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Chengdu Expressway Co., Ltd.

成都高速公路股份有限公司

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

(Stock Code: 01785)

2024 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Chengdu Expressway Co., Ltd. (the “**Company**”) hereby announces the audited results announcement of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024. This announcement, containing the full text of the 2024 Annual Report of the Company, complies with the relevant requirements of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to the information to accompany preliminary announcement of annual results and has been reviewed by the Board and its Audit and Risk Management Committee. The Company’s 2024 annual report will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chengdugs.com) on or before 30 April 2025 in accordance with the requirements under the Listing Rules.

On behalf of the Board
Chengdu Expressway Co., Ltd.
Yang Tan
Chairman

Chengdu, the PRC, 26 March 2025

As at the date of this announcement, the Board comprises Mr. Yang Tan, Mr. Ding Dapan and Mr. Xia Wei as executive directors, Ms. Wu Haiyan and Mr. Jiang Xinliang as non-executive directors, and Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng as independent non-executive directors.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on 15 May 2025
“Ande North Service Area”	North Petrol Station of Ande Service Area of Chengguan Expressway of Chengdu Expressway Zhenxing Development Co., Ltd. (成都高速振興發展有限責任公司成灌高速公路安德服務區北加油站), a branch of a company incorporated in the PRC with limited liability and a branch of Zhenxing Company
“Ande South Service Area”	South Petrol Station of Ande Service Area of Chengguan Expressway of Chengdu Expressway Zhenxing Development Co., Ltd. (成都高速振興發展有限責任公司成灌高速公路安德服務區南加油站), a branch of a company incorporated in the PRC with limited liability and a branch of Zhenxing Company
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Battery Services-Communications Investment”	Chengdu Battery Services-Communications Investment Energy Technology Co., Ltd. (成都電服交投能源科技有限公司), a company incorporated in the PRC with limited liability and a 48%-owned joint venture of Energy Development Company
“Board”	the board of Directors of the Company
“Cangba Expressway”	a section of Sichuan Chengmian Cangba Expressway designated to be operated and managed by Chuanlutong Company, starting from Cangxi County of Guangyuan and ending at Bazhong
“charging pile(s)”	charging equipment that provides charging service for electric vehicles, primarily including floor-mounted charging piles and wall-mounted charging piles with fees to be charged based on the time, power consumption or pre-determined price for charging
“Chengbei Exit Expressway Company”	Chengdu Chengbei Exit Expressway Co., Ltd. (成都城北出口高速公路有限公司), a company incorporated in the PRC with limited liability, which is an associate of the Company with 40% of its equity interests held by the Company

DEFINITIONS

“Chengdu Airport Expressway Company”	Chengdu Airport Expressway Co., Ltd. (成都機場高速公路有限責任公司), a company incorporated in the PRC with limited liability, which is a non-wholly-owned subsidiary of the Company with 55% of its equity interests held by the Company
“Chengdu Communications Investment”	Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司), a company incorporated in the PRC with limited liability on 16 March 2007, which is one of the controlling shareholders of the Company
“Chengdu Communications Investment Group”	Chengdu Communications Investment and its subsidiaries, excluding the Group for the purpose of the section headed “Directors’ Report”
“Chengdu Jiaoyun CNG”	Chengdu Jiaoyun Compressed Natural Gas Development Co., Ltd. (成都交運壓縮天然氣發展有限公司), a company incorporated in the PRC with limited liability and a 25%-owned associate of Energy Development Company
“Chengdu Jiuhe”	Chengdu Jiuhe Oil Management Co., Ltd. (成都九河石油經營有限公司), a company incorporated in the PRC with limited liability and a 43%-owned associate of Energy Development Company
“Chengdu Tongneng”	Chengdu Tongneng Compressed Natural Gas Co., Ltd. (成都通能壓縮天然氣有限公司), a company incorporated in the PRC with limited liability and a 30%-owned associate of Energy Development Company
“Chengguan Expressway Company”	Chengdu Chengguan Expressway Co., Ltd. (成都成灌高速公路有限責任公司), a company incorporated in the PRC with limited liability on 25 August 1998, the predecessor of the Company
“Chengluo Petrol Station”	Chengdu Xinyuanli Chengluo Petrol Station Co., Ltd. (成都新源里成洛加油站有限責任公司), formerly known as Chengdu Municipal Shiling Petrol Station (成都市市政十陵加油站), which has changed from a collectively-owned enterprise to an incorporated enterprise in January 2024, and is a 100%-owned subsidiary of Huamin Petrol Station and currently under entrusted management by Zhongyou Energy
“Chengmian Cangba Company”	Sichuan Chengmian Cangba Expressway Co., Ltd. (四川成綿蒼巴高速公路有限責任公司), a company incorporated in the PRC with limited liability, with its 40% equity interest indirectly held by Shudao Group through Sichuan Expressway Construction and Development Group Co., Ltd (四川高速公路建設開發集團有限公司)

