

Sichuan Expressway Company Limited

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00107)

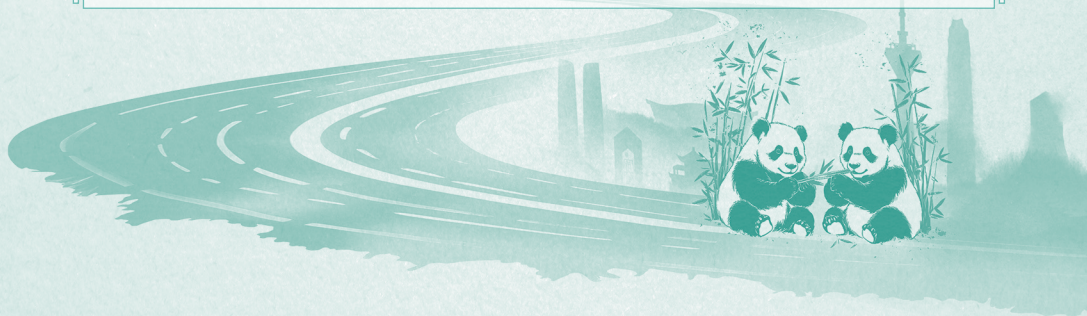


2025

Interim Report

CONTENTS

Definitions	2
Corporate Information	14
Company Profile	18
Interim Condensed Financial Information	21
Changes in Share Capital and Shareholding of Substantial Shareholders	91
Directors, Supervisors and Senior Management	95
Management's Discussion and Analysis	98
Other Significant Events	131
Events After the Reporting Period	142



DEFINITIONS

In this section, the definitions are presented in alphabetical order (A-Z).

I. NAMES OF EXPRESSWAY PROJECTS

Airport Expressway	Chengdu Airport Expressway
Chengbei Exit Expressway	Chengdu Chengbei Exit Expressway
Chengle Expressway	Sichuan Chengle (Chengdu-Leshan) Expressway
Chengren Expressway	Chengdu-Meishan (Renshou) Section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway
Chengya Expressway	Sichuan Chengya (Chengdu-Ya'an) Expressway
Chengyu Expressway	Chengyu (Chengdu-Chongqing) Expressway (Sichuan Section)
Second Ring (Western) Expressway	West Section of Chengdu Second Ring Expressway
Suiguang Expressway	Sichuan Suiguang (Suining-Guang'an) Expressway
Suixi Expressway	Sichuan Suixi (Suining-Xichong) Expressway
Tianqiong Expressway	Tianqiong (Tianfu New Area – Qionglai) Expressway

DEFINITIONS (CONTINUED)

II. BRANCHES, SUBSIDIARIES AND PRINCIPAL INVESTED COMPANIES

Airport Expressway Company	Chengdu Airport Expressway Company Limited
Chengbei Company	Chengdu Chengbei Exit Expressway Company Limited
Chengyu Yingchuang Investment	Chengdu Chengyu Yingchuang Equity Investment Partnership (Limited Partnership)
Chengle Company	Sichuan Chengle Expressway Company Limited
Chengle Operation Branch	Operation and Management Branch of Sichuan Chengle Expressway Company Limited
Chengqiongya Company	Sichuan Chengqiongya Expressway Company Limited
Operation and Management Branch I	Sichuan Expressway Company Limited Operation and Management Branch I (formerly known as “Sichuan Expressway Company Limited Chengyu Branch” and formerly abbreviated as “Chengyu Branch”)
Operation and Management Branch II	Sichuan Expressway Company Limited Operation and Management Branch II (formerly known as “Sichuan Expressway Company Limited Chengren Branch” and formerly abbreviated as “Chengren Branch”)

DEFINITIONS (CONTINUED)

Operation and Management Branch III	Sichuan Expressway Company Limited Operation and Management Branch III (formerly known as “Sichuan Expressway Company Limited Chengya Branch” and formerly abbreviated as “Chengya Branch”)
Chengya Oil Company	Sichuan Chengya Expressway Oil Supply Company Limited
Chengyu Advertising Company	Sichuan Chengyu Expressway Advertising Company Limited
Chengyu Development Fund	Sichuan Chengyu Development Equity Investment Fund Centre (Limited Partnership)
Chengyu Logistics Company	Sichuan Chengyu Logistics Company Limited
Chengyu Private Equity Fund Company	Sichuan Chengyu Private Equity Fund Management Co., Ltd.

DEFINITIONS (CONTINUED)

Chengyu Supply Chain Management Company	Sichuan Chengyu Xingshu Supply Chain Management Company Limited
Chengyu Xinneng Company	Sichuan Chengyu Xinneng Construction Co., Ltd.* (四川成渝新能建設有限公司) (formerly known as “Chengdu Shuhong Property Company Limited” and formerly abbreviated as “Shuhong Company”)
CSI SCE	CSI SCE Investment Holding Limited
Lushan Shuhan Company	Lushan County Shuhan Engineering Construction Management Co., Ltd.
Lushan Shunan Company	Lushan County Shunan Engineering Construction Project Management Co., Ltd.
Chengyu Yingchuang Investment	Chengdu Chengyu Yingchuang Equity Investment Partnership (Limited Partnership)

DEFINITIONS (CONTINUED)

Multimodal United Transportation Company	Sichuan Multimodal United Transportation Investment and Development Co., Ltd.* (四川省多式聯運投資發展有限公司) (formerly named as “Sichuan Tianyi United Investment & Development Co., Ltd. (四川省天乙多聯投資發展有限公司)”))
Renshou Rural Commercial Bank	Sichuan Renshou Rural Commercial Bank Co., Ltd.* (四川仁壽農村商業銀行股份有限公司)
Renshou Shunan Company	Renshou Shunan Investment Management Company Limited
Rongcheng Second Ring Company	Sichuan Rongcheng Second Ring Expressway Development Co., Ltd.
Shudao Chengyu Investment Company	Sichuan Shudao Chengyu Investment Company Limited* (四川蜀道成渝投資有限公司)

DEFINITIONS (CONTINUED)

Shudao New Energy Company	Sichuan Shudao New Energy Technology Development Co., Ltd.* (四川蜀道新能源科技發展有限公司)
Shunan Chengxing Company	Ziyang Shunan Chengxing Project Construction & Management Co., Ltd.
Shunan Company	Sichuan Shunan Investment Management Company Limited
Shuxia Company	Sichuan Shuxia Industrial Company Limited
Suiguang Suixi Company	Sichuan Suiguang-Suixi Expressway Company Limited
Zhonglu Energy	Sichuan Zhonglu Energy Company Limited
Zhongxin Company	Sichuan Zhongxin Assets Management Co., Ltd.

DEFINITIONS (CONTINUED)

III. OTHERS

2024 AGM	the 2024 annual general meeting of the Company convened on Thursday, 25 May 2025, the poll results announcement of which was published on the website of the Stock Exchange on the same date
A Share(s)	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
Articles of Association	the Articles of Association of the Company, as amended from time to time
associate(s)	has the meaning as ascribed to it under the Listing Rules of the Stock Exchange
associated corporation(s)	has the meaning as ascribed to it under the SFO
Audit Committee	the Audit Committee under the Board
Board	the Board of Directors of the Company
BOT Project	build – operate – transfer project
BT Project	build – transfer project
China Everbright Bank	China Everbright Bank Company Limited

DEFINITIONS (CONTINUED)

Chuanshang Fund	Hainan Chuanshang No. 12 Private Fund Center (Limited Partnership)
Chengle Expansion Construction Project Pilot Section	expansion construction project of pilot section (from Qinglongchang to Meishan) of Sichuan Chengle Expressway
Chengle Expressway Expansion Construction Project	expansion construction project for the Chengdu to Leshan Expressway
China Merchants Expressway Company	China Merchants Expressway Network and Technology Holdings Co. Ltd (formerly known as China Merchants Huajian Highway Investment Company Limited), a substantial shareholder of the Company
Company	Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00107) and the A Shares of which are listed on the SSE (stock code: 601107)
CSRC	China Securities Regulatory Commission
Director(s)	director(s) of the Company

DEFINITIONS (CONTINUED)

Group	the Company and its subsidiaries
H Share(s)	overseas-listed foreign share(s) in the ordinary share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange and/or the Rules Governing the Listing of Stocks on the SSE (as the case may be)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules of the Stock Exchange, which has been adopted by the Company as the code of conduct for securities transactions by Directors and Supervisors of the Company
Nomination Committee	the Nomination Committee under the Board
Period or Reporting Period	for the six months ended 30 June 2025

DEFINITIONS (CONTINUED)

PPP Project	Public-Private Partnership project
PRC or Mainland China	the People's Republic of China, for the purpose of this report, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
Remuneration and Appraisal Committee	the Remuneration and Appraisal Committee under the Board
RMB	Renminbi, the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	A Share(s) and/or H Share(s) (as the case may be)
Shareholder(s)	holder(s) of Shares
Shudao Expressway	Sichuan Shudao Expressway Group Co., Ltd.* (四川蜀道高速公路集團有限公司)
Shudao Group	Shudao Investment and its subsidiaries
Shudao Investment	Shudao Investment Group Company Limited, the controlling shareholder of the Company

DEFINITIONS (CONTINUED)

SRB Group	Sichuan Road & Bridge (Group) Corporation Ltd.* (四川公路橋樑建設集團有限公司)
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Strategic and Sustainable Development Committee	the Strategic and Sustainable Development Committee under the Board
Suiguang-Suixi Expressways BOT Project	the project on Suiguang Expressway and Suixi Expressway in the form of BOT (build – operate – transfer)
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	the supervisory committee of the Company
Tianqiong Expressway BOT Project	the project of Chengdu Tianfu New District to Qionglai Expressway BOT (build-operate-transfer) project
%	per cent

DEFINITIONS (CONTINUED)

Zhineng Company	Sichuan Zhineng Transportation System Management Company Limited* (四川智能交通系統管理有限責任公司)
Chengya Expressway Capacity Expansion Project	Capacity expansion project of section from Chengdu to Yaan of G5 Jingkun Expressway
China Huaxi	China Huaxi Enterprise Co., Ltd.* (中國華西企業股份有限公司)
Gaolu Information	Sichuan Gaolu Information Technology Co., Ltd.* (四川高路信息科技有限公司)
SRB Group	Sichuan Road & Bridge (Group) Corporation Ltd.* (四川公路橋樑建設集團有限公司)
Transportation Construction Group	Sichuan Transportation Construction Group Co., Ltd.* (四川省交通建設集團有限責任公司)

In this report, the English names of the PRC entities are translations of their Chinese names and included herein for identification purposes only. In the event of any inconsistency between the Chinese and English names, the Chinese names shall prevail.

CORPORATE INFORMATION

Statutory Chinese and English Names of the Company	四川成渝高速公路股份有限公司 Sichuan Expressway Company Limited
Legal Representative	Luo Zuyi
Company Website	http://www.cygs.com
Company's Registered Address and Office Address	252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC
Postal Code	610041
Secretary to the Board	Yao Jiancheng
Company Secretary	Yao Jiancheng
Tel	(86) 28-8552-7109
Representative of Securities Affairs	Qiu Zhu
Tel	(86) 28-8552-7109
Fax	(86) 28-8553-0753
Investors' Hotline	(86) 28-8552-7109
E-mail	db@cygs.com
Contact Address	252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC

CORPORATE INFORMATION (CONTINUED)

Stock Exchanges of the Listing Shares	A Shares:	Shanghai Stock Exchange
	Stock Code:	601107
	Stock Name:	Sichuan Express
	H Shares:	The Stock Exchange of Hong Kong Limited
	Stock Code:	00107
	Stock Name:	Sichuan Express
Newspapers Selected by the Company for Information Disclosure		China Securities Journal, Shanghai Securities News
Websites Designated for Publication of the Interim Report of the Company		http://www.sse.com.cn http://www.hkexnews.hk http://www.cygs.com
Place for Inspection of the Interim Report of the Company	PRC:	252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC
	Hong Kong:	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
International Auditor		PricewaterhouseCoopers 22/F Prince's Building, Central, Hong Kong

CORPORATE INFORMATION (CONTINUED)

PRC Auditor	BDO China Shu Lun Pan Certified Public Accountants LLP 18/F, Building 8, Tianfu Xingu, No. 399, West Section, Fucheng Avenue, Hitech District, Chengdu, Sichuan Province, the PRC
Hong Kong Legal Adviser	Zhong Lun Law Firm LLP 22-31/F, South Tower of Third Building, Zhengda Center, No. 20 Jinhe East Road, Chaoyang District, Beijing
PRC Legal Adviser	Beijing Zhongyin (Chengdu) Law Firm (北京中銀(成都)律師事務所) 13th Floor, Block B, OCG International Center, No. 158 Tianfu 4th Avenue, Hitech District, Chengdu, Sichuan Province, the PRC
Domestic Shares Registrar and Transfer Office	China Securities Depository and Clearing Corporation Limited Shanghai Branch No. 188 South Yanggao Road, Pudong New Area, Shanghai, the PRC

CORPORATE INFORMATION (CONTINUED)

Hong Kong Shares Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Initial Registration Date and Place	19 August 1997 Chengdu, Sichuan Province, the PRC
Unified Social Credit Code	9151000020189926XW
Principal Banker	China Construction Bank

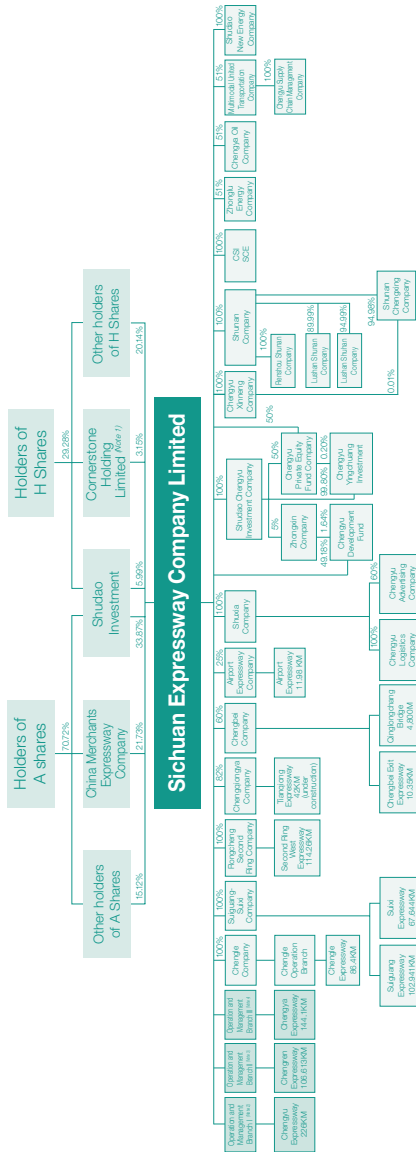
COMPANY PROFILE

The Company was incorporated upon registration with the Industry and Commerce Bureau of Sichuan Province of the PRC on 19 August 1997. The Company was listed on the Stock Exchange (stock code: 00107) on 7 October 1997 and on the SSE (stock code: 601107) on 27 July 2009, respectively.

