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**安徽皖通高速公路股份有限公司**

**ANHUI EXPRESSWAY COMPANY LIMITED**

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

**(Stock Code: 995)**

**Announcement of Interim Results  
for the Six Months Ended 30 June 2024**

The board of directors (the “Board”) of Anhui Expressway Company Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 (the “Reporting Period”). The unaudited interim results were reviewed by the audit committee of the Company.

The unaudited condensed consolidated financial information of the Group prepared according to the Hong Kong Accounting Standards (“HKAS”) for the six months ended 30 June 2024 together with the unaudited comparative figures for the corresponding period in 2023, are as follows:

## I. FINANCIAL HIGHLIGHTS

*(All amounts in Renminbi thousands unless otherwise stated)*

### Interim condensed consolidated income statement For the six months ended 30 June 2024

|  |       | Six months ended 30 June |                  |
|--|-------|--------------------------|------------------|
|  |       | 2024                     | 2023             |
|  | Notes | RMB'000                  | RMB'000          |
|  |       | (unaudited)              | (unaudited)      |
| <b>REVENUE</b>   | 3     | <b>3,052,974</b>         | 2,323,839        |
| Cost of sales  |       | <u>(1,894,814)</u>       | <u>(998,638)</u> |
| <b>Gross profit</b>  |       | <b>1,158,160</b>         | 1,325,201        |
| Other income and gains – net   |       | <b>88,054</b>            | 16,574           |
| Administrative expenses  |       | <b>(74,114)</b>          | (73,107)         |
| Net impairment losses on financial assets                            |       | <u><b>(96)</b></u>       | <u>(119)</u>     |
| <b>Operating profit</b>  |       | <b>1,172,004</b>         | 1,268,549        |
| Finance costs  | 4     | <b>(97,669)</b>          | (106,230)        |
| Share of gain of associates  |       | <u><b>8,670</b></u>      | <u>8,002</u>     |
| <b>PROFIT BEFORE INCOME TAX</b>                                      |       | <b>1,083,005</b>         | 1,170,321        |
| Income tax expense   | 5     | <u><b>(261,459)</b></u>  | <u>(309,407)</u> |
| <b>PROFIT FOR THE PERIOD</b>   |       | <u><b>821,546</b></u>    | <u>860,914</u>   |
| <b>Attributable to:</b>  |       |                          |                  |
| Owners of the Company  |       | <b>808,769</b>           | 838,399          |
| Non-controlling interests  |       | <u><b>12,777</b></u>     | <u>22,515</u>    |
|  |       | <u><b>821,546</b></u>    | <u>860,914</u>   |
| Basic and diluted earnings per share<br>(expressed in RMB per share) | 7     | <u><b>0.4876</b></u>     | <u>0.5055</u>    |

**Interim condensed consolidated statement of comprehensive income**  
**For the six months ended 30 June 2024**

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

**Interim condensed consolidated balance sheet**  
**As at 30 June 2024**

|  |              | <b>As at 30 June<br/>2024</b> | <b>As at 31 December<br/>2023</b> |
|--|--------------|-------------------------------|-----------------------------------|
|  | <i>Notes</i> | <b><i>RMB'000</i></b>         | <b><i>RMB'000</i></b>             |
|  |              | <b>(unaudited)</b>            | <b>(audited)</b>                  |
| <b>ASSETS</b>  |              |                               |                                   |
| <b>NON-CURRENT ASSETS</b>  |              |                               |                                   |
| Concession intangible assets   | 8            | 15,220,338                    | 15,024,602                        |
| Right-of-use assets  | 8            | 48,595                        | 56,633                            |
| Property, plant and equipment  | 8            | 1,143,947                     | 1,208,764                         |
| Investment properties  | 8            | 288,946                       | 296,972                           |
| Intangible assets  | 8            | 589                           | 634                               |
| Investment in associates   |              | 163,891                       | 155,221                           |
| Deferred income tax assets   |              | 83,597                        | 83,021                            |
| Financial assets at fair value through profit or<br>loss ("FVPL")    |              | 693,596                       | 678,660                           |
| Financial assets at fair value through other<br>comprehensive income |              | 5,260                         | 4,850                             |
| <b>Total non-current assets</b>                                      |              | <b>17,648,759</b>             | <b>17,509,357</b>                 |
| <b>CURRENT ASSETS</b>  |              |                               |                                   |
| Inventories  |              | 3,915                         | 4,458                             |
| Receivables and prepayments  | 9            | 517,077                       | 457,629                           |
| Time deposits with original maturity over three<br>months            |              | 2,356,740                     | 2,842,728                         |
| Cash and cash equivalents  |              | 2,875,638                     | 962,380                           |
| <b>Total current assets</b>  |              | <b>5,753,370</b>              | <b>4,267,195</b>                  |
| <b>TOTAL ASSETS</b>  |              | <b>23,402,129</b>             | <b>21,776,552</b>                 |