DEFINITIONS

“Chengming Expressway Company”	Sichuan Chengming Expressway Co., Ltd. (四川成名高速公路有限公司), a company incorporated in the PRC with limited liability, which is a non-wholly owned subsidiary of the Company with 51% of its equity interests held by the Company
“Chengpeng Expressway Company”	Chengdu Chengpeng Expressway Co., Ltd. (成都成彭高速公路有限責任公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Chengwenqiong Expressway Company”	Chengdu Chengwenqiong Expressway Co., Ltd. (成都成溫邛高速公路有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Chengwenqiong Expressway Expansion Construction Project”	the expansion and renovation construction project of Chengdu-Wenjiang-Qionglai expressway
“Chengyu Expressway Company”	Sichuan Expressway Company Limited (四川成渝高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, a substantial shareholder of Chengdu Airport Expressway Company and a controlling shareholder of Chengbei Exit Expressway Company
“Chuanlutong Company”	Chengdu Expressway Chuanlutong Operation Management Co., Ltd. (成都高速川路通運營管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Communications Investment Construction and Management”	Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司), formerly known as Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a company incorporated in the PRC with limited liability, which is one of the controlling shareholders of the Company
“Communications Investment Energy”	Chengdu Communications Investment Energy Development Co., Ltd. (成都交投能源發展有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Energy Development Company with 55% of its equity interests held by Energy Development Company
“Company”	Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》)

DEFINITIONS

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules, in this report refers to Chengdu Communications Investment and Communications Investment Construction and Management
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"Electric Power Construction"	Chengdu Communications Investment Xinneng Electric Power Construction Co., Ltd. (成都交投新能電力建設有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of New Energy Company
"Energy Development Company"	Chengdu Energy Development Co., Ltd. (成都能源發展股份有限公司), a joint stock company incorporated in the PRC with limited liability, which is held by the Company as to 94.49% (its remaining 5.51% equity interests are held by Chengdu Communications Investment Property Company Limited (成都交投置業有限公司), an indirect wholly-owned subsidiary of Chengdu Communications Investment) and became a non-wholly-owned subsidiary of the Company on 12 August 2020
"Expressway Property"	Sichuan Expressway Property Service Co., Ltd. (四川高路物業服務有限公司), a company incorporated in the PRC with limited liability and a subsidiary indirectly held by Shudao Group
"Ganzi New Energy"	Ganzi Chengjiao New Energy Development Co., Ltd. (甘孜州成交新能源發展有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Energy Development Company
"Gaoxin West Service Area"	Petrol Station of Gaoxin West Service Area of Chengguan Expressway of Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司成灌高速高新西服務區加油站), a branch of a company incorporated in the PRC with limited liability and a branch of Zhongyou Energy
"GDP"	gross domestic product
"Group"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are approved to be listed and traded on the Stock Exchange

DEFINITIONS

"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Huamin Petrol Station"	Chengdu Xinyuanli Huamin Petrol Station Co., Ltd. (成都新源里華民加油站有限責任公司), formerly known as Chengdu Huamin Municipal Petrol Station (成都市華民市政加油站), which has changed from a collectively-owned enterprise to an incorporated enterprise in December 2023, and is a 100%-owned subsidiary of Chengdu Communications Investment and currently under entrusted management by Zhongyou Energy
"Jinniu Xinyuanli"	Chengdu Jinniu Xinyuanli Energy Management Co., Ltd. (成都金牛新源里能源管理有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Xinyuanli Energy
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MOT"	Ministry of Transport of the People's Republic of China
"New Energy Company"	Chengdu Communications Investment New Energy Industrial Development Co., Ltd. (成都交投新能源產業發展有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Energy Development Company with 51% of its equity interest held by Energy Development Company
"Operation Company"	Chengdu Expressway Operation Management Co., Ltd. (成都高速運營管理有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company with 100% of its equity interests held by the Company
"PetroChina"	PetroChina Company Limited (中國石油天然氣股份有限公司), a joint stock company incorporated in the PRC with limited liability
"PetroChina Chengdu Sales Branch"	PetroChina Company Limited Sichuan Chengdu Sales Branch (中國石油天然氣股份有限公司四川成都銷售分公司), a branch of PetroChina
"PetroChina Sichuan Sales Branch"	PetroChina Company Limited Sichuan Sales Branch (中國石油天然氣股份有限公司四川銷售分公司), a branch of PetroChina
"Qingyang Xinyuanli"	Chengdu Qingyang Xinyuanli Energy Management Co., Ltd. (成都青羊新源里能源管理有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Xinyuanli Energy