The Group is principally engaged in the investment, construction, operation and management of certain expressway projects in the province, green energy investment business and integrated development of resources along the routes. Currently, the Group mainly owns all or substantial interests in a number of expressways in Sichuan Province such as Chengyu Expressway, Chengya Expressway, Chengle Expressway, Chengren Expressway, Chengbei Exit Expressway, Suiguang Expressway, Suixi Expressway, Second Ring (Western) Expressway and Tianqiong Expressway under construction. As of 30 June 2025, the expressways mileage of the Group has reached approximately 900km in total (including the total toll mileage of approximately 858 kilometers and the length of Tianqiong Expressway of approximately 42km, which have not yet been commenced toll collection), the length of expansion of Chengle Expressway (under construction), including the 86.4km of the original Chengle Expressway, was approximately 136.1km. The Group's total asset and net asset were approximately RMB61,322,641,000 and RMB20,672,821,000, respectively.

COMPANY PROFILE (CONTINUED)

As at 30 June 2025, the total number of share capital of the Company is 3,058,060,000 Shares (including 895,320,000 H Shares and 2,162,740,000 A Shares), the shareholders and asset structure of the Company are as follows:



Notes:

- (1) Cornerstone Holding Limited, a wholly-owned subsidiary of China Merchants Expressway Company, was interested in the H shares of the Company. By virtue of the SFO, China Merchants Expressway Company is therefore deemed to be interested in such H Shares held by Cornerstone Holding Limited.

COMPANY PROFILE (CONTINUED)

- (2) On 24 October 2024, Chengyu Branch was renamed as Operation and Management Branch I. Operation and Management Branch I is responsible for the investment, construction and operation management of the Chengyu Expressway, Suiguang Expressway, Suixi Expressway and their ancillary facilities.
- (3) On 10 March 2025, Chengren Branch was renamed as Operation and Management Branch II. Operation and Management Branch II is responsible for the investment, construction and operation management of Chengren Expressway, Second Ring (Western) Expressway and their ancillary facilities.
- (4) On 20 March 2025, Chengya Branch was renamed as Operation and Management Branch III. Operation and Management Branch III is responsible for the investment, construction and operation management of Chengya Expressway, Chengle Expressway, Tianqiong Expressway and their ancillary facilities.

INTERIM CONDENSED FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited For the six months ended 30 June 2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
	Notes		
Revenue	4	4,079,978	5,319,241
Cost		(2,600,052)	(3,763,412)
Gross profit		1,479,926	1,555,829
Other income and gains	5	89,121	102,788
Administrative expenses and selling expenses		(253,072)	(303,344)
Reversal of net impairment losses on financial assets		22,378	–
Other expenses		(8,200)	(30,320)
Operating profit		1,330,153	1,324,953
Finance costs	6	(299,159)	(439,201)
Share of net profits of investments accounted for using the equity method:			
Joint ventures		(213)	(106)
Associates		39,428	17,327
Profit before income tax	7	1,070,209	902,973
Income tax expense	8	(187,634)	(170,301)

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

		Unaudited For the six months ended 30 June 2025	2024
	Notes	RMB'000	RMB'000
Profit for the interim period		882,575	732,672
Profit attributable to:			
– Owners of the Company		838,351	698,095
– Non-controlling interests		44,224	34,577
		882,575	732,672
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic and diluted	9	RMB0.260	RMB0.228

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

	Unaudited	
	For the six months	
	ended 30 June	
	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in the fair value of financial assets at fair value through other comprehensive income	70,611	7,601
Income tax impact	(17,380)	(1,578)
Other comprehensive income for the interim period, net of tax	53,231	6,023
Total comprehensive income for the interim period	935,806	738,695

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

	Unaudited	
	For the six months ended 30 June	
	2025	2024
Notes	RMB'000	RMB'000
Total comprehensive income for the interim period is attributable to:		
Owners of the Company	891,677	703,914
Non-controlling interests	44,129	34,781
	<u>935,806</u>	<u>738,695</u>

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		Unaudited 30 June 2025 <i>RMB'000</i>	Audited 31 December 2024 <i>RMB'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,095,740	1,119,891
Service concession arrangements	10	52,176,942	51,821,189
Right-of-use assets	10	210,392	237,876
Investments in joint ventures	11	27,598	27,811
Investments in associates	12	512,156	484,567
Financial assets at fair value through other comprehensive income	13	362,035	296,105
Financial assets at fair value through profit or loss	16	44,754	44,862
Trade and other receivables	15	1,313,161	1,269,159
Payments in advance	14	1,764,638	1,496,806
Deferred tax assets		98,740	109,675
Restricted deposits	17	172	133
Total non-current assets		<u>57,606,328</u>	<u>56,908,074</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Notes		
Current assets			
Inventories		25,604	29,867
Trade and other receivables	15	1,199,624	1,135,504
Financial assets at fair value through profit or loss	16	576	491
Cash and cash equivalents	17	2,490,509	2,957,256
Restricted deposits		—	839
Total current assets		3,716,313	4,123,957
Total assets		61,322,641	61,032,031
LIABILITIES			
Non-current liabilities			
Interest-bearing bank and other borrowings	19	36,328,249	35,835,207
Deferred tax liabilities		23,414	6,545
Deferred income	20	289,040	270,898
Total non-current liabilities		36,640,703	36,112,650

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

		Unaudited 30 June 2025 <i>RMB'000</i>	Audited 31 December 2024 <i>RMB'000</i>
	<i>Notes</i>		
Current liabilities			
Tax payables		106,129	112,490
Trade and other payables	18	2,171,442	2,709,200
Contract liabilities		15,251	11,232
Interest-bearing bank and other borrowings	19	1,434,602	2,590,518
Dividend payables		281,693	315
Total current liabilities		<u>4,009,117</u>	<u>5,423,755</u>
Total liabilities		<u>40,649,820</u>	<u>41,536,405</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
<i>Notes</i>		
EQUITY		
Issued capital	3,058,060	3,058,060
Reserves	16,519,958	15,346,110
Non-controlling interests	1,094,803	1,091,456
Total equity	20,672,821	19,495,626
Total equity and liabilities	61,322,641	61,032,031

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Director

Director

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Unaudited Attributable to owners of the Company												
	Issued capital <i>RMB '000</i>	Share premium account <i>RMB '000</i>	Statutory surplus reserve <i>RMB '000</i>	Other equity instruments <i>RMB '000</i>	Difference arising from changes in non- controlling interests <i>RMB '000</i>	Fair value reserve of financial assets at fair value through other comprehensive income <i>RMB '000</i>	Merger difference <i>RMB '000</i>	Safety fund reserve <i>RMB '000</i>	Capital reserve <i>RMB '000</i>	Retained earnings <i>RMB '000</i>	Total <i>RMB '000</i>	Non- controlling interests <i>RMB '000</i>	Total equity <i>RMB '000</i>
Balance at													
31 December 2024	3,058,060	2,654,601	7,179,186	2,000,215	(254,570)	1,524	(1,755,893)	21,277	1,127,725	4,372,045	18,404,170	1,091,456	19,495,626
Comprehensive income													
Profit for the interim period	-	-	-	-	-	-	-	-	-	838,351	838,351	44,224	882,575
Other comprehensive income	-	-	-	-	-	53,326	-	-	-	-	53,326	(95)	53,231
Total comprehensive income for the interim period	-	-	-	-	-	53,326	-	-	-	838,351	891,677	44,129	935,806
Establishment for safety fund reserve	-	-	-	-	-	-	-	1,997	-	(1,997)	-	-	-
Utilisation of safety fund reserve	-	-	-	-	-	-	-	(902)	-	902	-	-	-
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	10,740	10,740
Issue of other equity instruments <i>(note 21)</i>	-	-	-	1,200,000	-	-	-	-	-	-	1,200,000	-	1,200,000
Cumulative dividends to holders of other equity instruments	-	-	-	43,478	-	-	-	-	-	(43,163)	315	-	315
Dividends declared to holders of other equity instruments	-	-	-	(31,307)	-	-	-	-	-	-	(31,307)	-	(31,307)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(51,522)	(51,522)
Dividends declared to shareholders	-	-	-	-	-	-	-	-	-	(886,837)	(886,837)	-	(886,837)
Balance at													
30 June 2025	3,058,060	2,654,601	7,179,186	3,212,386	(254,570)	54,850	(1,755,893)	22,372	1,127,725	4,279,301	19,578,018	1,094,803	20,672,821

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

	Unaudited Attributable to owners of the Company											
	Issued capital RMB'000	Share premium account RMB'000	Statutory surplus reserve RMB'000	Difference arising from changes in non- controlling interests RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Merger difference RMB'000	Safety fund reserve RMB'000	Capital reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance at												
31 December 2023	3,058,060	2,654,601	7,022,075	(254,570)	(14,230)	(1,755,893)	22,366	1,127,725	3,813,184	15,673,318	999,963	16,673,281
Comprehensive income												
Profit for the interim period	-	-	-	-	-	-	-	-	698,095	698,095	34,577	732,672
Other comprehensive income	-	-	-	-	5,819	-	-	-	-	5,819	204	6,023
Total comprehensive income for the interim period	-	-	-	-	5,819	-	-	-	698,095	703,914	34,781	738,695
Establishment for safety fund reserve	-	-	-	-	-	-	1,975	-	(1,975)	-	-	-
Utilisation of safety fund reserve	-	-	-	-	-	-	(1,978)	-	1,978	-	-	-
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(53,795)	(53,795)
Dividends declared to shareholders	-	-	-	-	-	-	-	-	(733,934)	(733,934)	-	(733,934)
Balance at 30 June 2024	3,058,060	2,654,601	7,022,075	(254,570)	(8,411)	(1,755,893)	22,363	1,127,725	3,777,348	15,643,298	980,949	16,624,247

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Unaudited For the six months ended 30 June	
	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities		
Cash generated from operations	404,988	47,828
Interest received	11,215	–
Income tax paid	(186,033)	(111,638)
Net cash inflow/(outflow) from operating activities	230,170	(63,810)
Cash flows from investing activities		
Payments for property, plant and equipment	(37,192)	(78,985)
Proceeds from disposal of property, plant and equipment	7,016	833
Interest received	–	15,350
Dividends received	6,130	1,165
Receipt of financial assets at fair value through other comprehensive income	15,818	–
Increase in time deposits	–	(50,000)

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2025

	Unaudited For the six months ended 30 June	
	2025	2024
Notes	RMB'000	RMB'000
Net cash outflow from investing activities	<u>(8,228)</u>	<u>(111,637)</u>
Cash flows from financing activities		
Proceeds from bank loans	6,812,242	3,455,602
Net proceeds from corporate bonds	–	1,999,200
Proceeds from other equity instruments	1,200,000	–
Proceeds from capital injection by a non-controlling shareholder	10,740	–
Repayment of bank loans	(7,318,369)	(1,566,355)
Repayment of other borrowings	(123,672)	(723,942)
Repayment of medium-term notes	–	(900,000)
Payment of interest for interest- bearing bank and other borrowings	(576,259)	(703,948)
Payment of lease liabilities	(5,398)	(16,585)
Dividends paid to owners of the Company	(627,194)	(519,058)

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2025

		Unaudited For the six months ended 30 June 2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Dividends paid to holders of other equity instruments		(31,307)	–
Dividends paid to non-controlling shareholders		(29,472)	(33,193)
Net cash (outflow)/inflow from financing activities		(688,689)	991,721
Net (decrease)/increase in cash and cash equivalents		(466,747)	816,274
Cash and cash equivalents at the beginning of the period		2,957,256	1,727,805
Cash and cash equivalents at end of the interim period		2,490,509	2,544,079
Non-pledged time deposits with original maturity of more than three months when acquired		–	305,645
Cash and cash equivalents at end of the interim period	17	2,490,509	2,849,724

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1 GENERAL INFORMATION

Sichuan Expressway Company Limited (the “Company”) is a limited liability company established in the People’s Republic of China (the “PRC”). The registered office of the Company is located at 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC.

During the six months ended 30 June 2025, the Company and its subsidiaries (the “Group”) was involved in the following principal activities:

- investment holding;
- construction, management and operation of expressways and a high-grade toll bridge;
- construction and operation of gas stations along expressways; and
- provision of charging services for electric vehicles.

Shudao Investment Group Company Limited (“Shudao Investment”) is the controlling shareholder of the Company, which is established in the PRC.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

1 GENERAL INFORMATION (CONTINUED)

This interim condensed consolidated financial information is presented in Chinese Renminbi (“RMB”), unless otherwise stated, and was approved for issue by the board of directors of the Company on 28 August 2025.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“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 2024.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended HKAS and HKFRS Accounting Standards for the first time for the current period’s financial information standards as set out in note 2.2.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

As at 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB292,804,000. In preparing the interim condensed consolidated financial information, the directors have carried out a review over the Group's going concern ability based on its financial condition and operating results.

