENTH
Anhui Transportation Group Anqing Automobile Transport Co., Ltd. (“安徽交運集團安慶汽運有限公司”, “ATAAT”)	Subsidiary of ATHC
Anhui Jiaokong Business Factoring Co., Ltd. (“安徽交控商業保理有限公司”, “AJBF”)	Subsidiary of ATHC

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Service income from management of toll roads:		
ATHC	5,226	5,226
AHEC	755	755
ALEC	292	292
AYHEC	247	50
AYEC	104	104
AWQEC	68	71
ALGEC	53	52
AWEC	23	24
Total	6,768	6,574
Rental income from:		
AEPC	16,701	15,563
YTMC	6,828	6,191
ATII	1,144	121
ATRCMC	1,120	555
ATMT	394	—
ABETC	384	384
AHEC	368	122
AJBF	90	—
AWQEC	14	14
ATEGC	14	14
ATFTC	3	8
ATHC	—	11
ATRC	—	12
AWFC	—	211
WTMC	—	106
Total	27,060	23,312

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period: (Continued)

		Six months ended 30 June	
	Note	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Purchases, construction, testing services and property management from:			
	(i)		
ATEGC		109,337	27,549
ATMT		58,035	7,990
ATCG		49,289	2,958
ATCD		5,132	12,029
AERC		3,661	–
AEAC		2,779	147
ATPMC		1,736	1,093
ATII		809	–
YTMC		425	–
ATFTC		313	185
AJASC		74	1,254
AHREC		19	28
ATAAT		5	–
AQPT		–	445
ASGEC		–	290
		<hr/>	<hr/>
Total		231,614	53,968
		<hr/>	<hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period: (Continued)

	Note	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Rental expenses from:			
XCIC		375	250
Toll road income received on behalf of the Group:			
AENO		1,918,229	2,036,390
Service fees for the collection of toll road income:			
ATITC		6,234	5,752
AENO		6,332	4,076
Total		12,566	9,828
Interest expenses for interest-bearing long-term payables:			
ATHC		1,921	2,093
Key management compensation:			
Salaries and other short-term employee benefits		2,210	1,927

Note:

- (i) It mainly represented payable to these related parties for the purchases, construction and testing services in connection with expressway and service areas and the property management service in connection with High-tech Park, which is owned by the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties:

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Trade payables		
ATEGC	23,812	17,985
ATCD	14,756	28,781
ATCG	10,935	8,869
ATII	1,821	1,902
AQPT	1,586	1,586
AERC	862	1,716
ATRCM	786	786
AZPMC	639	675
AEAC	424	879
ASGEC	133	139
AJASC	115	200
AJQMC	24	24
YTMC	—	260
	<hr/>	<hr/>
Total	55,893	63,802

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties: (Continued)

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Other payables		
ATHC	328,184	12,883
AEPC	50,406	34,375
XCIC	10,885	10,885
ATITC	6,138	5,833
AENO	6,118	3,479
ATEGC	1,228	2,327
ATRMC	764	764
ATCD	713	713
ABETC	367	367
ATII	263	144
YTMC	215	1,072
AERC	172	168
AHEC	94	94
ATMT	42	42
AJBF	30	125
ATPMC	28	20
AZPMC	21	30
ATFTC	18	–
AWQEC	6	8
ATCG	–	62
ALEC	–	61
Total	405,692	73,452

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties: (continued)

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Prepayments for construction		
ATEGC	–	14,210
ATMT	20,126	3,991
	<u>20,126</u>	<u>18,201</u>
Total	<u>20,126</u>	<u>18,201</u>
Long-term payables (including current portion)		
ATHC	77,560	77,560
	<u>77,560</u>	<u>77,560</u>

As at 30 June 2024 and 31 December 2023, amounts due from and due to the aforementioned related parties, except for long-term payables to ATHC as disclosed, mainly arose from the above transactions and payments made by the Group and related parties on behalf of each other. These amounts are unsecured, interest-free and are repayable within one year.