DEFINITIONS

"Reporting Date"	the date on which the 2024 annual report of the Company was approved by the Board, being 26 March 2025
"Reporting Period"	the year ended 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the share(s) of the Company, including Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s) of the Company
"Shudao Group"	Shudao Investment Group Co., Ltd. (蜀道投資集團有限責任公司), a company incorporated in the PRC with limited liability
"Sinopec Chengdu Energy"	Sinopec Chengdu Energy Co., Ltd. (中石化成都能源有限公司), a company incorporated in the PRC with limited liability and a joint venture company with 50% of its equity interest held by Energy Development Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Teld"	Chengdu Teld New Energy Co., Ltd. (成都特來電新能源有限公司), a company incorporated in the PRC with limited liability and a 16%-owned associate of Energy Development Company
"Tongneng Jinfu"	Chengdu Tongneng Jinfu Natural Gas Co., Ltd. (成都通能金府天然氣有限公司), a company incorporated in the PRC with limited liability and a 100%-owned subsidiary of Chengdu Tongneng
"Xinfan Service Area"	Petrol Station of Xinfan Service Area of Chengdu Chengpeng Expressway Co., Ltd. (成都成彭高速公路有限責任公司新繁服務區加油站), a branch of a company incorporated in the PRC with limited liability and a branch of Chengpeng Expressway Company
"Xinhua Petrol Station"	Chengdu Xinyuanli Xinhua Petrol Station Co., Ltd. (成都新源里新華加油站有限責任公司), formerly known as Chengdu Xinhua Petrol Station (成都市新華加油站), which has changed from an enterprise owned by the whole people (全民所有制企業) to an incorporated enterprise in December 2023, which is a 100%-owned subsidiary of Chengdu Communications Investment and currently under entrusted management by Zhongyou Energy



DEFINITIONS

“Xinyuanli Energy”	Chengdu Xinyuanli Energy Management Co., Ltd. (成都新源里能源管理有限公司), formerly known as Chengdu Communications Investment Energy Operation and Management Co., Ltd. (成都交投能源經營管理有限公司), a company incorporated in the PRC with limited liability and a 100%-owned subsidiary of Energy Development Company
“Yanchang Shell”	Yanchang Shell (Sichuan) Petroleum Co., Ltd. (延長殼牌（四川）石油有限公司), a company incorporated in the PRC with limited liability
“Zhenxing Company”	Chengdu Expressway Zhenxing Development Co., Ltd. (成都高速振興發展有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company with 80% of its equity interests held by the Company
“Zhenxing Gaoxin Branch”	Gaoxin District Branch of Chengdu Expressway Zhenxing Development Co., Ltd. (成都高速振興發展有限責任公司高新區分公司), a branch of a company incorporated in the PRC with limited liability and a branch of Zhenxing Company
“Zhongyou Energy”	Chengdu Zhongyou Energy Co., Ltd. (成都中油能源有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Energy Development Company with 51% of its equity interests held by Energy Development Company
“Zhongyou Jieneng”	Zhongyou Jieneng (Chengdu) Environmental Protection Technology Co., Ltd. (中油潔能（成都）環保科技有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Chengdu Tongneng with 52.51% of its equity interest held by Chengdu Tongneng



DEFINITIONS

GLOSSARY OF TECHNICAL TERMS

"Batch Payment Model"	a toll collection model only applicable to all vehicles with local licenses on Chengwenqiong Expressway which can pass through the toll plazas on this expressway without toll payment. The relevant local government, instead, pays the Group toll fees pursuant to the batch payment agreement entered into with Chengwenqiong Expressway Company
"crude oil"	unprocessed oil extracted directly from oil wells
"daily weighted average traffic volume"	represents the summation of the daily traffic volume and mileage of each section of expressways, i.e. the section from an expressway toll station to the next toll station, divided by the sum of the mileage. For Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Qiongmeng Expressway and Chengdu Airport Expressway, the daily traffic volume includes the number of vehicles leaving the expressway's toll plazas, the number of vehicles entering the expressway but leaving from other expressways, and the number of vehicles passing by but not entering the expressways or leaving from the expressway's toll plazas, but excluding vehicles entitled to toll-free treatment such as vehicles using the expressway during national holidays and, for Chengdu Airport Expressway, also excluding vehicles that have purchased annual tickets. The traffic volume of Chengwenqiong Expressway has taken into account the traffic volume under the Batch Payment Model
"natural gas"	compressed natural gas
"refined oil"	petrol (except aviation gasoline), kerosene (except aviation kerosene), diesel fuel and other alternative fuels such as ethanol fuel and biodiesel that comply with national product quality standards and serve the same purposes
"Standard Toll Collection Model"	a toll collection model that requires payment at the time of passing-through and is applicable to all the vehicles on the expressways of the Group that are not eligible for the Batch Payment Model



GROUP PROFILE

The Group is principally engaged in the operation, management and development of expressways (including service areas thereunder) located in and around Chengdu, Sichuan Province and retailing of refined oil. Meanwhile, the Group also expands to operation of natural gas. Business operations of the Group are therefore categorised into “expressway” and “energy” two segments.

The “expressway” segment constitutes the traditional principal business of the Group. As at the Reporting Date, the Group owned 5 expressways, i.e., Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Qiongmeng Expressway and Chengdu Airport Expressway, covering a total network mileage of 192.02 kilometres. Centred around Chengdu and stretching to the southwest, northwest, west and north, the above expressways are part of the roads surrounding Chengdu and play a key role in connecting the internal roads of Chengdu as well as the national and provincial highways into and out of Sichuan Province. In addition, the Company undertook the operation and management business of Chengdu Tianfu International Airport Expressway (“Tianfu Airport Expressway”), Pujiang-Dujiangyan Section of Chengdu Economic Zone Ring Expressway (“Pudu Expressway”), and Cangba Expressway. By then, the total mileage (inclusive of the sections under entrusted management) of expressways operated by the Group reached 474.77 kilometres.