Taking into consideration the unutilised banking facilities, the Group's credit standing and history of cooperation with banks and other financial institutions, and the Group's expected operating cash flows for not less than 12 months starting from the period end of the interim condensed consolidated financial information, the directors believe that the Group will have sufficient source of financing to enable it to operate, as well as to meet its liabilities as and when they become due for the next 12 months from 30 June 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

(i) New and amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2025:

Standards, Amendments or Interpretations	Subject
---	---------

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
-----------------------	--------------------------------

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New and amended standards and interpretations not yet adopted

Up to the date of issuance of this interim condensed consolidated financial information, the following new standards and amendments to existing standards have been issued which are not yet effective and have not been early adopted by the Group:

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(ii) New and amended standards and interpretations not yet adopted (Continued)

Standards, Amendments or Interpretations	Subject	Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate	To be determined
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The impacts of the new and amended standards and interpretations listed above should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION

(i) Description of segments and principal activities

For management purposes, the Group is organised into business units based on their services and products and has six reportable operating segments as follows:

- the expressways segment comprises the operation of expressways and a high-grade toll bridge in Mainland China;
- the construction services segment comprises the provision of construction and upgrade services under the service concession arrangements and construction contracts;
- the transportation services segment comprises the provision of advertising services, the rental of properties along expressways, the operation of gas stations along expressways and the sale of oil products;
- the transportation logistics segment comprises the sale of commodity logistics trade business;
- the new energy technologies segment comprises the provision of charging services for electric vehicles and the sale of charger modules; and
- others segment mainly comprises financial investments.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(i) Description of segments and principal activities (Continued)

The senior management of the Company monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that interest income on bank deposits, dividend income and other unallocated income and gains, as well as head office, corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, restricted deposits, cash and cash equivalent, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and dividend payable as these liabilities are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information

For the six months ended 30 June 2025

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	2,273,610	693,687	1,036,753	27,300	48,628	-	4,079,978
Segment cost	(939,797)	(688,248)	(918,739)	(26,058)	(27,210)	-	(2,600,052)
Segment results	1,069,331	35,261	93,061	2,155	21,007	32,415	1,253,230
<i>Reconciliation:</i>							
Reversal of net impairment losses on financial assets							22,378
Other expenses							(8,200)
Unallocated other income and gains							31,373
Unallocated administrative expenses and selling expenses							(228,572)
Profit before income tax							<u>1,070,209</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

For the six months ended 30 June 2024

	Expressways	Construction Services	Transportation Service	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	2,325,982	1,783,253	1,041,825	107,614	60,567	-	5,319,241
Segment cost	(950,096)	(1,782,151)	(880,153)	(105,996)	(45,016)	-	(3,763,412)
Segment results	955,192	38,021	118,885	346	15,289	20,242	1,147,975
<i>Reconciliation:</i>							
Other expenses							(30,320)
Unallocated other income and gains							46,287
Unallocated administrative expenses and selling expenses							(260,969)
Profit before income tax							<u>902,973</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

30 June 2025

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment assets	54,964,826	1,983,948	324,170	317,649	360,191	375,071	58,325,855
<i>Reconciliation:</i>							
Financial assets at fair value through other comprehensive income							362,035
Financial assets at fair value through profit or loss							45,330
Deferred tax assets							98,740
Restricted deposits							172
Cash and cash equivalents							2,490,509
Total assets							<u>61,322,641</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

30 June 2025 (Continued)

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment liabilities	38,188,000	1,631,615	144,063	65,707	85,562	229,766	40,344,713
<i>Reconciliation:</i>							
Dividend payables							281,693
Deferred tax liabilities							23,414
							<hr/>
Total liabilities							<u>40,649,820</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

30 June 2025 (Continued)

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other segment information							
For the six months ended 30 June 2025							
Share of profits and losses of associates	8,368	-	-	915	-	30,145	39,428
Share of profits and losses of joint ventures	(213)	-	-	-	-	-	(213)
Finance costs	286,675	9,329	458	2	406	2,289	299,159
Depreciation and amortisation	604,838	2,411	20,176	2,454	11,026	167	641,072
Capital expenditure*	901,579	2,314	41,449	557	3,550	-	949,449
30 June 2025							
Investments in associates	79,130	-	-	72,835	-	360,191	512,156
Investments in joint ventures	27,598	-	-	-	-	-	27,598

* Capital expenditure consists of additions to service concession arrangements and property, plant and equipment.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

31 December 2024

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	54,336,677	1,898,658	338,275	326,472	367,116	355,472	57,622,670
<i>Reconciliation:</i>							
Financial assets at fair value through other comprehensive income							296,105
Financial assets at fair value through profit or loss							45,353
Deferred tax assets							109,675
Restricted deposits							972
Cash and cash equivalents							2,957,256
Total assets							61,032,031

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

31 December 2024 (Continued)

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment liabilities	39,307,011	1,663,375	139,247	55,556	135,917	228,439	41,529,545
<i>Reconciliation:</i>							
Dividend payables							315
Deferred tax liabilities							6,545
							<hr/>
Total liabilities							<u>41,536,405</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(ii) Segment information (Continued)

31 December 2024 (Continued)

	Expressways RMB'000	Construction Services RMB'000	Transportation Services RMB'000	Transportation Logistics RMB'000	New Energy Technologies RMB'000	Others RMB'000	Total RMB'000
Other segment information							
For the six months ended 30 June 2024							
Share of profits and losses of associates	6,208	-	-	(1,248)	-	12,367	17,327
Share of profits and losses of joint ventures	(106)	-	-	-	-	-	(106)
Finance costs	438,279	194	466	-	262	-	439,201
Depreciation and amortisation	615,696	3,360	12,104	273	9,527	167	641,127
Capital expenditure*	2,037,668	45	1,454	86,173	78,638	-	2,203,978
31 December 2024							
Investments in associates	70,762	-	-	71,920	-	341,885	484,567
Investments in joint ventures	27,811	-	-	-	-	-	27,811

* Capital expenditure consists of additions to service concession arrangements and property, plant and equipment.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT INFORMATION (CONTINUED)

(iii) Geographical information

The Group is domiciled in Mainland China. All external revenues of the Group are generated in Mainland China. The Group's non-current assets are all located in Mainland China. Thus, no geographic segment information is presented.

(iv) Information about major customers

For the six months ended 30 June 2025 and 2024, no revenue derived from a single customer accounted for 10% or more of the Group's total revenue.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE

- (i) Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	4,052,542	5,302,153
<i>Revenue from other sources:</i>		
Gross rental income from operating leases	<u>27,436</u>	<u>17,088</u>
	<u>4,079,978</u>	<u>5,319,241</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE (CONTINUED)

- (i) Disaggregated revenue information for revenue from contracts with customers (Continued)

For the six months ended 30 June 2025

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of goods or services						
Toll income	2,273,610	-	-	-	-	2,273,610
Construction services	-	693,687	-	-	-	693,687
Sale of products	-	-	1,009,317	988	4,708	1,006,007
Charging services for electric vehicles	-	-	-	-	32,413	32,413
Others	-	-	9,006	26,312	11,507	46,825
	<u>2,273,610</u>	<u>693,687</u>	<u>1,009,317</u>	<u>27,300</u>	<u>48,628</u>	<u>4,052,542</u>
Timing of revenue recognition						
At a point in time	2,273,610	-	1,009,317	27,300	4,708	3,314,935
Over time	-	693,687	-	-	43,920	737,607
	<u>2,273,610</u>	<u>693,687</u>	<u>1,009,317</u>	<u>27,300</u>	<u>48,628</u>	<u>4,052,542</u>
Total revenue from contracts with customers	<u>2,273,610</u>	<u>693,687</u>	<u>1,009,317</u>	<u>27,300</u>	<u>48,628</u>	<u>4,052,542</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE (CONTINUED)

- (i) Disaggregated revenue information for revenue from contracts with customers (Continued)

For the six months ended 30 June 2024

	Expressways	Construction Services	Transportation Service	Transportation Logistics	New Energy Technologies	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of goods or services						
Toll income	2,325,982	-	-	-	-	2,325,982
Construction services	-	1,783,253	-	-	-	1,783,253
Sale of products	-	-	1,006,713	107,614	9,234	1,123,561
Charging services for electric vehicles	-	-	-	-	51,333	51,333
Others	-	-	18,024	-	-	18,024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue from contracts with customers	<u>2,325,982</u>	<u>1,783,253</u>	<u>1,024,737</u>	<u>107,614</u>	<u>60,567</u>	<u>5,302,153</u>
Timing of revenue recognition						
At a point in time	2,325,982	-	1,024,737	107,614	9,234	3,467,567
Over time	-	1,783,253	-	-	51,333	1,834,586
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue from contracts with customers	<u>2,325,982</u>	<u>1,783,253</u>	<u>1,024,737</u>	<u>107,614</u>	<u>60,567</u>	<u>5,302,153</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

5 OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other income		
Interest income arising from construction contracts	36,728	37,113
Government grants	15,877	17,383
Road compensation income	11,732	7,898
Interest income from bank deposits	11,215	19,497
Dividend income	6,819	5,830
Rental income	3,360	3,747
Others	921	5,660
Total other income	86,652	97,128
Other gains		
Fair value gain on financial assets at fair value through profit or loss	–	5,048
Gain on disposal of property, plant and equipment	2,469	612
Total other gains	2,469	5,660
Total other income and gains	89,121	102,788

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

6 FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	522,484	673,578
Interest on corporate bonds	19,030	4,663
Interest on medium-term notes	4,307	28,752
Interest on lease liabilities	2,474	2,593
	<u>548,295</u>	<u>709,586</u>
Less:		
Interest capitalised in respect of:		
Service concession arrangements	<u>(249,136)</u>	<u>(270,385)</u>
	<u>299,159</u>	<u>439,201</u>
Interest rate of borrowing costs capitalised	2.87%-3.05%	3.47%-3.65%

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

7 PROFIT BEFORE INCOME TAX

Profit before income tax for the six months period includes the following items that are material or unusual because of their nature, size, or incidence:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expense	475,371	514,406
Depreciation of property, plant and equipment (<i>note 10</i>)	69,481	68,167
Amortisation of service concession arrangements (<i>note 10</i>)	543,820	541,822
Depreciation of right-of-use assets (<i>note 10</i>)	27,771	31,138
Depreciation and amortisation expenses	641,072	641,127
Construction costs in respect of:		
Service concession arrangements	650,437	1,760,325
Construction works performed for other parties	36,360	20,822
Construction costs	686,797	1,781,147
Cost of product sales	878,477	987,483
Repairs and maintenance	75,403	67,362
Reversal of net impairment losses on financial assets	(22,378)	—
Cost of charging services	12,881	24,653

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

8 INCOME TAX EXPENSE

Income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
Current income tax on profits for the year	171,121	163,490
Adjustments for current income tax of prior periods	6,018	3,365
Deferred income tax	10,495	3,446
	187,634	170,301

(i) Hong Kong

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong by the Group during the six months ended 30 June 2025.

(ii) Mainland China

Except for the companies mentioned below that are entitled to a preferential tax rate, the subsidiaries, associates, and joint ventures of the Group are required to pay corporate income tax at the standard tax rate of 25%.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

8 INCOME TAX EXPENSE (CONTINUED)

(ii) Mainland China (Continued)

Pursuant to the Circular on the Continuation of Western Development Strategies of the State Administration of Taxation, the Ministry of Finance and National Development and Reform Commission ("Circular [2020] No. 23"), the tax preferential treatments for the Western Region Development are valid until 2030. According to the Circular [2020] No. 23, "from 1 January 2021 to 31 December 2030, corporate income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries prescribed in the Catalogue if the income which is within the Catalogue accounts for more than 60% of the total income of such enterprises."

For entities within the scope of the transportation industry, i.e., the Company, Chengle Expressway Company Limited, Chengdu Chengbei Exit Expressway Company Limited, Sichuan Rongcheng Second Ring Expressway Development Co., Ltd. and Chengdu Airport Expressway Company Limited ("Chengdu Airport Expressway"), an associate of the Company, are entitled to a preferential tax rate of 15%.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

9 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDINGS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the six months ended 30 June 2025 attributable to ordinary equity holders of the Company, and the number of ordinary shares of 3,058,060,000 (six months ended 30 June 2024: 3,058,060,000) in issue during the six months ended 30 June 2025.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND SERVICE CONCESSION ARRANGEMENTS

	Property, plant and equipment <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Service concession arrangements <i>RMB'000</i>
Carrying amounts as at 31 December 2024 (Audited)	1,119,891	237,876	51,821,189
Six months ended 30 June 2025 (Unaudited)			
Additions	49,876	287	899,573
Disposals	(4,546)	–	–
Depreciation/ amortisation charge (<i>note 7</i>)	(69,481)	(27,771)	(543,820)
Carrying amounts as at 30 June 2025 (Unaudited)	<u>1,095,740</u>	<u>210,392</u>	<u>52,176,942</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT, RIGHT- OF-USE ASSETS AND SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

- (i) As at 30 June 2025 and 31 December 2024, the concession rights pertaining to certain expressways with net carrying amounts listed below were pledged to secure bank loans granted to the Group (note 19).

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Chengle Expressway	14,712,498	13,964,775
Chengren Expressway	5,590,107	5,696,918
Tianqiong Expressway	7,002,338	6,891,267
Suiguang Expressway and Suixi Expressway	10,781,813	10,891,294
Second Ring (Western) Expressway	12,839,915	12,946,141
	<u>50,926,671</u>	<u>50,390,395</u>

11 INVESTMENT IN JOINT VENTURES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Share of net assets	<u>27,598</u>	<u>27,811</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

11 INVESTMENT IN JOINT VENTURES (CONTINUED)

Particulars of the Group's joint ventures, which were established and operate in Mainland China as at 30 June 2025, are as follows:

Name	Percentage of Ownership interest of the Group	Principal activities
Sichuan Chengyu Development Equity Investment Fund Centre	49.84%	Asset management
Sichuan Communications Network Technology Company Limited	49%	Technology service

The Group's investments in joint ventures are accounted for using the equity method.

The carrying amounts of investment in joint ventures have changed as follows in the six months to June 2025:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)
Carrying amounts as at 31 December 2024 (Audited)	27,811
Loss for the period	(213)
	<hr/>
Carrying amounts as at 30 June 2025 (Unaudited)	27,598
	<hr/> <hr/>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

12 INVESTMENT IN ASSOCIATES

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Share of net assets	<u>512,156</u>	<u>484,567</u>

Particulars of the Group's associates, which were established and operate in Mainland China as at 30 June 2025, are as follows:

Name	Percentage of Ownership interest of the Group	Principal activities
Chengdu Airport Expressway	25%	Operation of Chengdu Airport Expressway
Sichuan Renshou Rural Commercial Bank Co., Ltd.	7.474%	Banking operations
Sichuan Zhongxin Assets Management Company Limited	5%	Asset management
Shudao Financial Leasing (Shenzhen) Company Limited	8.6545%	Finance lease
Chengdu Communications Investment Supply Chain Management International Co., Ltd.	29%	Business services

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

12 INVESTMENT IN ASSOCIATES (CONTINUED)

The Group's investments in associates are accounted for using the equity method.

The carrying amounts of investment in associates have changed as follows in the six months to June 2025:

	For the six months ended 30 June 2025 <i>RMB'000</i> (Unaudited)
Carrying amounts as at 31 December 2024 (Audited)	484,567
Profit for the period	39,428
Dividends declared	(11,839)
	<hr/>
Carrying amounts as at 30 June 2025 (Unaudited)	512,156

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Listed equity investments, at fair value		
– China Everbright Bank	111,906	104,358
– China Merchants Fund REITs	239,249	180,579
	<u>351,155</u>	<u>284,937</u>
Unlisted equity investments, at fair value		
– Sichuan Intelligent Transportation System Management Company Limited	1,440	1,448
– Chengdu Chengbei Expressway Gas Station Co., Ltd.	9,440	9,720
	<u>10,880</u>	<u>11,168</u>
	<u>362,035</u>	<u>296,105</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

14 PAYMENTS IN ADVANCE

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Prepayment for construction projects	1,322,457	1,086,782
Prepayment for purchase of sandstones	<u>442,181</u>	<u>410,024</u>
	<u>1,764,638</u>	<u>1,496,806</u>

Included in payments in advance in respect of construction, prepayments amounting to RMB1,214,559,000 (31 December 2024: RMB950,427,000) were made to fellow subsidiaries under control of Shudao Investment, for Chengle Expressway Expansion Construction Project and Lushan Country Long Bao Da Construction Project.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

15 TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables		
Trade receivables (i)	1,572,110	1,603,050
Loss allowance (i)	(44,614)	(45,197)
	<u>1,527,496</u>	<u>1,557,853</u>
Other receivables and prepayments		
Other receivables and prepayments (ii)	1,073,941	957,257
Loss allowance (ii)	(88,652)	(110,447)
	<u>985,289</u>	<u>846,810</u>
Total trade and other receivables	<u>2,512,785</u>	<u>2,404,663</u>
Less: Current portion	<u>(1,199,624)</u>	<u>(1,135,504)</u>
Non-current portion	<u>1,313,161</u>	<u>1,269,159</u>

- (i) The Group's trading terms of trade receivables arising from sales of products with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally twenty days, extending up to six months for major customers.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) (Continued)

The Group's trade receivables which arose from construction contracts are settled in accordance with the terms specified in the contracts governing the relevant construction works. The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit period of an individual construction contract customer is considered on a case-by-case basis and is set out in the respective construction contracts, as appropriate.