|   |       | As at 30 June<br>2024  | As at 31 December<br>2023 |
|---|-------|------------------------|---------------------------|
|   | Notes | RMB'000<br>(unaudited) | RMB'000<br>(audited)      |
| <b>EQUITY AND LIABILITIES</b>                       |       |                        |                           |
| <b>Equity attributable to owners of the Company</b> |       |                        |                           |
| Ordinary share capital                              |       | 1,658,610              | 1,658,610                 |
| Share premium                                       |       | 1,415,593              | 1,415,593                 |
| Other reserves                                      |       | (649,435)              | (649,724)                 |
| Retained earnings                                   |       | 10,075,534             | 10,263,570                |
|   |       | <b>12,500,302</b>      | 12,688,049                |
| <b>Non-controlling interests</b>                    |       | <b>1,477,579</b>       | 1,457,242                 |
| <b>Total equity</b>                                 |       | <b>13,977,881</b>      | 14,145,291                |
| <b>NON-CURRENT LIABILITIES</b>                      |       |                        |                           |
| Long-term payables                                  |       | 77,560                 | 77,560                    |
| Borrowings  |       | 6,234,668              | 5,959,721                 |
| Deferred income tax liabilities                     |       | 30,392                 | 32,528                    |
| Deferred income                                     |       | 94,457                 | 100,922                   |
| <b>Total non-current liabilities</b>                |       | <b>6,437,077</b>       | 6,170,731                 |
| <b>CURRENT LIABILITIES</b>                          |       |                        |                           |
| Trade and other payables                            | 11    | 2,241,391              | 842,815                   |
| Current income tax liabilities                      |       | 52,425                 | 38,423                    |
| Provision   |       | 55,220                 | 61,606                    |
| Borrowings  |       | 638,135                | 517,686                   |
| <b>Total current liabilities</b>                    |       | <b>2,987,171</b>       | 1,460,530                 |
| <b>Total liabilities</b>                            |       | <b>9,424,248</b>       | 7,631,261                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |       | <b>23,402,129</b>      | 21,776,552                |

**Interim condensed consolidated statement of changes in equity**  
**For the six months ended 30 June 2024**

| Notes  | Attributable to owners of the Company |                    |                     |                     |                                     | Total<br>RMB'000  |
|--|---------------------------------------|--------------------|---------------------|---------------------|-------------------------------------|-------------------|
|  | Ordinary                              | Share              | Other               | Retained            | Non-                                |                   |
|  | share capital<br>RMB'000              | premium<br>RMB'000 | reserves<br>RMB'000 | earnings<br>RMB'000 | controlling<br>interests<br>RMB'000 |                   |
| At 31 December 2023 and<br>1 January 2024 (audited)  | 1,658,610                             | 1,415,593          | (649,724)           | 10,263,570          | 1,457,242                           | 14,145,291        |
| <b>Comprehensive income</b>  |                                       |                    |                     |                     |                                     |                   |
| Profit for the period (unaudited)  | -                                     | -                  | -                   | 808,769             | 12,777                              | 821,546           |
| Other comprehensive income<br>(unaudited):   |                                       |                    |                     |                     |                                     |                   |
| –Fair value gain on financial assets<br>at FVOCI, net of tax (unaudited)                       | -                                     | -                  | 309                 | -                   | -                                   | 309               |
| <b>Total comprehensive income for the<br/>period (unaudited)</b>                               | -                                     | -                  | 309                 | 808,769             | 12,777                              | 821,855           |
| <b>Transactions with owners</b>  |                                       |                    |                     |                     |                                     |                   |
| <b>Dividends relating to 2023<br/>(unaudited)</b>  | 6                                     | -                  | -                   | (996,825)           | -                                   | (996,825)         |
| Dividends paid to non-controlling<br>interests of subsidiaries relating to<br>2023 (unaudited) | -                                     | -                  | -                   | -                   | (107,159)                           | (107,159)         |
| Acquisition of non-controlling<br>interests (unaudited)  | -                                     | -                  | -                   | -                   | 114,719                             | 114,719           |
| Others (unaudited)   | -                                     | -                  | (20)                | 20                  | -                                   | -                 |
| <b>As at 30 June 2024 (unaudited)</b>  | <u>1,658,610</u>                      | <u>1,415,593</u>   | <u>(649,435)</u>    | <u>10,075,534</u>   | <u>1,477,579</u>                    | <u>13,977,881</u> |