The “energy” segment was consolidated into the Group on 12 August 2020, where Energy Development Company acts as the investor to conduct operation of refined oil and natural gas through its subsidiaries, joint ventures and associates. As of the Reporting Date, 27 petrol stations and 1 gas station of the Group were in operation, 3 gas stations of the Group were in construction (including the stations which have completed construction and are yet to commence operation), and 3 petrol stations, i.e. Xinhua Petrol Station and Huamin Petrol Station (including Chengluo Petrol Station thereunder) were under entrusted operation and management. All of such petrol stations and gas stations are located in and around Chengdu, Sichuan Province.

In recent years, the expressways (including service teams), service areas and petrol stations operated and managed by the Group have secured remarkable performance in security and quality service.

As at the end of the Reporting Period, total assets of the Group reached approximately RMB9.04 billion.

OVERVIEW OF THE EXPRESSWAY SEGMENT

Expressways Owned

- Chengguan Expressway is a major part of the G4217 national expressway and a key section connecting Sichuan Province with Gansu Province, Qinghai Province and Tibet. It is also the main road to access Dujiangyan, a historic city, Qingcheng Mountain, Jiuzhai Valley, Huanglong and other tourist attractions and connects most of the catalogued UNESCO World Heritage Sites located in Sichuan Province.
- Chengpeng Expressway is a major part of the S105 provincial expressway, which is a key component of the radial-shaped road network surrounding Chengdu and the main route connecting Chengdu to north areas of Sichuan Province.
- Chengwenqiong Expressway is a major part of the S8 provincial expressway and is of economic and cultural significance to western Chengdu. It is also the only expressway gateway within the region that connects Wenjiang, Chongzhou, Dayi, Qionglai and other major satellite cities of Chengdu.
- Chengdu Airport Expressway is a major part of the S6 provincial expressway and the main expressway to Chengdu Shuangliu International Airport from downtown Chengdu.
- Qiongming Expressway is a major part of the S8 provincial expressway and an extension of Chengwenqiong Expressway. It connects to Yunnan Province via Chengya Expressway (成雅高速公路) – Yaxi Expressway (雅西高速公路) – Xipan Expressway (西攀高速公路) and to the Tibetan region via Chengya Expressway (成雅高速公路) – Yakang Expressway (雅康高速公路) – G318 national expressway.

Expressways under Entrusted Management

- Tianfu Airport Expressway is an important section of the S3 Provincial Highway, as well as the main expressway from Chengdu to Chengdu Tianfu International Airport.
- Pudu Expressway refers to the section between Pujiang and Dujiangyan of Chengdu Economic Zone Ring Expressway, which is an important part of Chengdu Economic Zone Ring Expressway.
- Cangba Expressway is an important part of the S1 Provincial Highway. It is a vital transportation artery that connects the Chengdu Plain Economic Zone with the Northeast Sichuan Economic Zone.