According to the contracts governing the relevant construction works, as at 30 June 2025, gross amount of trade receivables of RMB1,079,797,000 (31 December 2024: RMB1,073,479,000) are to be settled by instalments within two to thirteen years upon completion of the relevant construction works and bear contractual interest rates ranging from 4.75% to 8.5% (31 December 2024: 4.75% to 8.5%) per annum. The remaining trade receivables are non-interest-bearing.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) (Continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or billing date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	105,855	316,967
3 to 6 months	16,967	37,100
6 to 12 months	204,785	3,326
Over 1 year	1,199,889	1,200,460
	<u>1,527,496</u>	<u>1,557,853</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) (Continued)

The movement in the loss allowance for impairment of trade receivables is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year	45,197	3,678
(Reversal)/provision of impairment losses (<i>note 7</i>)	(583)	41,519
At end of period/year	44,614	45,197

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

- (ii) The Group's other receivables and prepayments are analysed as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Other receivables		
Toll income receivables	144,567	88,631
Up-front payment of construction contracts	40,866	40,866
Deposits	39,230	40,929
Investment receivables	–	11,825
Others	168,852	170,272
	393,515	352,523
Prepayments		
Deductible input value-added tax	488,193	466,681
Prepaid income tax	2,463	–
Other prepayments	189,770	138,053
	680,426	604,734
	1,073,941	957,257
Loss allowance	(88,652)	(110,447)
	985,289	846,810

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

- (ii) The Group's other receivables and prepayments are analysed as follows: (Continued)

The movement in the loss allowance for impairment of other receivables and prepayments is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year	110,447	134,406
Reversal of impairment losses (<i>note 7</i>)	(21,795)	(23,959)
At end of period/year	88,652	110,447

- (iii) Amounts due from related parties

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fellow subsidiaries under control of Shudao Investment		
Other receivables	145,401	95,307
Prepayments	2,306	1,258
Trade receivables	665	715
	148,372	97,280

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<i>Non-current assets</i>		
Investment in private equity fund	<u>44,754</u>	<u>44,862</u>
<i>Current assets</i>		
Investments in listed equity	<u>576</u>	<u>491</u>

17 CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and cash equivalents	2,243,496	2,781,352
Time deposits with maturity less than three months	<u>247,185</u>	<u>176,876</u>
	2,490,681	2,958,228
Less: Restricted deposits	<u>(172)</u>	<u>(972)</u>
	<u>2,490,509</u>	<u>2,957,256</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables (i)	35,761	202,673
Other payables (ii)	2,135,681	2,506,527
	<u>2,171,442</u>	<u>2,709,200</u>

- (i) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	22,004	154,566
3 to 6 months	2,704	12,510
6 to 12 months	7,290	5,236
Over 1 year	3,763	30,361
	<u>35,761</u>	<u>202,673</u>

The trade payables are non-interest-bearing and are normally settled within one to twelve months.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 TRADE AND OTHER PAYABLES (CONTINUED)

- (ii) Other payables at the end of the reporting period mainly include the following balances:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Progress billing payables (a)	1,212,442	1,541,112
Payroll and welfare payables	307,959	328,462
Retention payables and deposits	250,108	257,296
Taxes and surcharge payables	68,857	93,102
Provisions for unpaid other taxes	27,590	27,590
Advances	24,154	22,159
Others	244,571	236,806
	<u>2,135,681</u>	<u>2,506,527</u>

- (a) As at 30 June 2025, progress billing payables are mainly related to the constructions of Chengle Expressway and Tianqiong Expressway.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 TRADE AND OTHER PAYABLES (CONTINUED)

(iii) Amounts due to related parties and connected person

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fellow subsidiaries under control of Shudao Investment		
Other payables	776,439	1,026,542
Receipts in advance	1,188	763
Trade payables	<u>—</u>	<u>15,789</u>
	777,627	1,043,094
Road and Bridge International Co., Ltd (“Road and Bridge”), Non-controlling shareholders of Sichuan Chengqiongya Expressway Company Limited		
Other payables	<u>166,464</u>	<u>332,837</u>
	<u>944,091</u>	<u>1,375,931</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

19 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Current		
Bank loans:		
Secured and guaranteed (i, ii)	25,000	22,500
Secured (i)	366,600	1,043,049
Unsecured	818,340	1,261,800
Medium-term notes	100,000	—
Other borrowings, guaranteed (ii)	50,481	172,556
Lease liabilities	40,679	24,038
Interest accrued	33,502	66,575
	<u>1,434,602</u>	<u>2,590,518</u>
Non-Current		
Bank loans:		
Secured and guaranteed (i, ii)	9,039,000	9,051,500
Secured (i)	19,308,968	18,821,476
Unsecured	5,857,040	5,720,750
Medium-term notes	—	100,000
Corporate bonds	2,000,000	2,000,000
Other borrowings, guaranteed (ii)	51,602	50,564
Lease liabilities	71,639	90,917
	<u>36,328,249</u>	<u>35,835,207</u>
	<u>37,762,851</u>	<u>38,425,725</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

19 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

The maturity is analysed into:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank loans repayable:		
Within one year	1,209,940	2,327,349
In the second year	1,648,429	2,146,429
In the third to fifth years, inclusive	8,262,710	8,620,127
Beyond five years	24,293,869	22,827,170
	35,414,948	35,921,075
Medium-term notes repayable:		
Within one year	100,000	–
In the second year	–	100,000
	100,000	100,000
Corporate bonds:		
In the second year	2,000,000	–
In the third to fifth years, inclusive	–	2,000,000
	2,000,000	2,000,000

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

19 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Other borrowings and lease liabilities repayable:		
Within one year	91,160	196,594
In the second year	69,906	69,690
In the third to fifth years, inclusive	47,400	63,677
Beyond five years	5,935	8,114
	<u>214,401</u>	<u>338,075</u>
Interest accrued	<u>33,502</u>	<u>66,575</u>
	<u>37,762,851</u>	<u>38,425,725</u>

At the end of the reporting period, all interest-bearing bank and other borrowings of the Group were denominated in RMB.

As at 30 June 2025, interest-bearing bank and other borrowings of RMB2,932,030,000 (31 December 2024: RMB3,776,750,000) are fixed rate.

As at 30 June 2025, the weighted average interest rate of bank loans and other borrowings is 2.79% (31 December 2024: 3.55%) per annum.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

19 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(i) Balances of bank loans secured by:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Secured by concession rights of (note 10):		
Chengle Expressway	7,489,870	7,569,720
Chengren Expressway	734,958	1,008,307
Tianqiong Expressway	5,743,740	5,476,498
Suiguang Expressway and Suixi Expressway	5,707,000	5,810,000
Second Ring (Western) Expressway	<u>9,064,000</u>	<u>9,074,000</u>
	<u>28,739,568</u>	<u>28,938,525</u>

(ii) Bank loans were guaranteed by:

As at 30 June 2025, the bank loans of RMB9,064,000,000(31 December 2024: RMB9,074,000,000) were guaranteed by Shudao Investment.

As at 30 June 2025, the other borrowings of RMB102,083,000(31 December 2024: RMB223,120,000) were guaranteed by Shudao Investment.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

20 DEFERRED INCOME

Deferred income as at the end of the interim period mainly include the following:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deferred compensation income received in advance	95,357	74,781
Government grants for Suiguang-Suixi Expressways BOT Project	89,367	90,318
Subsidy funds for demolishing the provincial boundary toll station	45,791	51,780
Others	58,525	54,019
	<u>289,040</u>	<u>270,898</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

21 OTHER EQUITY INSTRUMENTS

As at 21 January 2025, the Company issued a perpetual instrument with an initial interest rate of 3.2% and the actual net proceeds was RMB1,200,000,000. The perpetual instrument has no fixed maturity date and the Company has an option to redeem at principal amounts plus any accrued interest in the end of the first 3 year and every year afterwards.

The interest rate for the perpetual instrument is fixed in the first 3 years and will be repriced every year after that. The repriced interest rate is determined as the sum of the current base rate plus 300bp. The highest limitation of the interest rate is 6.2%.

The Group has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the Group may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital, which can be controlled by the Group.

The above perpetual instrument issued by the Company is classified as equity instruments and presented under equity in the Group's consolidated statement of financial position.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

22 DIVIDENDS

At a meeting of the board of directors held on 28 August 2025, the directors of the Company resolved not to pay an interim dividend to shareholders of the Company (six months ended 30 June 2024: nil).

The proposed final dividend of RMB0.29 per ordinary share for the year ended 31 December 2024 (2023: RMB0.24) was declared during the six months ended 30 June 2025 and fully paid as at 4 July 2025.

23 COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Service concession arrangements	4,622,184	4,418,271
Construction	118,413	500,483
Property, plant and equipment	30,022	34,314
	<u>4,770,619</u>	<u>4,953,068</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTION

The Group had the following transactions with related parties during the six months ended 30 June 2025:

- (i) For the six months ended 30 June 2025, the aggregate service fee payable to Sichuan Zhineng Transportation System Management Company Limited, a fellow subsidiary under control of Shudao Investment, in relation to the provision of a computer system of the highway toll fee collection networks and the supportive technological services to the Group amounted to RMB9,274,000 (six months ended 30 June 2024: RMB9,541,000). The fee was determined based on a service charge of 0.4% of toll income or RMB35,000,000 per annum, whichever is lower.
- (ii) For the six months ended 30 June 2025, fellow subsidiaries under control of Shudao Investment was engaged by the Group to provide property management services. Property management services costs recognised by the Group for such services aggregated RMB12,779,000 (six months ended 30 June 2024: RMB6,378,000). The directors consider that the amount paid for the property management services from a related company was determined based on prices similarly available to the related party's third-party customers.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTION (CONTINUED)

- (iii) For the six months ended 30 June 2025, fellow subsidiaries under control of Shudao Investment were engaged by the Group to provide construction and maintenance works. The prices of such works are usually determined through public tender and bidding process. Construction and maintenance costs recognised by the Group for such services aggregated RMB467,056,000 (six months ended 30 June 2024: RMB273,595,000).
- (iv) For the six months ended 30 June 2025, Road and Bridge (note 18) provided construction service for Tianqiong Expressway BOT Project. No construction cost was recognised by the Group for such services for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB863,371,000). The directors consider that the amount paid for the construction services from a related company was determined based on prices similarly available to the related party's third-party customers.
- (v) For the six months ended 30 June 2025, the Group purchased refined oil products amounting to approximately RMB605,205,000 (six months ended 30 June 2024: RMB531,548,000) from Sichuan sales branches of PetroChina Company Limited, a non-controlling shareholder of a subsidiary within the Group. The prices are determined by adding transportation fee to the selling price of the refined oil by reference to market price.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTION (CONTINUED)

(vi) For the six months ended 30 June 2025, the Group purchased refined oil products amounting to approximately RMB182,008,000 (six months ended 30 June 2024: RMB169,876,000) from a subsidiary of Sinochem Oil Sales Company Limited, the holding company of a non-controlling shareholder of a subsidiary within the Group. The prices are determined by reference to market wholesale price.

(vii) Guarantee by related parties

The detailed information was described in note 19.

(viii) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fees	<u>160</u>	<u>133</u>
Other emoluments:		
Salaries, allowances, and benefits in kind	2,819	2,838
Pension scheme contributions	292	245
Supplementary pension scheme contributions	<u>315</u>	<u>271</u>
	<u>3,426</u>	<u>3,354</u>
	<u>3,586</u>	<u>3,487</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

24 RELATED PARTY TRANSACTION (CONTINUED)

The related party transactions in respect of note 24 (i), (ii), (iii), (iv) and (v) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

25 FAIR VALUE MEASUREMENT AND OTHER INFORMATION OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by management of the Group in determining the fair values of the financial instruments since the last annual financial report.

(i) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

25 FAIR VALUE MEASUREMENT AND OTHER INFORMATION OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Fair value hierarchy (Continued)

The following table presents the Group's financial assets measured and recognised at fair value as at 30 June 2025 and 31 December 2024 on a recurring basis:

As at 30 June 2025

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Financial assets				
Financial assets at fair value through other comprehensive income				
– listed equity investments	351,155	–	–	351,155
– unlisted equity investments	–	–	10,880	10,880
Financial assets at fair value through profit or loss				
– listed equity investments	576	–	–	576
– unlisted equity investments	–	–	44,754	44,754
	<u>351,731</u>	<u>–</u>	<u>55,634</u>	<u>407,365</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

25 FAIR VALUE MEASUREMENT AND OTHER INFORMATION OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Fair value hierarchy (Continued)

As at 31 December 2024

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)	(Audited)
Financial assets				
Financial assets at fair value through other comprehensive income				
– listed equity investments	284,937	–	–	284,937
– unlisted equity investments	–	–	11,168	11,168
Financial assets at fair value through profit or loss				
– listed equity investments	491	–	–	491
– unlisted equity investments	–	–	44,862	44,862
	<u>285,428</u>	<u>–</u>	<u>56,030</u>	<u>341,458</u>

There were no transfers among levels 1, 2 and 3 for the six months ended 30 June 2025 and 2024. There were no other changes in valuation techniques for the six months ended 30 June 2025 and 2024.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

25 FAIR VALUE MEASUREMENT AND OTHER INFORMATION OF FINANCIAL INSTRUMENTS (CONTINUED)

- (ii) Fair value measurements using significant unobservable inputs (level 3)

	Financial assets at fair value through other comprehensive income- unlisted equity investment <i>RMB'000</i>	Financial assets at fair value through profit or loss- unlisted equity investment <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024			
(Audited)	11,168	44,862	56,030
Changes in fair value	(288)	(108)	(396)
30 June 2025 (Unaudited)	<u>10,880</u>	<u>44,754</u>	<u>55,634</u>

- (iii) The carrying amounts of the Group's financial assets and financial liabilities measured at amortised cost approximate their fair values.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

26 EVENTS OCCURRING AFTER THE REPORTING PERIOD

As at 28 July 2025, the Company won the bid for the Chengya Expressway Expansion Project. As at 6 August 2025, the Company signed the relevant investment agreements with governments, with a total investment amount of RMB28.548 billion.