(d) Receivables

	As at 30 June 2024 (unaudited)		As at 31 December 2023 (audited)	
	Book value RMB'000	Provision for impairment RMB'000	Book value RMB'000	Provision for impairment RMB'000
AENO	93,256	(864)	56,648	(799)
YTMC	5,344	(67)	8	–
ALEC	310	(4)	–	–
	<u>98,910</u>	<u>(935)</u>	<u>56,656</u>	<u>(799)</u>
Total	<u>98,910</u>	<u>(935)</u>	<u>56,656</u>	<u>(799)</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (Continued)

(e) Commitments with related parties

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Provision of lease of service sectors:		
AEPC	93,123	111,775
YTMC	19,170	25,944
AWQEC	38	53
ATRCM	4,123	5,299
AHEC	1,415	1,801
ATII	1,328	484
ATEGC	24	10
AJBF	378	462
ATMT	1,656	2,070
ABETC	269	671
ATFTC	19	—
Purchases, construction, testing services and property management:		
ATMT	442,172	534,289
ATCD	113,311	130,705
ATII	2,593	2,439
ATCG	2,185	281
ATRCM	9,197	3,043
ATEGC	597,118	470,573
AZPMC	581	485
AERC	10,525	12,806
AQPT	—	58
ATPMC	326	2,061
AEAC	165	—
Investments:		
ATZIF	39,850	46,492
ATGEF	180,000	190,000

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	As at 30 June RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
Financial liabilities				
Borrowings (Note 19)	6,872,803	6,477,407	6,877,959	6,475,349
Long-term payables (Note 18)	77,560	77,560	77,560	77,560

Management has determined that the carrying amounts of cash and cash equivalents, receivables and prepayments, other financial assets at amortised cost, trade and other payables based on their notional amounts, reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of the unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the interest-bearing banks and other borrowings and the non-current portion of other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk, and remaining maturities. The changes in fair value because of the Group's own-performance risk for borrowings and the non-current portion of other payables as of 30 June 2024 and 31 December 2023 were assessed to be insignificant.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2024 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable input (Level 3) RMB'000	Total RMB'000
Financial assets at FVPL	281,869	–	411,727	693,596
Financial assets at FVOCI	–	–	5,260	5,260
Total	281,869	–	416,987	698,856

As at 31 December 2023 (audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable input (Level 3) RMB'000	Total RMB'000
Financial assets at FVPL	288,210	–	390,450	678,660
Financial assets at FVOCI	–	–	4,850	4,850
Total	288,210	–	395,300	683,510

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

(All amounts in Renminbi thousands unless otherwise stated)

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2024:

	Financial assets at FVOCI RMB'000	Financial assets at FVPL RMB'000	Total RMB'000
30 June 2024 (unaudited)			
Opening balance	4,850	390,450	395,300
Acquisitions	–	16,642	16,642
Disposals	–	(2,657)	(2,657)
Gains recognised in profit or loss	–	7,292	7,292
Gains recognised in other comprehensive losses	410	–	410
Closing balance	5,260	411,727	416,987

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

	Fair value as at 30 June 2024 (unaudited)	Valuation technique	Unobservable input	Range (weighted average)
Financial assets at FVOCI	5,260	Income approach	Discount rate	13.3%~11.8%/ (13.5%)

Financial assets at FVPL are the fund shares of ATGBF, ATZIF, ATGEIF, ATGEEF, and Anhui Conch Goldstone Innovation Development Investment Fund LP subscribed by the Company. The fair values of such investments were determined by reference to the net assets of ATGBF, ATZIF, ATGEIF, ATGEEF and Anhui Conch Goldstone Innovation Development Investment Fund LP as of 30 June 2024, which have applied the HKFRS 9 Financial Instruments, based on the proportion of fund shares to which the Company is entitled.

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



Anhui Expressway Company Limited