GROUP PROFILE

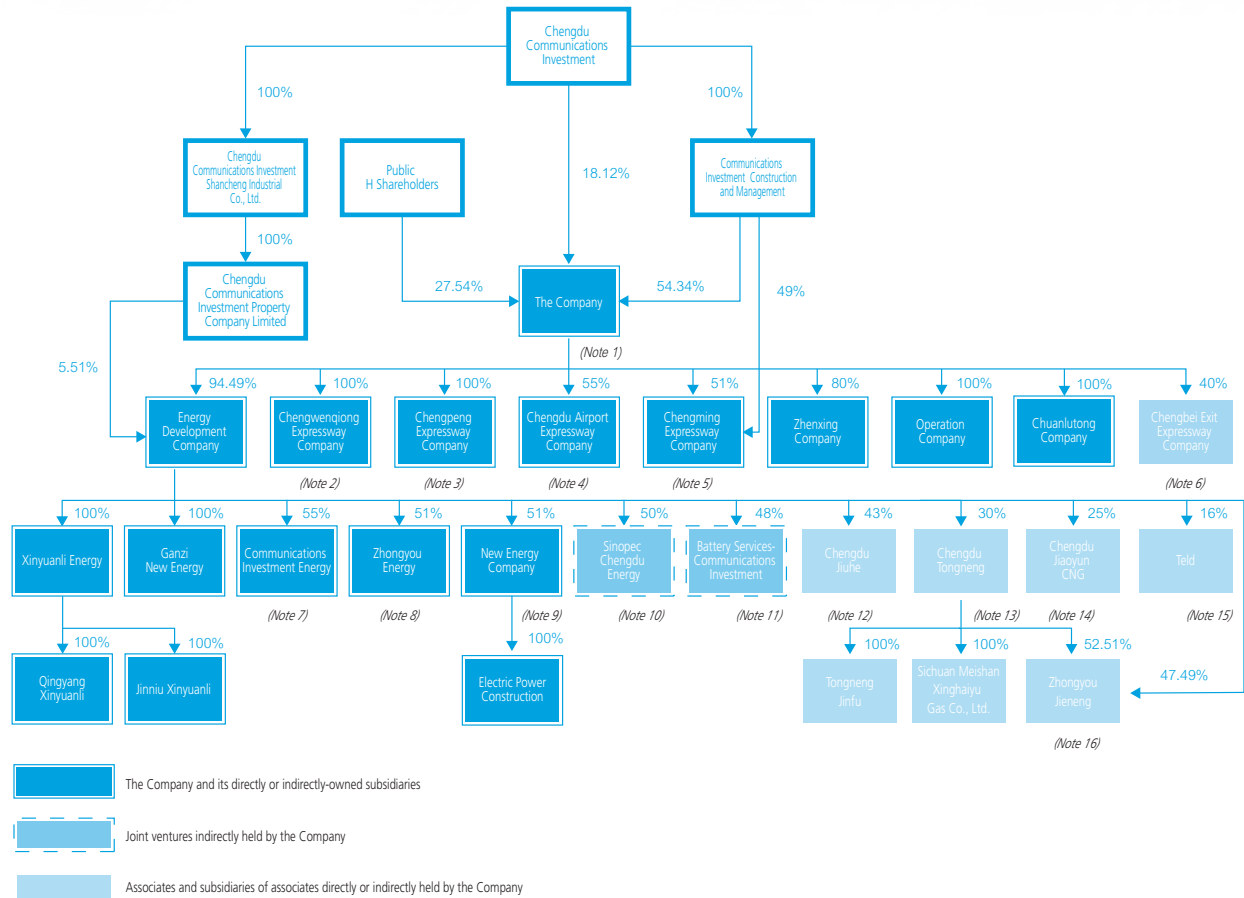
OVERVIEW OF THE ENERGY SEGMENT

As of the Reporting Date, Energy Development Company directly or indirectly owned 8 subsidiaries, being Zhongyou Energy, Communications Investment Energy, Xinyuanli Energy, Jinniu Xinyuanli, Qingyang Xinyuanli and Ganzi New Energy, 9 joint ventures and associates, including Sinopec Chengdu Energy and Chengdu Tongneng through direct and indirect shareholding.

- Refined oil business. The Group engages in refined oil business mainly through the subsidiaries of Energy Development Company, namely Communications Investment Energy, Zhongyou Energy and Xinyuanli Energy.
- Natural gas business. The Group engages in natural gas business mainly through Energy Development Company and its subsidiary Zhongyou Energy.
- New energy business. The Group engages in new energy business mainly through Xinyuanli Energy, a subsidiary of Energy Development Company.

GROUP STRUCTURE

The chart below sets out the Group's structure as at the Reporting Date:



Notes:

As of the Reporting Date:

- The Company holds 100% interests in Chengguan Expressway.
- The Company holds 100% interests in Chengwenqiong Expressway through Chengwenqiong Expressway Company.
- The Company holds 100% interests in Chengpeng Expressway through Chengpeng Expressway Company.
- The Company holds 55% interests in Chengdu Airport Expressway through Chengdu Airport Expressway Company and its remaining 45% interests are held by Chengyu Expressway Company and Sichuan Xinneng Real Estate Limited (四川新能置業有限公司) as to 25% and 20%, respectively.
- The Company holds 51% interests in Qiongmeng Expressway through Chengming Expressway Company and its remaining 49% equity interests are held by Communications Investment Construction and Management.
- The Company holds 40% interests in Chengbei Exit Expressway through Chengbei Exit Expressway Company, an associate, and its remaining 60% interests are held by Chengyu Expressway Company.

GROUP STRUCTURE

7. Communications Investment Energy is held as to 55% by Energy Development Company, and its remaining 45% equity interests are held by Yanchang Shell.
8. Zhongyou Energy is held as to 51% by Energy Development Company, and its remaining 49% equity interests are held by PetroChina.
9. New Energy Company is held as to 51% by Energy Development Company, and its remaining 49% equity interests are held by Sichuan Shudian Corporation (四川蜀電集團有限公司) and Chengdu Bus Asset Management Co., Ltd. (成都公交資產經營管理有限公司) as to 34% and 15%, respectively.
10. Sinopec Chengdu Energy is held as to 50% by Energy Development Company, and its remaining 50% equity interests are held by Sinopec Sales Company Limited (中國石化銷售股份有限公司).
11. Battery Services-Communications Investment is held as to 48% by Energy Development Company, and its remaining 52% equity interests are held by Times Battery Services Technology Co., Ltd. (時代電服科技有限公司).
12. Chengdu Jiuhe is held as to 43% by Energy Development Company, and its remaining 57% equity interests are held by Chengdu Rongtai Industry Corporation (成都榮泰實業總公司).
13. Chengdu Tongneng is held as to 30% by Energy Development Company, and its remaining 70% equity interests are held as to 55% and 15% by Chengdu Zhengtong Hengsheng Enterprise Management Co., Ltd. (成都正通恆盛企業管理有限公司) and Chengdu Luneng Compressed Natural Gas Co., Ltd. (成都魯能壓縮天然氣有限責任公司), respectively.
14. Chengdu Jiaoyun CNG is held as to 25% by Energy Development Company, and its remaining 75% equity interests are held as to 20%, 20% and 35% by Chengdu Zhengkun Technology Co., Ltd. (成都正昆科技有限責任公司), PetroChina and Chengdu Bus Compressed Natural Gas Co., Ltd. (成都公交壓縮天然氣股份有限公司), respectively.
15. Teld is held as to 16% by Energy Development Company, and its remaining 84% equity interests are held by Teld New Energy Co., Ltd. (特來電新能源股份有限公司) and Chengdu Green Low-carbon Industry Investment Group Co., Ltd. (成都綠色低碳產業投資集團有限公司) as to 66% and 18%, respectively.
16. Zhongyou Jieneng is held as to 47.49% by Energy Development Company, and its remaining 52.51% equity interests are held by Chengdu Tongneng.