27 APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the board of directors on 28 August 2025.

CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

- I. DURING THE REPORTING PERIOD, THERE WAS NO CHANGE IN THE TOTAL NUMBER OF SHARES AND CAPITAL STRUCTURE OF THE COMPANY.**
- II. AS AT 30 JUNE 2025, THE COMPANY HAD A TOTAL OF 35,568 SHAREHOLDERS, INCLUDING 35,328 HOLDERS OF A SHARES AND 240 HOLDERS OF H SHARES.**
- III. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2025, so far as the Company and Directors, having made reasonable enquiries, are aware, the following parties (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the shares or underlying shares, which is required to be disclosed to the Company under the provisions of

CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Divisions 2 and 3 of Part XV of the SFO and has been entered in the register kept by the Company according to section 336 of the SFO:

Name of substantial shareholders	Type of Shares	Long position/ short position	Number of the Company's Shares held	Approximate percentage in the total issued share capital of the Company	Approximate percentage in the share capital of A Shares/ H Shares	Nature of interest and capacity
Shudao Investment	A Shares	Long position	1,035,915,462	33.87%	47.90%	Beneficial owner
	H Shares	Long position	183,064,200 ⁽¹⁾	5.99%	20.45%	Beneficial owner
		Total:	<u>1,218,979,662</u>	<u>39.86%</u>	<u></u>	
China Merchants Expressway Company	A Shares	Long position	664,487,376	21.73%	30.72%	Beneficial owner
	H Shares	Long position	96,458,000 ⁽²⁾	3.15%	10.77%	Interest in controlled corporation
		Total:	<u>760,945,376</u>	<u>24.88%</u>	<u></u>	

CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Notes:

- (1) According to the disclosure of interests forms submitted by Shudao Investment as at 30 June 2025, the number of H Shares held by Shudao Investment in long position in the Company was 179,450,200 (the form dated 19 September 2023), representing approximately 5.87% of the total issued share capital of the Company and approximately 20.04% of the H Shares. In the event that the shareholding of Shudao Investment in the Company changes, Shudao Investment is not required to notify the Company and the Stock Exchange unless certain conditions are fulfilled, and therefore the latest shareholding of Shudao Investment in the Company as at 30 June 2025 may be different from the shareholding disclosed on the Stock Exchange. The shareholding of Shudao Investment set out in this report was as at 30 June 2025 and, to the best of the knowledge of the directors of the Company who have made reasonable inquiries, was provided by Shudao Investment.
- (2) Cornerstone Holding Limited, a wholly-owned subsidiary of China Merchants Expressway Company, was interested in the H shares of the Company. By virtue of the SFO, China Merchants Expressway Company is therefore deemed to be interested in such H Shares held by Cornerstone Holding Limited.

Save as disclosed above, as at 30 June 2025, the Company was not aware of any other person (other than the Directors, Supervisors and chief executives of the Company) having registered interests or short positions in the Shares and underlying Shares of the Company which were required to be recorded in the register in accordance with Section 336 of the SFO.

CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS (CONTINUED)

IV. CHANGE IN THE CONTROLLING SHAREHOLDER OF THE COMPANY

During the Reporting Period, there was no change in the controlling shareholder of the Company. Shudao Investment is still the controlling shareholder.

V. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY AND SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's and subsidiaries' listed securities (including sales of treasury shares (as defined in the Listing Rules of the Stock Exchange)) during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares.

VI. ISSUE AND LISTING OF SECURITIES

There were no issue and listing of securities during the Reporting Period.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 30 June 2025, interests and short positions held by Directors, Supervisors and chief executives of the Company in Shares, underlying shares or debentures of the Company or its associated corporation (as defined in Part XV of the SFO) that, by virtue of Divisions 7 and 8 of the SFO, which shall be reported to the Company and the Stock Exchange (including interests and short positions, by virtue of such provisions of the SFO or other regulations, deemed or taken to be held by Directors, Supervisors and chief executives of the Company); or any interests or short positions that shall be recorded in the register required to be kept under the provisions of Section 352 of the SFO; or interests or short positions that, by virtue of Model Code as set out in Appendix C3 to the Listing Rules, shall be notified to the Company and the Stock Exchange, are as follows:

Name	Class of Shares	Long position/ Short position	Number of the Company's Shares held	Approximate percentage in the total issued share capital of the Company	Approximate percentage in the share capital of A Shares/ H Shares	Capacity
Luo Maoquan	A Shares	Long position	10,000	0.0003%	0.0005%	Beneficial owner

Save as disclosed above, as at 30 June 2025, the Company was not aware of any above interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporation held by any of its Directors, Supervisors, or Chief executives.

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 9 January 2025, as considered and approved at the 1st extraordinary general meeting of the Company, Mr. Yao Jiancheng was as an executive Director of the eighth session of the Board for a term commencing from 9 January 2025 until the date of expiry of the term of office of the eighth session of the Board. For details, please refer to the announcement of the Company dated 9 January 2025.

On 14 April 2025, Mr. Luo Maoquan has tendered his resignation as a supervisor and the chairman of the supervisory committee of the Company with effect from 14 April 2025 due to his retirement. On the same date, the Board announced that, since the election of the new chairman of the Supervisory Committee is subject to the relevant statutory procedures, and in accordance with the relevant laws and regulations and the relevant provisions of the articles of association of the Company, more than half of the Supervisors jointly recommended Madam Li Tao, the Supervisor, to act as the chairlady of the Supervisory Committee and perform the duties, with effect from 14 April 2025 until the date on which the new chairman of the Supervisory Committee is elected and assumes office. For details, please refer to the announcement of the Company dated 14 April 2025.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

On 29 May 2025, Mr. Wong Wai Chiu has resigned as joint company secretary of the Company and one of the authorised representatives under Rules 3.05 of Listing Rules of the Stock Exchange respectively. Yao Jiancheng and Mr. Luo Zuyi will continue to be the authorised representatives of the Company. Meanwhile, the Board is pleased to announce that the Stock Exchange has confirmed that Ms. Yao meets the qualification of the company secretary under Rules 3.28 and 8.17 of the Listing Rules and will act as the sole company secretary of the Company with effect from 29 May 2025. For details, please refer to the announcement of the Company dated 29 May 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW AND ANALYSIS

(I) Results Overview

The Group is principally engaged in the investment, construction, operation and management of certain expressway projects in the province, green energy investment business and integrated development of resources along the routes. In the first half of 2025, proactive macroeconomic policies proved increasingly effective, with the economy maintaining steady progress and demonstrating strong resilience and vitality. Nevertheless, external uncertainties persist, while insufficient domestic demand remains a constraint, requiring further reinforcement of the foundation for sustained economic recovery. Confronted with these external uncertainties, the Group intensified efforts to advance project construction, enhance management capabilities and reduce costs and increase efficiency, striving to create development outcomes and achieving growth across various economic indicators.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

During the Reporting Period, the revenue of the Group amounted to approximately RMB4,079,978,000, representing a year-on-year decrease of approximately 23.30%. In particular, the revenue from expressway segment amounted to approximately RMB2,273,610,000, representing a year-on-year decrease of approximately 2.25%; the revenue from construction services segment amounted to approximately RMB693,687,000, representing a year-on-year decrease of approximately 61.10%; the revenue from transportation service segment amounted to approximately RMB1,036,753,000, representing a year-on-year decrease of approximately 0.49%; the revenue from transportation logistics segment amounted to approximately RMB27,300,000, representing a year-on-year decrease of approximately 74.63%; and the revenue from new energy technology segment amounted to approximately RMB48,628,000, representing a year-on-year decrease of approximately 19.71%. The profit attributable to the owners of the Company was approximately RMB838,351,000, representing a year-on-year increase of approximately 20.09%. Basic earnings per share was approximately RMB0.260 (the same period in 2024: approximately RMB0.228). As at 30 June 2025, the Group had total assets of approximately RMB61,322,641,000 and net assets of approximately RMB20,672,821,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(II) Data on Operation of the Toll Roads and Bridges Business of the Group

Data on operation of the toll roads and bridges business of the Group during the Reporting Period is as follows:

Item	Shareholding percentage (%)	Average daily traffic flow (vehicles)			Toll income (RMB'000)		
		2025			2025		
		Same			Same		
		For the period in 2024	Increase/ decrease (%)	For the period in 2024	For the period in 2024	Increase/ decrease (%)	For the period in 2024
Chengyu Expressway	100.00	21,974	21,189	3.70	422,012	419,848	0.52
Chengya Expressway	100.00	37,763	38,407	(1.68)	492,375	504,116	(2.33)
Chengren Expressway	100.00	33,598	34,277	(1.98)	402,305	433,559	(7.21)
Chengle Expressway	100.00	40,421	39,526	2.26	295,986	293,275	0.92
Chengbei Exit Expressway (including Qinglongchang Bridge)	60.00	50,711	46,852	8.24	52,787	50,306	4.93
Suiguang Expressway	100.00	11,548	11,928	(3.19)	136,081	131,484	3.50
Suixi Expressway	100.00	10,493	10,107	3.82	89,250	85,734	4.10
Second Ring (Western) Expressway	100.00	26,370	27,767	(5.03)	382,814	407,660	(6.09)

During the Reporting Period, the toll income of the Group was approximately RMB2,273,610,000, representing a decrease of approximately 2.25% as compared with the same period last year. The toll income accounted for approximately 55.73% of the Group's operating revenue, representing an increase of approximately 12.00 percentage points as compared with the same period last year. During the Reporting Period, the overall operating performance of the Group's expressways was affected by the combined effects of the following factors:

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

1. Economic factors

In the first half of 2025, all regions and departments adhered to the general principle of seeking progress while maintaining stability. The Group fully implemented the new development philosophy, accelerated efforts to foster a new development paradigm, and balanced domestic economic priorities with international economic and trade engagements. More proactive and impactful macroeconomic policies were effectively implemented, enabling the national economy to withstand pressures and forge ahead. This includes economy maintaining generally stable performance with a positive trajectory, steady growth in production and demand, stable employment conditions, continued increasing in household income, growing new development drivers, new progress in high-quality development, and overall social stability. Preliminary calculations show that in the first half of 2025, China's gross domestic product (GDP) amounted to RMB66,053.6 billion, representing a year-on-year increase of 5.3% at constant prices. By sector, the primary industry increased by RMB3,117.2 billion, or 3.7%, the secondary industry increased by RMB23,905.0 billion, or 5.3%, and the tertiary industry increased by RMB39,031.4 billion, or 5.5%. The GDP grew by 5.4% year-on-year in the first quarter as compared to the 5.2% in the second quarter. On a quarter-on-quarter basis, the GDP grew by 1.1% in the second quarter.¹ For Sichuan Province, the regional GDP in the first half of 2025 was RMB3,191.82 billion, representing a year-on-year increase of 5.6% at constant prices. By sector, the primary industry increased by RMB196.33 billion, or 3.2%, the secondary increased by RMB1,111.15 billion, or 5.3%, and the tertiary industry increased by RMB1,884.34 billion, or 6.0%.²

¹ National Bureau of Statistics

² Sichuan Provincial Bureau of Statistics

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

2. Policy factors

According to the Notice on Printing and Implementing the Work Plan of the Green Channel Policy for Fresh Agricultural Products Exported by Four Ministries (Chuan Jiao Han [2023] No. 233) 《關於印發貫徹落實國家四部委鮮活農產品運輸“綠色通道”政策工作方案的通知》(川交函[2023]233 號)) issued by the Department of Transportation of Sichuan Province, and the overall deployment of the Notice on Further Improving the Service Level of the Green Channel Policy for Fresh Agricultural Products Transportation (Jiao Ban Gong Lu [2022] No. 78) 《關於進一步提升鮮活農產品運輸“綠色通道”政策服務水平的通知》(交辦公路[2022]78 號)) issued by the General Office of the Ministry of Transportation and other four ministries and the work arrangement of Sichuan Province, since 1 June 2023, the national unified Catalogue of Fresh Agricultural Products 《鮮活農產品品種目錄》 will be strictly implemented, and the export inspection standards of vehicles in compliance with the “green channel” policy will be standardized. Refrigerated trucks that do not meet the inspection standards shall not be eligible for the “green channel” policy.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

On 31 March 2023, the Ministry of Transport, the National Railway Administration, the Civil Aviation Administration of China, the State Post Bureau, and China State Railway Group Co., Ltd. jointly issued the Five-year Action Plan for Accelerating the Building of a Nation with Strong Transportation (2023-2027) 《加快建設交通強國五年行動計劃(2023-2027 年)》 (“**Action Plan**”). The Action Plan puts forward the action objectives and tasks for the next five years to accelerate the construction of a nation with strong transportation, insists on the basis of continuous improvement in the implementation of the “Two Outlines” and the “14th Five-Year Plan” series of transportation plans, and plans to promote the work of transportation in the “15th Five-Year Plan” period. The Action Plan aims to build a modernized comprehensive transport system that is safe, convenient, efficient, green and economical, and to achieve effective improvement in the quality and reasonable growth in the quantity of transport. The action objectives set in the Action Plan are that by 2027, the acceleration of the construction of a nation with strong transportation will have achieved phased results, new breakthroughs will have been made in the high-quality development of transportation, the construction of the “Four Excellence” will have achieved remarkable results, and significant progress will have been made in the construction of a modernized comprehensive transportation system. The construction of the “National 123 Travel Circle” and the “Global 123 Logistics Circle” will be accelerated, effectively serving and guaranteeing the opening of the construction of a modern socialist country in an all-round way.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

According to the Notice of the General Office of the People's Government of Sichuan Province on Several Policy Measures for Continuously Consolidating and Enhancing the Good Momentum of Economic Recovery (Chuanban Gui [2024] No.2) 《四川省人民政府辦公廳印發〈關於持續鞏固和增強經濟回升向好態勢若干政策措施〉的通知》(川辦規[2024]2號)), from 1 April 2024 to 31 December 2024, the toll discount for non-new energy trucks equipped with ETC on provincial highways would be increased from 5% to 6%, and the toll discount at night (23:00 to 6:00 the next day) would be increased from 6% to 8%; the toll discount for new energy trucks equipped with ETC on provincial highways would be increased from 5% to 20%, and the toll discount for container transport vehicles of international standard equipped with ETC on provincial highways would be increased from 30% to 60%. According to the Notice of the General Office of the Sichuan Provincial People's Government on Printing and Distributing the Several Policy Measures on Promoting a Sustained Economic Upturn (Chuanban Gui [2024] No.3) 《四川省人民政府辦公廳印發〈關於推動經濟持續回升向好的若干政策措施〉的通知》(川辦規[2024]3號)), the above preferential policies have been extended to 31 December 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

According to the Notice of the Sichuan Provincial Transportation Comprehensive Law Enforcement Team on Issuing the 'Implementation Rules for Preferential Policies on Sichuan Provincial Expressway Tolls for Hydrogen Energy Vehicles' (Chuanjiao Zongzhi [2024] No. 137) 《(四川省交通運輸綜合行政執法總隊關於印發〈氢能車輛四川省高速公路通行費優惠政策實施細則〉的通知》 (川交綜執[2024]137 號)), starting from 6 November 2024, hydrogen energy vehicles equipped with and using ETC devices, and which have successfully registered with the Sichuan ETC public account, will be exempt from vehicle tolls when travelling on expressways within Sichuan Province.