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

**Interim condensed consolidated statement of cash flows**  
**For the six months ended 30 June 2024**

|   | <b>Six months ended 30 June</b> |                       |
|---|---------------------------------|-----------------------|
|   | <b>2024</b>                     | <b>2023</b>           |
|   | <b><i>RMB'000</i></b>           | <b><i>RMB'000</i></b> |
|   | <b>(unaudited)</b>              | <b>(unaudited)</b>    |
| <b>Cash flows from operating activities</b>             |                                 |                       |
| Cash generated from operations                          | <b>1,673,888</b>                | 1,698,885             |
| Interest paid   | <b>(114,457)</b>                | (114,218)             |
| Income tax paid   | <b>(274,845)</b>                | (281,807)             |
| <b>Net cash generated from operating activities</b>     | <b><u>1,284,586</u></b>         | <u>1,302,860</u>      |
| <b>Cash flows from investing activities</b>             |                                 |                       |
| Purchases of property, plant and equipment              | <b>(7,968)</b>                  | (2,115)               |
| Additions of intangible assets                          | <b>–</b>                        | (287)                 |
| Additions of right-of-use assets                        | <b>–</b>                        | (52,669)              |
| Additions of concession intangible assets               | <b>(317,492)</b>                | (416,526)             |
| Net increase in time deposits                           | <b>486,000</b>                  | (785,000)             |
| Proceeds from disposal of financial assets at FVPL      | <b>2,657</b>                    | 104,109               |
| Purchase of financial assets at FVPL                    | <b>(16,642)</b>                 | (153,133)             |
| Proceeds from disposal of property, plant and equipment | <b>808</b>                      | 778                   |
| Interest received                                       | <b>71,473</b>                   | 11,035                |
| Dividends received from financial assets at FVPL        | <b>14,588</b>                   | –                     |
| <b>Net cash from/(used in) investing activities</b>     | <b><u>233,424</u></b>           | <u>(1,293,808)</u>    |

|   | <b>Six months ended 30 June</b> |                       |
|---|---------------------------------|-----------------------|
|   | <b>2024</b>                     | <b>2023</b>           |
|   | <b><i>RMB'000</i></b>           | <b><i>RMB'000</i></b> |
|   | <b>(unaudited)</b>              | <b>(unaudited)</b>    |
| <b>Cash flows from financing activities</b>                   |                                 |                       |
| Proceeds from bank borrowings                                 | <b>967,237</b>                  | 80,000                |
| Repayments of bank borrowings                                 | <b>(579,514)</b>                | (224,033)             |
| Repayments of long-term payables                              | <b>–</b>                        | (19,500)              |
| Cash from minority shareholder's contribution to subsidiaries | <b>34,671</b>                   | –                     |
| Dividends paid to non-controlling interests of subsidiaries   | <b>(27,111)</b>                 | (150,218)             |
|   | <u><b>395,283</b></u>           | <u>(313,751)</u>      |
| <b>Net cash from/(used in) financing activities</b>           |                                 |                       |
|   | <u><b>395,283</b></u>           | <u>(313,751)</u>      |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>1,913,293</b>                | (304,699)             |
| Cash and cash equivalents at beginning of the period          | <b>962,380</b>                  | 2,903,848             |
| Exchange (losses)/gains on cash and cash equivalents          | <b>(35)</b>                     | 9                     |
|   | <u><b>(35)</b></u>              | <u>9</u>              |
| <b>Cash and cash equivalents at end of the period</b>         | <u><b>2,875,638</b></u>         | <u>2,599,158</u>      |

## Notes:

### 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

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

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

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

The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

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

### 3. REVENUE

An analysis of revenue is as follows:

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

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

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

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

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

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

#### 4. FINANCE COSTS

An analysis of finance costs is as follows:

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

#### 5. INCOME TAX

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

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

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

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

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

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group will fulfill the obligation of WHT in 2024 for dividends related to 2023 which will be paid to foreign shareholders.

## 6. DIVIDENDS

A final dividend in respect of 2023 of RMB 0.601 per share, amounting to a total dividend of RMB 996,825 thousand, was proposed at the Board meeting on 28 March 2024. The profit distribution plan was proposed to be approved by the shareholders' meeting on 6 June 2024 and was paid in July 2024. Dividends paid to H-share institutional shareholders have been subject to income tax withholding at 10%.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2024 (same period of 2023: nil).

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

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

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

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

## 8. CAPITAL EXPENDITURES

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

For the six months ended 30 June 2024, the amount of the borrowing costs has been capitalised by RMB22,982 thousand (during the six months ended 30 June 2023: RMB 11,987 thousand).