The table below sets forth certain key operating data of the expressways owned by and under entrusted management of the Group as at the Reporting Date:

No.	Name of Expressway	Percentage of Ownership	Expressway Held		Number of Toll Stations	Commencement of Operation	Expiration
			Length (km)	Number of Lanes			
1	Chengguan Expressway	100%	40.44	6	7	July 2000	July 2030
2	Chengpeng Expressway	100%	21.32	6/8	4	November 2004	October 2033
3	Chengwenqiong Expressway	100%	65.60	4/6 ⁽¹⁾	12	January 2005	January 2035
4	Chengdu Airport Expressway	55%	11.98	4	1	July 1999	December 2025 ⁽²⁾
5	Qiongming Expressway	51%	52.68	4	5	November 2010	November 2038

GROUP STRUCTURE

No.	Name of Expressway	Percentage of Ownership	Expressway under Entrusted Management			Commencement of Operation	Expiration
			Length (km)	Number of Lanes	Number of Toll Stations		
1	Tianfu Airport Expressway	–	88.25	6/8	8	March 2022	September 2051
2	Pudu Expressway	–	101.42	6	11	September 2021	March 2051
3	Cangba Expressway	–	93.08 ⁽³⁾	4	7	N/A ⁽⁴⁾	N/A ⁽⁴⁾

Note 1: The number of lanes 4/6 indicates that this section of the expressway has 4 lanes in some parts and 6 lanes in other parts and the number of lanes 6/8 shall be interpreted accordingly.

Note 2: According to the approval documents of the relevant competent authorities in Sichuan Province, on the premise of maintaining the original approved toll period of Chengdu Airport Expressway unchanged, deducting the ineffective toll period caused by policy relief, the toll deadline of Chengdu Airport Expressway is redetermined to be 26 December 2025.

Note 3: As of the Reporting Date, 50.05 kilometers of Cangba Expressway had not yet been officially completed and opened to traffic.

Note 4: Not yet obtained approval from the Sichuan Provincial Transportation Department and the Sichuan Provincial Development and Reform Commission for toll collection.

The table below sets forth the information of the Group's refined oil operation stations as at the Reporting Date:

Company Name	Date of Incorporation	Principal Business	Number of Stations Operated (In Operation)
Zhongyou Energy	19 June 2009	Operation of refined oil and natural gas	21 petrol stations (including 3 petrol stations under entrusted operation and management) ⁵
Communications Investment Energy	15 November 2010	Operation of refined oil	6 petrol stations
Xinyuanli Energy	18 December 2020	Operation of refined oil	1 petrol station
Zhenxing Company	28 February 2020	Operation of refined oil	2 petrol stations

Note 5: Due to the division of business, three petrol stations originally under entrusted management and operation by Xinyuanli Energy have been transferred to Zhongyou Energy.

MAJOR EVENTS DURING THE REPORTING PERIOD

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 27 March 2024, as Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a promoter and a controlling shareholder of the Company, changed its registered name to “Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司)”, as approved at the extraordinary general meeting of the Company, the Company made certain amendments to the Articles of Association. For details, please refer to the announcement dated 29 February 2024 as well as the circular dated 7 March 2024 of the Company.

RESIGNATION OF BOARD SECRETARY AND JOINT COMPANY SECRETARY AND CHANGE OF AUTHORISED REPRESENTATIVE

On 29 April 2024, due to work rearrangement, Mr. Zhang Guangwen resigned as the secretary of the Board, the joint company secretary and the authorised representative of the Company under the Listing Rules. Following Mr. Zhang Guangwen’s resignation, the other joint company secretary of the Company, Ms. Kwong Yin Ping, Yvonne continued to serve as the company secretary of the Company, and Mr. Xia Wei, an executive Director, has been appointed as an authorised representative. For details, please refer to the announcement of the Company dated 29 April 2024.

WITHDRAWAL OF APPLICATION FOR LISTING OF A SHARES

In view of the adjustments to the existing vetting policies in the capital market, taking into account the future strategic positioning of the Company’s own business, and to coordinate its business development and capital operation planning, on 4 June 2024, the Company decided to apply to the Shanghai Stock Exchange for withdrawal of its application for listing of A Shares after prudent study with the sponsor and consideration and approval by the Board. For details, please refer to the announcement of the Company dated 4 June 2024.