3. Factors in road network changes and road construction

Peripheral competitive or synergistic road network changes and road refurbishment brought varying degrees of positive or negative impacts on the Group's expressways. During the Reporting Period, some of the Group's expressways were affected to varying degrees by these factors:

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Chengren Expressway: Following the opening of the Gaomiaoshan ramp of Tianfu Airport Expressway Branch Line on 29 September 2024, travel routes to Western China International Expo City, Xinglong Lake and Tianfu Airport were shortened for vehicles originally using the Chengren Expressway. In addition, the opening of the Tianfu Avenue Renshou section on 24 January 2025 has made the distance between Chengdu and Renshou comparable to that by expressway. Together with the impact of the Chengyi high-speed rail and the Chengyi Expressway, the Chengren Expressway experienced a significant traffic diversion effect. Moreover, adjustments to the train schedule by Chengdu Railway Bureau in the first quarter increased the number of trains between Chengdu and Yibin, which further diverted travel demand from the expressway to rail.

Second Ring (western) Expressway: On the one hand, production capacity of surrounding manufacturers contracted, leading to a sharp decline in logistics demand. The transport frequency of major vehicle types such as heavy-duty trucks and six-axle trucks decreased significantly. In order to reduce costs, enterprises increasingly turned to local roads, resulting in a decline in both truck traffic volume and toll revenue to varying degrees. On the other hand, with the accelerated integration of transport infrastructure within the Chengdu metropolitan area, short-distance travel has been increasingly diverted to high-speed rail. Multiple factors combined have continued to weigh on passenger car traffic on the Second Ring (western) Expressway.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Suiguang Expressway and Suixi Expressway: Due to the upgrading and closure of multiple parallel roads in the surrounding area this year, traffic flows in the region were transferred and redistributed. A large number of transit vehicles, freight logistics and short-distance passenger traffic that previously relied on the existing routes voluntarily chose the Suiguang Expressway and Suixi Expressway as an alternative route, considering efficiency, safety and cost factors. As a result, toll revenue of the Suiguang Expressway and Suixi Expressway increased.

(III) Major Financing and Investment Projects, Major Acquisitions and Disposals of the Group

1. Chengle Expressway Expansion Construction Project

The proposal in respect of investment in the expansion construction of Chengle Expressway and relevant matters was considered and approved at the extraordinary general meeting of the Company held on 30 October 2017. According to the opinion on approval of the project from the Ministry of Transport, the total mileage of the project was 130 kilometers, and the estimated total investment was approximately RMB22.16 billion. According to the Reply on Adjustment to the Approval of the Chengdu to Leshan Expressway Expansion Construction Project issued by the Sichuan Provincial Development and Reform Commission (Chuan Fa Gai Ji Chu [2022] No. 298) 《關於調整成都至樂山高速公路擴容建設項目核准事

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

項的批覆》(川發改基礎[2022]298號)), the adjusted total mileage of the project was 136.1 kilometers and the estimated total investment was RMB25.15 billion. After the completion of the project, it will help ease the traffic pressure on Chengle Expressway, and improve the overall traffic capacity and service level of Chengle Expressway. On 27 November 2019, the established tasks for the Chengle Expansion Construction Project Pilot Section were completed and the pilot section was opened to two-way traffic. On 18 December 2019, the new Qinglong Toll Station of Chengle Expressway officially opened to traffic. On 2 August 2021, in order to standardize the approval procedures of PPP projects' inclusion and reclassification in the database, Chengdu Transportation Bureau has entered into the Investment Agreement for the Expansion Construction Project of Chengdu-Leshan Expressway and the Public-Private-Partnership (PPP) Project Contract for the Expansion Construction Project of Chengdu-Leshan Expressway with Chengle Company. On 27 January 2022, Meishan to Leshan section totalling 81 kilometers achieved two-way eight-lane traffic. On 11 May 2023, Leshan city transit double-track section of Chengle Expressway Expansion Project was put into operation. From the commencement date of construction to 30 June 2025, an accumulated investment of approximately RMB14.377 billion had been invested in the Chengle Expansion Construction Project.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

2. Tianqiong Expressway BOT Project

On 30 October 2019, the resolution in relation to the investment in the project of Chengdu Tianfu New Area to Qionglai Expressway was considered and approved by the Board of the company. The consortium established by the Company and Road & Bridge International Co., Ltd. participated in bidding for the project of Tianfu New Area to Qionglai Expressway and won the tender. The total length of the project is approximately 42 kilometers with an estimated total investment amount of approximately RMB8.685 billion. On 13 September 2024, the whole line of Tianqiong Expressway was officially opened to traffic.

On 4 March 2020, Sichuan Chengqionggya Expressway Company Limited was incorporated in Qionglai of Sichuan Province as a project company to take charge of the investment, construction and operation of Tianqiong Expressway, with a registered capital of RMB1,737 million, of which the Company contributed RMB1,424 million. From the commencement date of construction to 30 June 2025, an accumulated investment of approximately RMB7,002 million had been invested in the Tianqiong Expressway Project.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

II. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

Summary of the Group's Operating Results

	For the year ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	4,079,978	5,319,241
Including: Expressway segment revenue	2,273,610	2,325,982
Construction services segment revenue	693,687	1,783,253
Transportation services segment revenue	1,036,753	1,041,825
Transportation logistics segment revenue	27,300	107,614
New energy technology segment revenue	48,628	60,567
Others segment revenue	—	—
Profit before income tax	1,070,209	902,973
Profit attributable to owners of the Company	838,351	698,095
Earnings per share attributable to owners of the Company (<i>RMB</i>)	0.260	0.228

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Summary of the Group's Financial Position

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Total assets	61,322,641	61,032,031
Total liabilities	40,649,820	41,536,405
Non-controlling interests	1,094,803	1,091,456
Equity attributable to owners of the Company	19,578,018	18,404,170
Equity per share attributable to owners of the Company (RMB)	6.402	6.018

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF OPERATING RESULTS

Revenue

The Group's revenue for the Period amounted to RMB4,079,978,000 (the same period in 2024: RMB5,319,241,000), representing a year-on-year decrease of 23.30%, of which:

- (1) The expressway segment revenue was RMB2,273,610,000 (same period in 2024: RMB2,325,982,000), representing a year-on-year decrease of 2.25%. Among others: (a) toll revenue from the Chengyu Expressway increased by RMB2,164,000, or 0.52%, year on year; (b) toll revenue from the Chengya Expressway decreased by RMB11,741,000, or 2.33%, year on year; (c) toll revenue from the Chengren Expressway decreased by RMB31,254,000, or 7.21%, year on year; (d) toll revenue from the Chengle Expressway increased by RMB2,711,000, or 0.92%, year on year; (e) toll revenue from the Chengbei Exit Expressway increased by RMB2,481,000, or 4.93%, year on year; (f) toll revenue from the Suiguang Expressway increased by RMB4,597,000, or 3.50%, year on year; (g) toll revenue from the Suixi Expressway increased by RMB3,516,000, or 4.10%, year on year; and (h) toll revenue from Second Ring (Western) Expressway decreased by RMB24,846,000, or 6.09%, year on year. Please refer to "operating conditions of the toll roads and bridges business of the Group" in this announcement for details of the main factors affecting the toll revenue of the Group during the Reporting Period;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (2) The construction services segment revenue was RMB693,687,000 (the same period in 2024: RMB1,783,253,000), representing a decrease of 61.10% compared with the corresponding period of the previous year, which was mainly due to that: (1) the construction contract revenue in respect of service concession arrangements was RMB650,437,000 (the same period in 2024: RMB1,760,325,000), representing a decrease of 63.05% compared with the corresponding period of the previous year, which was primarily the construction contract revenue from Chengle Expressway Expansion Construction Project and Tianqiong Expressways BOT Project recognized under the input method; (2) construction contract revenue in respect of construction works performed for third parties amounted to RMB43,250,000 (the same period in 2024: RMB22,928,000), representing an increase of 88.64% compared with the corresponding period of the previous year, which was primarily the construction services revenue from Lushan Country Long Bao Da PPP Project and Tourism Highway Project in Dachuan River Scenic Spot in Lushan County recognized under the input method;
- (3) The transportation service segment revenue was RMB1,036,753,000 (the same period in 2024: RMB1,041,825,000), representing a decrease of 0.49% compared with the corresponding period of the previous year, which was mainly due to the decrease in sales revenue of commodities and trade for the Period;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (4) The transportation logistics segment revenue was RMB27,300,000 (the same period in 2024: RMB107,614,000), representing a decrease of 74.63% compared with the corresponding period of the previous year, which was mainly due to the suspension of North-South Grain Transportation Project of the Company for the Period;
- (5) The new energy technology segment revenue was RMB48,628,000 (the same period in 2024: RMB60,567,000), representing a decrease of 19.71% compared with the corresponding period of the previous year, which was mainly due to the implementation of differentiated charging for on-road charging stations, and the decrease of sales revenue of charging pile modules for the Period.

OTHER INCOME AND GAINS

The Group's other income and gains for the Period amounted to RMB89,121,000 (the same period in 2024: RMB102,788,000), representing a decrease of 13.30% compared with the corresponding period of the previous year, which was mainly attributable to reduced interest income due to the decreasing balance of bank deposits, and changes in the fair value of financial assets measured at fair value through profit or loss.

Operating Expenses

The Group's operating expenses for the Period amounted to RMB2,861,324,000 (the same period in 2024: RMB4,097,076,000), representing a decrease of 30.16% compared with the corresponding period of the previous year, of which:

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (1) During the Period, construction contract cost recognized under the input method in respect of service concession arrangements was RMB650,437,000 (the same period in 2024: RMB1,760,325,000), representing a decrease of 63.05% compared with the corresponding period of the previous year, which was primarily due to the decrease in construction costs recognised in respect of Chengle Expressway Expansion Construction Project and Tianqiong Expressway BOT Project;
- (2) Depreciation and amortization expenses were RMB641,072,000 (the same period in 2024: RMB641,127,000), representing an decrease of 0.01% compared with the corresponding period of the previous year, which was mainly attributable to the franchise right for Chengbei Exit Expressway was fully amortized on 30 June 2024, the original expiration date of the toll collection period, which resulted in a decrease in the amortization amount compared with the corresponding period of the previous year;
- (3) The cost of sales of oil products and other service was RMB878,477,000 (the same period in 2024: RMB987,483,000), representing a decrease of 11.04% compared with the corresponding period of the previous year, which was mainly due to the decrease in relevant sales costs resulting from the contraction of the Company's trade business affected by the overall economic environment;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (4) The cost of charging services included for the current year was RMB12,881,000 (the same period in 2024: RMB24,653,000), representing an decrease of 47.75% compared with the corresponding period of the previous year;
- (5) Repair and maintenance costs were RMB75,403,000 (the same period in 2024: RMB67,362,000), representing an increase of 11.94% compared with the corresponding period of the previous year, which was the daily maintenance costs of the ancillary facilities of all expressways of the Group.

FINANCE COSTS

The Group's finance costs for the Period amounted to RMB548,295,000, of which expensed interest expenditure amounted to RMB299,159,000 (the same period in the last year: RMB709,586,000, of which expensed interest expenditure amounted to RMB439,201,000), representing a decrease of 22.73% compared with the corresponding period last year. The decrease in finance costs was mainly due to the decline in bank loan interest rates during the Period.

Income Tax

The income tax expense of the Group for the Period amounted to RMB187,634,000, representing an increase of approximately 10.18% compared with RMB170,301,000 in the corresponding period of 2024, which was mainly due to the changes in profit.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Profit

The Group's profit for the Period amounted to RMB882,575,000 (the same period in 2024: RMB732,672,000), representing an increase of RMB149,903,000 compared with the corresponding period of the previous year, of which the profit attributable to owners of the Company was RMB838,351,000 (the same period in 2024: RMB698,095,000), representing an increase of RMB140,256,000 compared with the corresponding period of the previous year. This was mainly due to:

- (1) The profit of the expressways segment for the Period was approximately RMB1,069,331,000 (the same period in 2024: RMB955,192,000), representing an increase of 11.95% compared with the corresponding period of the previous year, which was mainly due to the reduction in financing cost, and the year-on-year decrease of amortization amount as the franchise right of Chengbei Exit Expressway was fully amortized on 30 June 2024, the original toll expiry date;
- (2) The profit of the construction services segment for the Period was approximately RMB35,261,000 (the same period in 2024: RMB38,021,000), representing a decrease of 7.26% compared with the corresponding period of the previous year, which was mainly due to the increase in finance costs;
- (3) The profit of the transportation services segment for the Period was approximately RMB93,061,000 (the same period in 2024: RMB118,885,000), representing a decrease of 21.72% compared with the corresponding period of the previous year, which was mainly due to the increase in purchase costs of refined oil for the Period;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (4) The profit of the transportation logistics segment for the Period was approximately RMB2,155,000 (the same period in 2024: RMB346,000), representing an increase of 522.83% compared with the corresponding period of the previous year, which was mainly due to the increase in the profits of the investment in an associate, which was Chengdu Communications Investment Supply Chain Management International Co., Ltd., during the Period;
- (5) The profit of the new energy technologies segment for the Period was approximately RMB21,007,000 (the same period in 2024: RMB15,289,000), representing an increase of 37.40% compared with the corresponding period of the previous year, which was mainly due to the implementation of differentiated charging for on-road charging stations during the Period;
- (6) The profit of the others segment for the Period was approximately RMB32,415,000 (the same period in 2024: RMB20,242,000), representing an increase of 60.14% compared with the corresponding period of the previous year, which was mainly due to the increase in the profits of the investment in an associate, which was Sichuan Renshou Rural Commercial Bank Co., Ltd., during the Period.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF FINANCIAL POSITION

Non-current Assets

As at 30 June 2025, the Group's non-current assets amounted to RMB57,606,328,000, representing an increase of 1.23% as compared with the amount at the end of 2024, mainly attributable to:

- (1) An increase of RMB355,753,000 in service concession arrangements as compared with the end of 2024, which included an increase of approximately RMB899,573,000 in the service concession carrying value and the provision for amortization of service concession arrangements of approximately RMB543,820,000;
- (2) A decrease of RMB27,484,000 in right-of-use assets as compared with the end of 2024, mainly due to the provision for depreciation of approximately RMB27,771,000 and addition of right-of-use assets of approximately RMB287,000 for the Period;
- (3) A decrease of RMB24,151,000 in property, plant and equipment as compared with the end of 2024, which was mainly the addition of property, plant and equipment of approximately RMB49,876,000 and the provision for depreciation of approximately RMB69,481,000, and disposal of property, plant and equipment of approximately RMB4,546,000 for the Period;
- (4) An increase of RMB27,376,000 in investment in associates and joint ventures as compared with the end of 2024, mainly attributable to the increase in carrying amount following the Shudao Chengyu Investment Company recognised investment income from Renshou Rural Commercial Bank in an amount of approximately RMB23,580,000 during the Period;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (5) An increase of RMB65,930,000 in equity investments designated at fair value through other comprehensive income as compared with the end of 2024, which was mainly due to the changes in fair value of equity investments in China Everbright Bank Co., Ltd. and fund investment in China Merchants REITs;
- (6) An increase of RMB44,002,000 in non-current trade receivables and other receivables as compared with the end of 2024, which was mainly due to the addition of long-term receivables from the Ziyang Shunan Jiaozi Avenue PPP project (資陽蜀南嬌子大道PPP項目) and the Renshou Shunan Qingshui Sanrao project (仁壽蜀南清水三繞項目);
- (7) An increase of RMB267,832,000 in long-term prepayments as compared with the end of 2024, which was mainly due to the increase in prepayments to ensure the continuous construction of the Chengle Expressway Expansion Construction Project.