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

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

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

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

## 9. RECEIVABLES AND PREPAYMENTS

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

The ageing analysis of the receivables is as follows:

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

(a) As at 30 June 2024, toll road income receivables mainly represented receivables from Anhui Expressway Network Operations Company Limited of RMB 93,256 thousand (31 December 2023: from Anhui Expressway Network Operations Company Limited of RMB56,648 thousand) for uncollected toll road income.

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

|  | As at 30 June<br>2024<br><i>RMB'000</i><br>(unaudited) | As at 31 December<br>2023<br><i>RMB'000</i><br>(audited) |
|--|--|--|
| Beginning of the period/year             | (13,750)   | (13,750)   |
| Impairment loss reversed                 | –  | –  |
| Receivables written off as uncollectible | –  | –  |
| End of the period/year                   | <u>(13,750)</u>  | <u>(13,750)</u>  |

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

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

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

|                              | As at 30 June 2024            |                               |                 |                                    | As at 31 December 2023      |                             |
|------------------------------|-------------------------------|-------------------------------|-----------------|------------------------------------|-----------------------------|-----------------------------|
|                              | Provision                     |                               | Provision ratio | Reason for impairment              | Provision                   |                             |
|                              | Book value                    | for impairment                |                 |                                    | Book value                  | for impairment              |
|                              | <i>RMB’000</i><br>(Unaudited) | <i>RMB’000</i><br>(Unaudited) |                 |                                    | <i>RMB’000</i><br>(audited) | <i>RMB’000</i><br>(audited) |
| Receivables for construction | 30,052                        | (15,026)                      | 50%             | Continuous uncollected receivables | 30,051                      | (15,026)                    |
| Pawn loans to customers      | 19,643                        | (13,750)                      | 70%             | Continuous uncollected receivables | 19,643                      | (13,750)                    |
| Total                        | <u>49,695</u>                 | <u>(28,776)</u>               |                 |                                    | <u>49,694</u>               | <u>(28,776)</u>             |

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

Period ended 30 June 2024

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

## 10. COMMITMENTS

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

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

## 11. TRADE AND OTHER PAYABLES

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

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

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

## II. INTERIM RESULTS AND DIVIDENDS

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB3,052,974 thousand (corresponding period in 2023: RMB2,323,839 thousand), representing an increase of 31.38% compared with that of the corresponding period of last year. The profit before income tax was RMB1,084,474 thousand (corresponding period in 2023: RMB1,171,790 thousand), representing a decrease of 7.45% compared with that of the corresponding period of last year. Unaudited net profit attributable to owners of the Company reached RMB 809,871 thousand (corresponding period in 2023: RMB839,500 thousand), representing a decrease of 3.53% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.4883 (corresponding period in 2023: RMB0.5061), representing a decrease of 3.53% compared with that of the corresponding period of last year. The main reason for the increase in revenue is the Company's recognition of the revenue for the Xuanguang Expressway reconstruction and expansion PPP project during the Reporting Period increased by RMB885 million as compared with same period of last year.

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

Pursuant to the authorization given by the general meeting, the Board published the voting results announcement of the 2023 Annual General Meeting on 7 June 2024 in the Shanghai Securities News, China Securities Journal and on 6 June 2024 on the website of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), and determined a final dividend for H shares of HK\$0.6607 (tax inclusive) per share, which was priced in RMB and paid in HKD. The Company would pay dividends in respect of the H shares to the holders of H shares of the Company whose names appeared in the register of members of the Company on 17 June 2024. Cheques for the H Share dividends were despatched by ordinary post to holders of H Shares at their own risk on or before 12 July 2024. On 5 July 2024, the Company published the 2023 profit appropriation implementation announcement in the Shanghai Securities News and China Securities Journal and determined that for holders of domestic shares, the record date was 11 July 2024, the ex-dividend date was 12 July 2024 and the dividend payout date was 12 July 2024. The 2023 profit appropriation plan of the Company has been implemented in July 2024.

The Board recommends that the Company will neither pay the dividends for the six months ended 30 June 2024 (six months ended 30 June 2023: nil) nor convert the capital reserve to share capital.