PROPOSED ISSUE OF CORPORATE BONDS

To satisfy the Company’s financing needs and broaden its financing channels, the Board has, on 10 July 2024, approved the proposed issue of corporate bonds in the PRC with an aggregate principal amount of not more than RMB2 billion (inclusive) through multiple tranches. For details, please refer to the announcement of the Company dated 10 July 2024.

ENTERING INTO THE LAND REQUISITION AND RELOCATION AGREEMENT FOR DAYI COUNTY SECTION IN RELATION TO THE CHENGWENQIONG EXPRESSWAY EXPANSION CONSTRUCTION PROJECT

On 29 October 2024, Chengwenqiong Expressway Company and Dayi County People’s Government of Chengdu City, Sichuan Province entered into the Land Requisition and Relocation Agreement for Dayi County Section. For further details, please refer to the announcement of the Company dated 29 October 2024.

MAJOR EVENTS DURING THE REPORTING PERIOD

ENTERING INTO THE LAND REQUISITION AND RELOCATION AGREEMENT FOR WENJIANG DISTRICT SECTION IN RELATION TO THE CHENGWENQIONG EXPRESSWAY EXPANSION CONSTRUCTION PROJECT

On 27 November 2024, Chengwenqiong Expressway Company and Wenjiang District People's Government of Chengdu City, Sichuan Province entered into the Land Requisition and Relocation Agreement for Wenjiang District Section. For further details, please refer to the announcements of the Company dated 27 November 2024 and 29 October 2024.

AWARDS AND RECOGNITIONS

In January 2024, Chengwenqiong Expressway Company was honoured as the "Advanced Unit for Expressway Maintenance and Management in 2023 (Road Conditions)" by Sichuan Provincial Traffic and Transportation Comprehensive Administration and Law Enforcement Corps (Expressway Management Bureau of Department of Transportation of Sichuan Province).

In January 2024, Chengguan Expressway Company was honoured as the "Advanced Unit for Expressway Maintenance and Management in 2023 (Road Conditions)" by Sichuan Provincial Traffic and Transportation Comprehensive Administration and Law Enforcement Corps (Expressway Management Bureau of Department of Transportation of Sichuan Province).

In January 2024, Chengpeng Expressway Company was honoured as the "Advanced Unit for Expressway Maintenance and Management in 2023 (Road Conditions)" and "Advanced Unit for Expressway Audit in Sichuan Province in 2023" by Sichuan Provincial Traffic and Transportation Comprehensive Administration and Law Enforcement Corps (Expressway Management Bureau of Department of Transportation of Sichuan Province).

In January 2024, Operation Company was honoured as the "Advanced Unit for Expressway Maintenance and Management in 2023 (Bridges and Tunnels Management)" and "Advanced Unit for Expressway Maintenance and Management in 2023 (Information-based Maintenance)" by Sichuan Provincial Traffic and Transportation Comprehensive Administration and Law Enforcement Corps (Expressway Management Bureau of Department of Transportation of Sichuan Province).

In December 2024, Ande service area of Zhenxing Company was assessed as a five-star service area by Sichuan Provincial Traffic and Transportation Comprehensive Administration and Law Enforcement Corps (Expressway Management Bureau of Department of Transportation of Sichuan Province).

In December 2024, Operation Company was awarded the title of "Chengdu's Five-star Primary-level Labour Union in 2024" by Chengdu Labour Union.

In December 2024, Operation Company and Chuanlutong Company won the "First Collective Prize in Sichuan's First Expressway Customer Service Skills Competition" issued by the Department of Transportation of Sichuan Province.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

OPERATING RESULTS

	2020 RMB (restated)	2021 RMB (restated)	2022 RMB (restated)	2023 RMB	2024 RMB
Revenue	2,038,352,063	2,702,370,887	2,596,622,994	2,894,040,981	2,915,386,143
Including:					
Revenue from the expressway segment	1,134,976,334	1,495,828,250	1,304,595,516	1,593,531,284	1,612,188,802
Including: Toll income	1,015,942,884	1,413,912,681	1,211,781,245	1,470,432,380	1,432,748,797
Revenue from the energy segment	903,375,729	1,206,542,637	1,292,027,478	1,300,509,697	1,303,197,341
Including: Revenue from sales of refined oil	902,157,289	1,182,382,524	1,267,936,625	1,269,066,964	1,259,954,132
Gross profit	686,561,261	1,016,469,914	871,067,371	1,042,050,401	1,080,645,031
Total profit	424,514,865	825,765,098	672,261,955	806,866,677	785,981,781
Net profit	375,405,240	685,058,443	560,383,133	662,176,389	569,654,395
Net profit attributable to Shareholders of the Company	341,381,113	614,652,615	490,148,932	618,766,312	519,517,638

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	2020 RMB (restated)	2021 RMB (restated)	2022 RMB (restated)	2023 RMB	2024 RMB
Total assets	9,125,610,635	9,215,941,721	9,168,751,205	9,254,746,976	9,041,947,811
Total liabilities	4,895,499,662	4,556,306,092	4,209,133,009	3,952,422,829	3,450,010,327
Non-controlling interests	892,317,204	904,462,753	934,878,396	953,679,228	1,002,225,837
Total equity attributable to Shareholders of the Company	3,337,793,769	3,755,172,876	4,024,739,800	4,348,644,919	4,589,711,647

EARNINGS

	2020 RMB (restated)	2021 RMB (restated)	2022 RMB (restated)	2023 RMB	2024 RMB
Basic earnings per Share	0.21	0.37	0.30	0.37	0.31

Notes:

- Financial statements and annual results of the Group for 2022, 2023 and the twelve months ended 31 December 2024 have been prepared under China Accounting Standards for Business Enterprises.
- Reclassification adjustments have been made to certain comparative figures contained in this annual report/ announcement to align with the presentation in the Reporting Period.