Current Assets and Current Liabilities

As at 30 June 2025, the current assets of the Group amounted to RMB3,716,313,000, representing a decrease of 9.88% as compared with the amount at the end of 2024, mainly attributable to:

- (a) A decrease of RMB466,747,000 in the cash and cash equivalents as compared with the end of 2024, mainly attributable to loan repayments exceeding loan proceeds during the Period;
- (b) An increase of RMB64,120,000 in trade and other receivables included in current items as compared with the end of 2024, mainly attributable to the increase of RMB55,936,000 in toll income receivables;

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (3) A decrease of RMB4,263,000 in inventories as compared with the end of 2024, mainly due to the decrease in refined oil inventory for the Period;

As at 30 June 2025, the Group's current liabilities amounted to RMB4,009,117,000, representing a decrease of 26.08% as compared with the amount at the end of 2024, mainly attributable to a decrease of RMB6,361,000 in tax payable; a decrease of RMB537,758,000 in trade and other payables; an increase of RMB4,019,000 in contract liabilities; a decrease of RMB1,155,916,000 in current portion of interest-bearing bank and other borrowings; and an increase of RMB281,378,000 in dividend payable.

Non-current Liabilities

As at 30 June 2025, the non-current liabilities of the Group amounted to RMB36,640,703,000, representing an increase of 1.46% as compared with the amount at the end of 2024, which was principally attributable to an increase of RMB493,042,000 in non-current portion of interest-bearing bank and other borrowings as compared with the amount at the end of last year; an increase of RMB16,869,000 in deferred tax liabilities as compared with the amount at the end of last year; and an increase of RMB18,142,000 in deferred income as compared with the amount at the end of last year.

Equity

As at 30 June 2025, the Group's equity amounted to RMB20,672,821,000, representing an increase of 6.04% as compared with the amount of RMB19,495,626,000 at the end of 2024, mainly attributable to: (1) profit of RMB882,575,000 for the Period, which increased the equity; (2) an increase in equity of RMB53,231,000 due to the adjustment to the fair value of equity investments designated at fair value through other comprehensive income; (3) issuance of perpetual equity instruments, increasing equity by RMB1,200,000,000; and (4) the final dividend for 2024 declared in the Period amounting to RMB886,837,000, which decreased the equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Structure

As at 30 June 2025, the Group had total assets of RMB61,322,641,000 and total liabilities of RMB40,649,820,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 66.29% (31 December 2024: 68.06%).

Cash Flow

As at 30 June 2025, the cash and cash equivalents of the Group amounted to RMB2,490,509,000, representing a decrease of approximately RMB466,747,000 as compared with the amount at the end of 2024. It comprised approximately HKD9,000 (equivalent to approximately RMB9,000) of deposits in Hong Kong dollars, and RMB2,490,500,000 of cash and cash equivalents in Renminbi.

During the Period, net cash inflow from operating activities of the Group amounted to RMB230,170,000 (the same period in 2024: net cash outflow of RMB63,962,000), representing an increase of RMB294,132,000 in net cash inflow compared with the same period last year, which was mainly attributable to the increase of RMB167,236,000 in profit before income tax as compared with the same period last year; the additions to service concession arrangements resulted in a decrease of RMB1,149,318,000 in cash outflow as compared with the same period last year; the increase in restricted deposits resulted in an increase in cash inflow of RMB801,000 as compared with the same period last year; the increase in long-term prepayments resulted in an increase in cash outflow of RMB252,281,000 as compared with the same period last year; the increase in deferred income resulted in an increase of RMB19,171,000 in cash inflow as compared with the same period last year; the increase in trade and other receivables resulted in an increase of RMB96,921,000 in cash outflow as compared with the same period last year; the decrease in inventories resulted in a decrease of RMB78,515,000 in the cash outflow as compared with the same period last year; the increase in contract liabilities resulted in a decrease of RMB34,690,000 in the cash

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

inflow as compared with the same period last year; the increase in trade and other payables resulted in an increase of RMB499,958,000 in cash outflow as compared with the same period last year; the decrease in payables to ultimate holding company resulted in the decrease of RMB152,000 in cash outflow as compared with the same period last year.

Net cash outflow used in investing activities of the Group amounted to RMB8,228,000 (the same period in 2024: net cash outflow of RMB111,637,000), representing a decrease in net cash outflow of RMB103,409,000 as compared with the same period last year, mainly due to a decrease of RMB41,793,000 in cash outflow from the purchase of fixed assets as compared with the last year; an increase of RMB6,183,000 in cash inflow for proceeds from disposal of fixed assets as compared with the last year; a decrease of RMB15,350,000 in cash inflow from interest received as compared with the last year; an increase of RMB4,965,000 in cash inflow for dividends from financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss as compared with the last year; an increase of RMB15,818,000 in cash inflow for the recovery of principal of investments in joint ventures as compared with the last year; the decrease in time deposits during the current year resulted in a decrease in cash outflows of RMB50,000,000 compared to the last year.

Net cash outflow used in financing activities was RMB688,689,000 (the same period in 2024: net cash inflow of RMB991,721,000), representing an increase in net cash outflow of RMB1,680,410,000 as compared with the same period last year, which was mainly due to an increase of RMB2,557,440,000 in cash inflow from new bank loans, perpetual bonds and corporate bonds as compared with that of last year; an increase of RMB4,240,557,000 in cash outflow for repayment of bank loans, other loans, medium-term notes and payment of lease principal as compared with that of last year; an increase of RMB108,136,000 in cash outflow from dividend paid to the owners of the Company compared with the same period last year; a decrease of RMB3,721,000 in cash outflow from dividend paid to non-controlling shareholders as compared with the same period last year; an increase of

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

RMB31,307,000 in cash outflow of payment of the interest on perpetual bonds and perpetual medium-term notes as compared with the same period last year; and an increase of RMB10,740,000 in cash inflow from capital contributions by non-controlling shareholders as compared with the same period last year.

Foreign Exchange Fluctuation Risks

Save that the Company needs to purchase Hong Kong dollars to distribute dividends to H Shareholders, the operating income and expenses as well as the capital expenditures of the Group are mainly settled in RMB and thus the fluctuations in exchange rate do not have material impact on the Group's results.

Borrowings and Solvency

As at 30 June 2025, the Company's interest-bearing bank and other borrowings amounted to RMB37,762,851,000. In particular, the balance of bank borrowings was RMB35,414,948,000, with annual interest rates ranging from 1.63% to 3.15%; the balance of medium-term notes amounted to RMB100,000,000, with annual interest rates of 2.07%; the balance of corporate bonds amounted to RMB2,000,000,000, with annual interest rates of 2.30%; the balance of other borrowings and the balance of lease liabilities amounted to RMB102,083,000 and RMB112,318,000, and the accrued interest amounted to RMB33,502,000. The relevant balances are set out as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Bank and Interest-Bearing Other Loans

	Total	Within 1	1 year to	Over
	RMB'000	year	5 years	5 years
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans	35,414,948	1,209,940	9,911,139	24,293,69
Medium-term notes and corporate bonds	2,100,000	100,000	2,000,000	–
Other borrowings and lease liabilities	214,401	91,160	117,306	5,935
Interest payable	33,502	33,502	–	–
	<u>37,762,851</u>	<u>1,434,602</u>	<u>12,028,445</u>	<u>24,299,804</u>
Total (as at 30 June 2025 (unaudited))	<u>37,762,851</u>	<u>1,434,602</u>	<u>12,028,445</u>	<u>24,299,804</u>
	<u>38,425,725</u>	<u>2,590,518</u>	<u>12,999,923</u>	<u>22,835,284</u>
Total (as at 31 December 2024 (audited))	<u>38,425,725</u>	<u>2,590,518</u>	<u>12,999,923</u>	<u>22,835,284</u>

With the Group's steady cash flow, solid capital structure and sound credit records, the Group has established and maintained favorable credit relations with financial institutions and enjoyed most preferential interest rates for its loans. The Group has acquired and is applying for conditional bank facilities totalling RMB32,260 million from financial institutions available for use in the following one to two years. In addition, in 2010, China CITIC Bank Corporation Limited (Chengdu Branch) as leader and other eight banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB4,890 million. Such loan is specially used for construction of Chengren Expressway BOT Project. In 2019, China CITIC Bank Corporation Limited (Chengdu Branch) transferred the entire loan balance under the Syndicated Contract to China Construction Bank Corporation (Sichuan Branch), and China Construction Bank Corporation (Sichuan Branch) became the leader in 2020. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB735 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

In 2013, China Development Bank (Sichuan Branch) as leader and other four banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB4,950 million. Such loan is specially used for construction of Suiguang Expressway BOT Project. In January 2025, the Group replaced the outstanding balance of the above syndicated loan with the refinancing loan, thereby further optimizing Suiguang Company's legacy debt. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB3,531 million; in 2013, China Development Bank (Sichuan Branch) as leader and other two banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB3,380 million. Such loan was specially used in Suixi Expressway BOT Project. In January 2025, the Group replaced the outstanding balance of the above syndicated loan with the refinancing loan, thereby further optimizing Suixi Company's legacy debt. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB2,176 million.

In 2019, China Construction Bank Corporation (Sichuan Branch) and China Development Bank (Sichuan Branch) as leader and other five banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB10,400 million. Such loan is specially used for construction of Chengle Expressway Expansion Construction Project. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB5,790 million; in 2021, China Construction Bank Corporation (Sichuan Branch) and China Development Bank (Sichuan Branch) as leader and other three banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB6,920 million. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB1,700 million. The above two loans are specially used for construction of Chengle Expressway Expansion Construction Project.

In 2020, China Construction Bank Corporation (Sichuan Branch) and China Merchants Bank Co., Ltd. (Chengdu Branch) as leaders and other five banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB6,948 million. Such loan is specially used for construction of Tianqiong Expressway BOT Project. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB5,744 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

In 2020, China Development Bank (Sichuan Branch) as a leader and other six banks carrying on businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB9,809 million. Such loan is specially used for construction of Tianqiong Expressway BOT Project. As at 30 June 2025, the balance of the syndicated loan for the project amounted to RMB9,064 million.

Pledge of Assets

As at 30 June 2025, the concession right of the Group to collect toll pertaining to Chengle Expressway with net carrying value of RMB14,712,498,000 (31 December 2024: RMB13,964,775,000) was pledged to secure the syndicated loan amounting to RMB7,489,870,000 (31 December 2024: RMB7,569,720,000); the concession right to collect toll pertaining to Chengren Expressway with net carrying value of RMB5,590,107,000 (31 December 2024: RMB5,696,918,000) was pledged to secure the syndicated loan amounting to RMB734,958,000 (31 December 2024: RMB1,008,307,000); the concession right to collect toll pertaining to Suiguang Suixi Expressways with net carrying value of RMB10,781,813,000 (31 December 2024: RMB10,891,294,000) was pledged to secure the syndicated loan amounting to RMB5,707,000,000 (31 December 2024: RMB5,810,000,000); the concession right to collect toll pertaining to Tianqiong Expressway with net carrying value of RMB7,002,338,000 (31 December 2024: RMB6,891,267,000) was pledged to secure the syndicated loan amounting to RMB5,743,740,000 (31 December 2024: RMB5,476,498,000); and the concession right to collect toll pertaining to the Second Ring (Western) Expressway with net carrying value of RMB12,839,915,000 (31 December 2024: RMB12,946,141,000) was pledged to secure the syndicated loan amounting to RMB9,064,000,000 (31 December 2024: RMB9,074,000,000).

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at 30 June 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS DEVELOPMENT PLAN

Based on the forecast and judgement of future economic situation, policy environment and developments of the industry and our business in the second half of 2025, we have formulated the following work plan with a focus on the basic development ideas of “14th Five-Year” Plan and business objectives for the year of 2025:

1. Maintaining the focus on core business operations to ensure stable development

The Company will take expressway operations as the heart of its strategy. The Company will strengthen the core business foundation by optimizing existing assets, including accelerating the Chengle Expansion Construction Project, while simultaneously expanding the road asset portfolio through strategic upgrades of existing routes, asset consolidation, and acquisitions of high-quality road assets. Additionally, the Company will enhance expressway maintenance quality, safety performance, and technical capabilities to improve service standards and economic efficiency, thereby driving synergistic development across business segments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

2. Seizing policy opportunities to foster diversified growth

In pursuing diversified industrial development, the Company's capital operations division will leverage its role as an investment platform to deepen capital management activities, including acquiring equities in high-quality assets within Shudao Group to increase the proportion of light assets. For service area operations, the Company will implement a "one zone, one specialty" (一區一品) approach to optimize workforce allocation efficiency, improve the operational quality of self-managed service areas, and effectively convert traffic flow into revenue streams. The hydrogen energy business will concentrate on commercial pilot projects along selected routes to explore market applications for hydrogen-powered heavy trucks, while the new energy division will expand into innovative business models such as energy storage and electricity retailing.

3. Establishing a concept of market-oriented operation to increase business benefits

By adhering to the concept of market-oriented operation and the guidance of value creation, the Company is dedicated to delivering sustainable value for both shareholders and employees. The Company will implement a sophisticated resource allocation system that enhances full-cycle budget control and expenditure efficiency evaluation to ensure optimal deployment of resources toward areas that strengthen core competitiveness and profitability. Simultaneously, the Company will develop proactive market expansion capabilities by encouraging business teams to fully engage in competitive markets, thereby invigorating overall organizational performance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

4. **Establishing a refined cost management system and strengthening business-finance integration**

As the Company navigates challenges during the cultivation period for new profit growth drivers, it will intensify the “cost reduction and efficiency improvement” strategy through comprehensive implementation of standardized cost control systems. All business units must strengthen their business-finance integration capabilities, establishing scientific benchmark standards based on historical data and industry comparisons to guarantee the most effective use of every financial resource.