### **III. REPORT OF THE BOARD**

#### **1. Business Review (In accordance with the PRC Accounting Standards)**

##### ***(1) Toll Expressway Business***

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

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

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

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

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

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

  

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

*Notes:*

1. The traffic volume data above does not include the data of small passenger cars passing through non-ETC lanes on major holidays except the New Tianchang Section of National Trunk 205;
2. The data of toll revenue above are tax-inclusive data, among which the data of Anqing Yangtze River Highway Bridge do not include the financial subsidy part of government purchasing services. Taking into account that the government subsidies for purchasing services during the reporting period amounted to approximately RMB 21,530 thousand, the toll of Anqing Yangtze River Highway Bridge during the reporting period decreased by approximately 12.95% as compared with the same period last year;
3. The traffic volume data above are provided by Anhui Expressway Network Operation Co., Ltd. ("AENO") and Chuzhou Expressway Management Center respectively.

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

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

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

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

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

**(2) Analysis of main shares holding companies and joint stock companies**

*Unit: RMB'000*

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

**2. Sheet of Variation Analysis of Related Subjects of Financial Statement (In accordance with the PRC Accounting Standards)**

*Unit: yuan    Currency: RMB*

| Items                                    | Reporting Period        | Same period of previous year | Flux (%) |
|--|-------------------------|------------------------------|----------|
| Revenue                                  | <b>3,052,974,249.87</b> | 2,323,838,937.32             | 31.38    |
| Cost of sales                            | <b>1,877,495,633.85</b> | 987,585,601.73               | 90.11    |
| Finance cost                             | <b>32,431,455.98</b>    | 52,597,045.22                | -38.34   |
| Taxes and surcharges                     | <b>15,849,521.43</b>    | 9,583,942.62                 | 65.38    |
| Investment income                        | <b>23,257,219.95</b>    | 34,594,353.10                | -32.77   |
| Net cash flows from investing activities | <b>195,881,173.13</b>   | -1,304,843,204.55            | N/A      |
| Net cash flow from financing activities  | <b>280,825,763.33</b>   | -427,969,348.71              | N/A      |

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

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

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

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

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

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

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

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

Unit: yuan Currency: RMB

| Principal businesses in terms of industries |                  |                  |                       |   |   |   |
|---|------------------|------------------|-----------------------|---|---|---|
| In terms of industries                      | Revenue          | Cost of sales    | Gross profit rate (%) | Change in revenue (compared with the previous year) (%) | Change in cost of sales (compared with the previous year) (%) | Change in gross profit rate (compared with the previous year) (%) |
| Toll highway business                       | 1,889,910,710.06 | 746,670,227.71   | 60.49                 | -8.34   | 0.59  | A decrease of 3.51 percentage points                              |
| Construction period revenue/cost            | 1,121,347,935.21 | 1,121,347,935.21 | 0.00                  | 374.80  | 374.80  | N/A   |
| Principal businesses in terms of products   |                  |                  |                       |   |   |   |
| In terms of products                        | Revenue          | Cost of sales    | Gross profit rate (%) | Change in revenue (compared with the previous year) (%) | Change in cost of sales (compared with the previous year) (%) | Change in gross profit rate (compared with the previous year) (%) |
| Hening Expressway                           | 672,782,554.14   | 226,145,371.21   | 66.39                 | -2.52   | 5.18  | A decrease of 2.46 percentage points                              |
| Gaojie Expressway                           | 404,468,603.22   | 100,501,351.21   | 75.15                 | -13.72  | 5.06  | A decrease of 4.44 percentage points                              |
| Lianhuo Expressway                          | 130,769,789.57   | 59,775,440.42    | 54.29                 | -5.64   | -4.40   | A decrease of 0.59 percentage point                               |
| Ninghuai Expressway Tianchang Section       | 54,192,136.95    | 18,724,079.63    | 65.45                 | -14.18  | -0.79   | A decrease of 4.66 percentage points                              |
| New Tianchang Section of National Trunk 205 | 37,786,837.64    | 20,700,216.48    | 45.22                 | -5.86   | 6.29  | A decrease of 6.26 percentage points                              |
| Xuanguang Expressway                        | 109,616,657.70   | 68,705,251.09    | 37.32                 | -58.03  | -3.54   | A decrease of 35.41 percentage points                             |
| Guangci Expressway                          | 29,613,770.63    | 9,687,558.70     | 67.29                 | -47.70  | -2.40   | A decrease of 15.18 percentage points                             |
| Ningxuanhang Expressway                     | 200,343,099.51   | 125,097,913.27   | 37.56                 | 71.90   | -10.99  | An increase of 58.15 percentage points                            |
| Anqing Yangtze River Expressway Bridge      | 131,055,701.83   | 40,959,155.38    | 68.75                 | -15.55  | 14.33   | A decrease of 8.16 percentage points                              |
| Yuewu Expressway                            | 119,281,558.87   | 76,373,890.32    | 35.97                 | 66.84   | 4.25  | An increase of 38.43 percentage points                            |
| Construction period revenue/cost            | 1,121,347,935.21 | 1,121,347,935.21 | 0.00                  | 374.80  | 374.80  | N/A   |
| Total                                       | 3,011,258,645.27 | 1,868,018,162.92 | 37.97                 | 31.04   | 90.91   | A decrease of 19.45 percentage points                             |
| Principal businesses in terms of regions    |                  |                  |                       |   |   |   |
| In terms of regions                         | Revenue          | Cost of sales    | Gross profit rate (%) | Change in revenue (compared with the previous year) (%) | Change in cost of sales (compared with the previous year) (%) | Change in gross profit rate (compared with the previous year) (%) |
| Anhui Province                              | 3,011,258,645.27 | 1,868,018,162.92 | 37.97                 | 31.04   | 90.91   | A decrease of 19.45 percentage points                             |

### ***Employees remuneration and training***

As at 30 June 2024, the Company and its main subsidiaries employed 1,922 employees (as at 30 June 2023: 1,910 employees), which included 1,223 production staff, 202 technicians, 47 financial staff and 450 administrative staff (as at 30 June 2023, the numbers were 1,348 production staff, 177 technicians, 40 financial staff and 345 administrative staff respectively).

The Company adopts annual salary system and monthly salary system, and integrates broadband payment system and salary-point system. The Company has formulated remuneration scales for different positions, and makes different classifications according to the characteristics of each job. By making close connections between the labor remuneration of employees and factors such as value of positions, accumulated contributions and work performance, it has built multiple channels of career development and pay promotion for employees. Through the establishment of salary promotion standards, the formulation of performance appraisal system, and the combination of appraisal and salary distribution, the enthusiasm of employees has been mobilized and the incentive effect of the implementation of the salary system was ensured. During the Reporting Period, the salary of employees was RMB232,897.9 thousand (Same period in 2023: RMB212,494.2 thousand). In strict compliance with the various social insurance policies of the PRC, the Company has arranged the old-age insurance, unemployment insurance, basic medical insurance and injury insurance for the staff.

The Company attaches great importance to the education and training of employees, continuously improve training organization and management of training expenses, and continuously optimize the training system. At the beginning of the year, our Company formulated the “2024 Education and Training Plan” based on a survey of training needs, and carried out various types of training in an orderly manner according to the plan to continuously improve the level of training work. The Company established the first batch of internal trainers for Party affairs in the Company, strengthened the daily learning and education of internal trainers, organized internal trainers to participate in management course training, and continuously improved their professional abilities and qualities; organized the “Young Talents” Basic Talent Rotation Training Class (Phase 1) to further enhance the comprehensive qualities and abilities of young talents in document writing, innovative thinking management, cross departmental communication, public speaking and expression; organized a rotation training course for Party branch secretaries, with training targets covering senior executives born

in the 1980s and executives born after 1985, continuously improving the political, theoretical, professional, and party spirit literacy of cadres; held a special training course on compliance management at Wantong Lecture Hall to effectively enhance the legal thinking and awareness of management personnel at all levels of the company. Each department carried out various business training based on their actual work and departmental functions, effectively improving employees' operational management, vocational skills, and professional knowledge levels. In addition, the Company actively utilized online education tools, explores online education resources, and encourages employees to increase online learning exchanges with a focus on self-learning on the online business school platform. The course content covers various categories such as macro situation, enterprise management, and career development.

## **IV. MAJOR EVENTS**

### **1. Major litigation, Arbitration and Widespread Media Enquiry**

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

### **2. Bankruptcy or Reorganization**

The Company was not involved in any bankruptcy or reorganization during the Reporting Period.

### **3. Assets Trading or Business Mergers**

The Company was not involved in any assets trading or business mergers during the Reporting Period.

### **4. Implementation of Share Incentive Scheme**

The Company has not implemented any share incentive scheme during the Reporting Period.

## 5. Major Related Party/Connected Transactions

### (1) *Related transactions relating to daily operation*

- a. *Matters that have been disclosed in the interim announcement and have no progress or change in the subsequent implementation*

| Summary of Matters   | Query index   |
|--|---|
| To provide expressway section entrusted management service | Announcement of Resolutions of the 41st Meeting of the 9th Board of Directors* (《第九屆董事會第四十一次會議決議公告》) on December 29, 2023, ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: ENTRUSTED MANAGEMENT AGREEMENTS on January 2, 2024, and Announcement on Expected Daily Related Transactions for the Year 2024* (《關於預計2024年度日常關聯交易的公告》) on March 29, 2024 |
| To receive network charging services                       | Announcement of Resolutions of the 41st Meeting of the 9th Board of Directors on December 29, 2023, ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: ENTERING INTO NEW NETWORK AGREEMENTS on January 4, 2024, Announcement of Expected Daily Connected Transactions for the Year 2024 on March 29, 2024  |