5. **Strengthening the foundation of safety and risk prevention & control**

Regarding safety management, the Company will reinforce hazard identification and emergency response measures across service areas, energy stations, and ongoing construction projects, upholding the principle of “maintaining constant vigilance”. For operational risk control, the Company will refine the strategic positioning by transitioning from extensive growth models to building robust risk management systems anchored by core businesses, effectively addressing potential revenue shortfalls.

OTHER SIGNIFICANT EVENTS

I. PROFIT DISTRIBUTION

1. 2025 Interim Dividend

The Board of the Company resolved not to pay an interim dividend for the six months ended 30 June 2025 nor transfer capital reserve into share capital.

2. Profit Distribution Plan for the Year 2024 and its Implementation

As approved at the 2024 AGM of the Company, the Company paid a cash dividend of RMB0.29 per Share (tax inclusive) calculated based on the total share capital of 3,058,060,000 Shares as at the end of 2024, amounting to an aggregate of approximately RMB886,837,000 (tax inclusive), on 13 June 2025 and 11 July 2025 to holders of A Shares and holders of H Shares respectively, representing 65.13% of the distributable profit (calculated according to China Accounting Standards) earned by the Company for 2024, and 60.79% of the profit (calculated according to China Accounting Standards) attributable to the owners of the Company in the consolidated financial statements for 2024.

OTHER SIGNIFICANT EVENTS (CONTINUED)

II. EMPLOYEES, REMUNERATION AND TRAINING

As at 30 June 2025, details of the Group's employees were as follows:

Number of in-service employees of the Company (including its branches)	2,137
Number of in-service employees of major subsidiaries	2,341
Total number of in-service employees	<u>4,478</u>
Number of retired employees for which the Company (including its branches) and its major subsidiaries are liable to bear costs	<u>0</u>

Composition of Expertise

Type of Expertise	Number of employees
Production	2,849
Sales	0
Technical	1,082
Financial	106
Administrative	<u>441</u>
Total	<u>4,478</u>

OTHER SIGNIFICANT EVENTS (CONTINUED)

Education Level

Type of Education Level	Number of employees
Postgraduate	264
University graduate	1,926
Junior college graduate	1,582
Technical secondary school and below	706
	<hr/>
Total	4,478
	<hr/> <hr/>

1. Employees' Remuneration

The total remuneration of the Company's employees is linked to the operating results of the Company. Employees' salaries comprise basic salaries (including salary determined based on position and that based on seniority) and performance based emoluments, which are determined as per such policy as "based on their individual positions, and performance". During the Reporting Period, employees' salaries incurred by the Group amounted to approximately RMB322,754,000, of which approximately RMB152,477,000 was for the employees of the Company (including its branches).

OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Employees' Insurance and Welfare

The Company cherishes employees and protects their lawful interests. The Company has improved various types of social insurance for employees in strict compliance with all applicable PRC labor security policies. Expenses for various types of social insurances for retirement, healthcare, unemployment, work related injury, childbirth, catastrophic illness and accident have been paid in full by the Company for the employees. Meanwhile, the Company has made contributions to the housing provident fund and enterprise annuity fund for the employees in compliance with the requirements under applicable laws and policies.

3. Staff Training

The Company places high importance on staff training and provides trainings of various aspects and types to improve the comprehensive quality and business standard of its staff. During the Reporting Period, the Company has organized various centralized and specific trainings such as job-specific skills for technicians and continuing education for professional technical staff at all levels. A total of 6,674 attendances of the employees of the Group was recorded for the above training courses, of which a total of 3,622 attendances of employees of the Company (including its branches) was recorded for the same mentioned above.

OTHER SIGNIFICANT EVENTS (CONTINUED)

III. CORPORATE GOVERNANCE

1. Corporate Governance

Since establishment, the Company has set up a corporate governance structure comprising the general meeting, the Board and the management, and has conducted on-going review and improvement of such structure in practice. Up to date, the Company has successively established special committees under the Board, including the Audit Committee, the Strategic and Sustainability Committee, the Nomination Committee and the Remuneration and Appraisal Committee. The Company has also adopted an independent internal audit system, established a relatively comprehensive risk management and internal control system and formulated multi-tier governance rules based on the Articles of Association, aiming at clearly defining the duties, authority and code of conduct for all parties. In accordance with laws, regulations and the governance rules, the general meeting, the Board and the management of the Company discharge their own duties, coordinate with each other and effectively counter-balance each other, and continuously enhance corporate governance standards, thereby laying a solid foundation for driving the Company's development and maximizing value for the Shareholders.

OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Corporate Governance Code

As a listed company with both A Shares and H Shares, in addition to complying with the applicable laws and regulations, the Company is also required to comply with the requirements of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules of the Stock Exchange and the Code of Corporate Governance for Listed Companies of the CSRC regarding the practice of corporate governance. During the Reporting Period and as at the date of this report, the Company has been in compliance with the Code of Corporate Governance for Listed Companies in all major respects in terms of corporate governance, and has adopted and fully complied with the Code Provisions of the Corporate Governance Code.

3. Audit Committee

As at 30 June 2025, the Audit Committee of the Company comprises three independent non-executive Directors including Ms. Bu Danlu, Mr. Zhou Hua and Mr. Jiang Tao, all of whom are professionals experienced in finance and transportation fields. The Audit Committee has reviewed and confirmed the unaudited interim condensed financial information and interim results report of the Group for the six months ended 30 June 2025.

OTHER SIGNIFICANT EVENTS (CONTINUED)

4. Model Code for Securities Transactions by Directors and Supervisors

During the Reporting Period, the Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms not less exacting than the required standards set out in the Model Code contained in Appendix C3 to the Listing Rules of the Stock Exchange. Having made specific enquiries of all Directors and Supervisors of the Company, it was confirmed that all Directors and Supervisors have complied with the Model Code.

IV. The Board members

As at the date of this report, the Board comprises Mr. Luo Zuyi (Chairman), Mr. You Zhiming (Vice Chairman), Madam Ma Yonghan, Mr. Yao Jiancheng and Madam Mao Yurong as executive Directors, Mr. Yang Shaojun (Vice Chairman), Mr. Li Chengyong and Mr. Chen Chaoxiong as non-executive Directors, and Mr. Yu Haizong, Madam Bu Danlu, Mr. Zhou Hua and Mr. Jiang Tao as independent non-executive Directors.

OTHER SIGNIFICANT EVENTS (CONTINUED)

V. Continuing Connected Transactions

During the Reporting Period, the Company and the Group had the following continuing connected transactions with parties regarded as connected persons under Chapter 14A of the Listing Rules of the Stock Exchange:

- (a) On 14 October 2022, the Company entered into the Road Network Operation Guarantee Services Agreement with Zhineng Company for a term of 3 years from 1 November 2022 to 31 October 2025, with a service charge of 0.4% of toll income or RMB35,000,000 per year, whichever is lower. Zhineng Company, as the service provider, will be responsible for managing the floating service fee and vehicle toll settlement time of the Group's expressways based on the safety and service quality assessment scores (assessed by the government). The service fee the Group paid to Zhineng Company during the Reporting Period totalled approximately RMB9,274,000 (the same period in 2024: RMB9,541,000). Zhineng Company is a subsidiary of Shudao Investment, the controlling shareholder of the Company, and a connected person of the Company.

OTHER SIGNIFICANT EVENTS (CONTINUED)

- (b) On 12 December 2023, the Company and PetroChina Company Limited Sichuan Sales Branch (“PetroChina Sichuan Sales Branch”) entered into the Refined Oil Agreement, pursuant to which Zhonglu Energy, a subsidiary of the Company, agreed to purchase refined oil from PetroChina Sichuan Sales Branch for the year from 1 January 2024 to 31 December 2024, with the annual cap being RMB1,430,000,000. On 3 December 2024, the Company and PetroChina Sichuan Sales Branch agreed to renew the transaction terms. Zhonglu Energy as the Purchaser agreed to purchase refined oil from PetroChina Sichuan Sales Branch for the year from 1 January 2025 to 31 December 2025, with the annual cap being RMB1,490,000,000. Purchase amount recognised during the Reporting Period approximated to RMB605,205,000 (the same period in 2024: RMB531,548,000). PetroChina Company Limited Sichuan Sales Branch is a subsidiary of PetroChina Company Limited (中國石油天然氣股份有限公司), which holds 49% equity interest in Zhonglu Energy.
- (c) On 8 December 2022, the Company entered into the Property Management Services Framework Agreement with Sichuan Shudao Urban & Rural Investment Group Co., Ltd. (“Shudao Urban & Rural”), pursuant to which Shudao Urban & Rural agreed to provide property management services to the Company from 1 January 2022 to 31 December 2024, with the annual caps for the three financial years ended 31 December 2022, 2023 and 2024 of RMB20,000,000, RMB40,000,000 and RMB60,000,000, respectively.

OTHER SIGNIFICANT EVENTS (CONTINUED)

As the Previous Property Management Services Framework Agreement entered into between the Company and Shudao Urban & Rural will expire on 31 December 2024, on 31 December 2024, the Company entered into the Property Management Services Framework Agreement with Shudao Urban & Rural, pursuant to which Shudao Property Group provides property management services to the Group commencing from 1 January 2025 to 31 December 2027, with an annual cap of RMB60,000,000 for each of the three financial years ending 31 December 2025, 2026 and 2027. The total service fee recognised for the Reporting Period amounted to RMB12,779,000 (the same period in 2024: RMB6,378,000). Shudao Urban & Rural is a wholly-owned subsidiary of Shudao Investment, the controlling shareholder of the Company.

- (d) On 12 December 2023, the Company and Shudao Investment entered into the continuing connected transaction – Construction Framework Agreement, pursuant to which, Shudao Group contracted certain construction services from the Group for the period from 1 January 2024 to 31 December 2024. Related party transaction amounts recognised in this Reporting Period are as below: During the Reporting Period, Shudao Group was engaged by the Group to undertake various construction work of expressways and ancillary facilities, daily maintenance work of expressways and ancillary facilities, emergency or rescue works of expressways and ancillary and municipal construction works.

OTHER SIGNIFICANT EVENTS (CONTINUED)

As the construction framework agreement entered into between the Company and Shudao Investment on 12 December 2023 expired on 31 December 2024, the Company and Shudao Investment entered into a framework agreement for construction works and related services on 20 November 2024, pursuant to which, Shudao Group shall contract certain construction works and related services from the Group for the period from 1 January 2025 to 31 December 2025 and the annual cap was RMB2,503,000,000. Construction revenue recognised during the Reporting Period amounted to RMB467,056,000 (the same period in 2024: RMB273,595,000).

The independent non-executive Directors of the Company have reviewed the continuing connected transactions set out above and have confirmed pursuant to Rule 14A.55 of the Listing Rules of the Stock Exchange that these continuing connected transactions were entered into:

- (i) in the ordinary and usual course of businesses of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available from independent third parties;
- and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Further details of the Group's connected transactions in this report are included in item 24 to the interim condensed financial information. The related party transactions described in item 24 of the interim condensed financial information, except for (vi), (vii) and (viii), constitute connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules of the Stock Exchange and comply with the disclosure requirements of Chapter 14A of the Listing Rules of the Stock Exchange.

EVENTS AFTER THE REPORTING PERIOD

I. CHANGES OF DIRECTORS AND SUPERVISORS

References are made to the announcements and circular of the Company dated 27 June 2025, 25 July 2025 and 13 August 2025 in respect of, among other things, the proposed amendments to the Articles of Association and other rules and proposed abolishment of the establishment of the Supervisory Committee. Pursuant to the Company Law of the People's Republic of China (the “**Company Law**”), which took effect from 1 July 2024 and the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law (《關於新公司法配套制度規則實施相關過渡期安排》) promulgated by the CSRC on 27 December 2024, listed companies are required to include provisions in their Articles of Association for establishing an Audit Committee under the board to perform the original duties of the Supervisory Committee and to abolish the Supervisory Committee or supervisors, in accordance with the Company Law, the Provisions of the State Council on the Implementation of the Registration Management System for Registered Capital under the Company Law (《國務院關於實施〈公司法〉註冊資本登記管理制度的規定》), and the supporting rules of the CSRC by 1 January 2026. The Company intends to implement the above-mentioned requirements of the CSRC, by abolishing the Supervisory Committee of the Company, and delegating the powers of the Supervisory Committee under the Company Law to the Audit Committee under the Board, with the relevant proposed amendments to be made.

On 13 August 2025, the Company convened an extraordinary general meeting to consider and approve the proposal by way of a special resolution. From 13 August 2025, Mr. Wang Yao, Madam Gao Ying, Ms. Li Tao, and Ms. Lu Xiaoyan will no longer serve as a Supervisor of the eighth session of the Supervisory Committee of the Company.

EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Sava as disclosed above, as at the date of this announcement, there have been no changes to the information regarding directors, supervisors, general manager and any other information that are discloseable in accordance with Rule 13.51B(1) of the Listing Rules.

II. MAJOR TRANSACTION AND CONNECTED TRANSACTION

Establishment of joint venture for the development of the Chengya Expressway expansion project.

References are made to the announcements and circular of the Company dated 22 July 2025, 25 July 2025 and 13 August 2025 respectively, in order to meet the demands of regional socioeconomic development and increased traffic and to reinforce the core position of Chengya Expressway as a significant source of toll income for the Company, the Board resolved on 17 July 2025 to bid for the Chengya Expressway Expansion Project.

On 22 July 2025, according to the Public Announcement on Winning Candidates of the Chengya Expressway Expansion Project published by the Tenderers on the same date, the consortium which the Company leads is the first winning candidate of the project. Given the foregoing, the Company, China Huaxi, Transportation Construction Group, Road & Bridge Group and Gaolu IT entered into the Cooperation Agreement to establish the project company for the development of the Chengya Expressway Expansion Project. As the transaction contemplated under the Cooperation Agreement constitutes a major transaction and connected transaction of the Company, it is subject to the requirements

EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

in respect of reporting, announcement and Independent Shareholders' approval under Chapters 14 and 14A of the Listing Rules. An extraordinary general meeting was convened by the Company on 13 August 2025 to approve the Cooperation Agreement and transaction thereunder.

The Chengya Expressway Expansion Project extends approximately 159.115 km in total length, with an estimated total investment of approximately RMB28,548 million (subject to the final amount approved by the competent PRC governmental authorities). Sichuan Chengya Expressway Co., Ltd. (四川成雅高速公路有限責任公司), the project company, was incorporated on 13 August 2025 with a registered capital of RMB100 million.

By order of the Board

Sichuan Expressway Company Limited*

Executive Director and Company Secretary

Yao Jiancheng

Chengdu, Sichuan Province, the PRC
28 August 2025

* *For identification purposes only*