## Summary of Matters

## Query index

To receive construction management  
services

ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: (1) CEMENT PURCHASE CONTRACT; (2) CIVIL ENGINEERING CONSTRUCTION CONTRACT; AND (3) CENTRAL LABORATORY CONTRACT on January 19, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: PRECAST CONCRETE COMPONENT WORK CONTRACT on March 17, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: MAINTENANCE WORK CONTRACTS on June 8, 2023; (1) ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: BRIDGE MAINTENANCE WORK CONTRACT; AND (2) SUPPLEMENTAL ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: MAINTENANCE WORK CONTRACTS on June 19, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: DESIGN AND CONSTRUCTION GENERAL CONTRACTING AGREEMENTS FOR BUILDING FACILITIES RENOVATION AND UPGRADING on September 28, 2023; ANNOUNCEMENT – CONNECTED TRANSACTION: FEASIBILITY STUDY CONTRACT FOR RECONSTRUCTION AND EXPANSION PROJECT OF THE ANQING GEZIDUN TO SUSONG SECTION OF G50 HUYU EXPRESSWAY on October 30, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: DESIGN AND CONSTRUCTION GENERAL CONTRACTING AGREEMENTS FOR COMPREHENSIVE UPGRADING AND RENOVATION PROJECT OF SERVICE AREAS on November 6, 2023;

ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: THIN OVERLAY MAINTENANCE WORK CONTRACT on November 13, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS: HENING INTELLIGENT EXPRESSWAY CONSTRUCTION WORK CONTRACTS on November 29, 2023; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: BITUMEN PURCHASE CONTRACT on November 30, 2023, ANNOUNCEMENT – CONNECTED TRANSACTION: CONSTRUCTION GENERAL CONTRACTING AGREEMENT FOR RENOVATION AND UPGRADING PROJECT OF HEFEI MANAGEMENT OFFICE PARK on December 19, 2023; Announcement of Resolutions of the 43rd Meeting of the 9th Board of Directors\* (《第九屆董事會第四十三次會議決議公告》) on March 13, 2024; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: HOUSING CONSTRUCTION AGREEMENT on March 13, 202; ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTION: MECHANICAL AND ELECTRICAL ENGINEERING AGREEMENT on March 18, 2024; Announcement of Expected Daily Connected Transactions for the Year 2024 on March 29, 2024;

## Summary of Matters

## Query index

ANNOUNCEMENT – CONTINUING  
CONNECTED TRANSACTIONS:  
MAINTENANCE WORK CONTRACTS  
on May 9, 2024; ANNOUNCEMENT  
– CONTINUING CONNECTED  
TRANSACTION: SUPPLEMENTAL  
AGREEMENT OF BRIDGE  
MAINTENANCE WORK CONTRACT  
AND AMENDMENT TO ANNUAL CAP  
on June 13, 2024; ANNOUNCEMENT  
– CONTINUING CONNECTED  
TRANSACTION: SURVEY AND DESIGN  
CONTRACT FOR RECONSTRUCTION  
AND EXPANSION OF THE ANQING  
GEZIDUN TO ANHUI-HUBEI BORDER  
SECTION OF G50 HUYU EXPRESSWAY  
on June 28, 2024

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

- b. *Related transactions that have been disclosed in the interim announcement but have subsequent progress or changes in implementation*

On January 4, 2024, each of the Company and its wholly-owned/controlling subsidiaries (Namely Xuanguang Company, Guangci Company, Ningxuanhang Company and Anqing Bridge Company) entered into expressway network operation services agreement for the year 2024-2026 (the “**original service agreements**”) with AENO and Anhui Transportation United Card Holding Co., Ltd.\* (安徽交通一卡通控股有限公司, now known as Anhui Transportation Digital Intelligent Technology Company Limited\* (安徽交通數智科技有限公司)), with an estimated total fee of RMB34.47 million to be paid to AENO for the years 2024-2026.

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

(2) ***Related transactions arising from the acquisition of assets or the acquisition or sale of equity***

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

**(3) Major related party transactions of joint external investment**

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

☐

Applicable

☒

Not applicable

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

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

On April 7, 2022, the Company entered into a supplementary agreement to the limited partnership agreement of Anhui Transportation China Merchant Industry Investment Fund (Limited Partnership)\* (《安徽交控招商產業投資基金(有限合夥)之有限合夥協議之補充協議》) with Anhui Transportation Holding Capital Investment Co., Ltd.\* (安徽交控資本投資管理有限公司) (“**Transportation Holding Capital**”), Anhui Anlian Expressway Co., Ltd.\* (安徽安聯高速公路有限公司), and China Merchant Zhiyuan Capital Investment Co., Ltd.\* (招商致遠資本投資有限公司), confirming the investment in the second phase of Transportation Holding China Merchant Industry Fund. For details, please refer to the Company’s announcement “Progress Announcement on Participating in Anhui Transportation Holding Investment Promotion Industry Fund Phase II Investment and Signing Supplementary Agreements”\* (《關於參與安徽交控招商產業基金二期出資暨簽訂補充協議的進展公告》) (Lin 2022-015). During the Reporting Period, the Company completed a capital contribution of RMB6.6417 million.

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

On November 2, 2023, the Company signed the “Anhui Transportation Jinshi Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) Partnership Agreement” with Transportation Holding Capital, Anhui Transportation Holding Capital Fund Management Co., Ltd\* (安徽交控資本基金管理有限公司), Jinshi Investment Limited\* (金石投資有限公司), and Jinshi Runze (Zibo) Investment Advisory Partnership (Limited Partnership)\* (金石潤澤(淄博)投資諮詢合夥企業(有限合夥)), investing and participating in the establishment of Anhui Transportation Jinshi Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (tentative name, subject to registration). For details, please refer to the Company’s announcement dated 2 November 2023 and headed “CONNECTED TRANSACTION: ESTABLISHMENT OF FUND PARTNERSHIP”. In May 2024, Jinshi Emerging Industry Fund completed the registration of private investment funds with the Asset Management Association of China. For details, please refer to the Company’s announcement “Announcement on Completion of Private Equity Investment Fund Registration of Jinshi Emerging Industry Fund”\* (《關於安徽交控金石新興產業股權投資基金完成私募投資基金備案登記的公告》) (Lin 2024-014). During the Reporting Period, the Company completed a capital contribution of RMB10 million.

## **6. Material Contracts and their Implementation**

### ***(1) Material custody, subcontracting and leasing items***

During the Reporting Period, the Company did not have any significant custody, subcontracting and leasing items.

### ***(2) Implementation of guarantee***

During the Reporting Period, the Company did not have any material guarantee that has not been fulfilled or has not been completely fulfilled.

## 7. Fulfillment of commitments

Commitments made by the Company's actual controllers, shareholders, related parties, acquirers, the Company and other related parties during the Reporting Period or continuing to the Reporting Period

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

## **V. OTHER MAJOR EVENTS**

### **Change of Board of Directors and Supervisory Committee of the Company**

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

### **Issuance of corporate bonds**

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

## **Corporate Governance Code**

During the Reporting Period, save and except that both the duties of the remuneration committee and the nomination committee are performed by the Company's Human Resources and Remuneration Committee (as the Company considers the long established mode of Human Resources and Remuneration Committee has so far been effective and suits the needs of the Company better, and most of the members of the Human Resources and Remuneration Committee are independent directors, which can ensure the protection of the interests of shareholders), the Company has always complied with the Corporate Governance Code set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**CG Code**”) in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company.

## **Diversification Policy of the Members of the Board**

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

## **Liability Insurance for Directors, Supervisors and Senior Executives**

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

## **Audit Committee**

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

## **Independent Non-executive Directors**

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

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

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

## **Purchase, Sale and Redemption of the Company's Securities**

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

## VI. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no events that have a material impact on the Group after 30 June 2024 and up to the date of this announcement.

## VII. PROSPECTS AND OUTLOOK

In the future strategic development, the Company will pay high attention to the following risks and actively take effective countermeasures:

### **Policy risk**

#### ***1. Policy risk of industry***

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

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

## **2. *Franchise Expiration Risk***

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

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

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

## **Market risk**

### **1. *Risk of Macroeconomic Fluctuation***

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

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

### **2. *Risk of Road Network Change***

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

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

By Order of the Board  
**Anhui Expressway Company Limited**  
**Wang Xiaowen**  
*Chairman*

Hefei, Anhui, the PRC  
30 August 2024

*As at the date of this announcement, the Board of the Company comprises: Wang Xiaowen(chairman), Yu Yong, Chen Jiping and Wu Changming as executive directors, Yang Xudong and Du Jian as non-executive directors, and Zhang Jianping, Lu Taiping and Zhao Jianli as independent non-executive directors.*

*This announcement was originally prepared in Chinese. In the event of discrepancies between the Chinese and the English version, the Chinese version shall prevail.*

\* for identification purpose only