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present to the Shareholders the 2024 annual results of the Group.

In 2024, China intensified the implementation of economic growth stimulus policies, sustaining the upward trajectory of its national economy. National GDP surpassed RMB130 trillion for the first time, achieving a year-on-year increase of 5.0%. In Sichuan Province, where the Group operates, authorities steadfastly advanced high-quality development initiatives, resulting in steady recovery across both supply and demand sides. Sichuan Province and Chengdu registered a 5.7% year-on-year GDP growth, demonstrating resilient and progressive economic momentum. During the Reporting Period, Chengdu accelerated the construction of a modern integrated transportation system, strengthened municipal road network development, widely implemented intelligent transportation technologies, and actively implemented targeted measures to alleviate traffic congestion, thereby promoting high-quality urban transportation development. Chengdu's vehicle ownership volume continued to rank among the top in national urban vehicle ownership rankings, providing macro-level support for the Group's annual performance. However, affected by unfavorable factors such as insufficient domestic effective demand and frequent extreme weather, it brings challenges to macroeconomic operation and affects the performance of expressway and related industries to some extent.

2024 BUSINESS REVIEW

Stabilising Operations and Prioritising Projects to Build a New Structure for Principal Business Operations

In the expressway segment, the Group has consistently adhered to the principles of "safety, comfort, and efficiency," continuously optimised expressway operation management, advanced major renovation and expansion projects, and maintained efforts to create high-quality expressway environments, steadily enhancing the societal influence of the "Chengdu Expressway" brand. First, focusing on critical periods such as the 2024 Chengdu World Horticultural Expo, 2024 Chengdu Thomas & Uber Cup, and statutory holidays (e.g., Spring Festival, National Day), the Group conducted preemptive planning, coordinated with local authorities, and implemented tailored strategies for each route and key location to ensure safe and convenient public travel. Second, in the 2024 Sichuan Provincial Expressway Safety and Service Quality Assessment, expressways managed by the Group, including Tianfu Airport Expressway, Chengwenqiong Expressway, Chengpeng Expressway, and Chengguan Expressway, secured the top four places, with Tianfu Airport Expressway securing first place. Third, the Group advanced intelligent expressway development by deploying technologies such as unmanned toll stations, intelligent toll-collecting robots, Gaode IoT devices, and microclimate monitoring robots to enhance safety and service quality. Fourth, the Chengwenqiong Expressway Expansion Construction Project received approval from the Sichuan Provincial Development and Reform Commission, achieving a critical milestone in preparatory work, and initiated land acquisition and relocation agreements with local districts/counties to lay a foundation for project commencement.

CHAIRMAN'S STATEMENT

In the energy segment, operations are categorised into traditional oil and gas business and new energy business. In the traditional oil and gas sector, influenced by competition from alternative energy sources, the supply-demand relationship in the conventional refined oil market remained generally relaxed. Facing market competition, the Group stabilised refined oil sales and profits by establishing a flexible coordination mechanism for oil product procurement, launching “non-fuel linkage” promotional campaigns, and optimising inventory. It further expanded natural gas retail and convenience store operations to ensure sector performance. In the new energy sector, driven by the rapid development of the new energy vehicle industry and Chengdu’s policy guidance for urban green and low-carbon development, the Group expanded its charging pile construction and operation business structured around “Low-Carbon Centres and roadside charging and storage integration” while building up a virtual power plant business tailored to the transportation industry. These efforts actively participated in grid demand-side response, supporting urban energy structure transition.

Unleashing Potential, Enhancing Efficiency, and Igniting New Growth Drivers

During the Reporting Period, the Group established Chuanlutong Company, forming a specialised operational team responsible for the market-oriented entrusted operation projects of Tianfu Airport Expressway, Pudu Expressway, and Cangba Expressway, achieving profitability in its first year and advancing the output of operational branding. Leveraging Sichuan’s regional cultural characteristics and passenger demand insights, the Group deepened its expressway service area operations. The Ande Service Area on Chengguan Expressway demonstrated initial operational and social benefits, earning widespread acclaim from travelers and being rated as Sichuan’s fourth and Chengdu’s first Five-Star Service Area under municipal expressway management. The Xinfan Service Area on Chengpeng Expressway, guided by the service philosophy of “providing a home on the road,” created a “spiritual home,” “cultural home,” and “harmonious home,” addressing challenges such as “parking and rest difficulties” for truck drivers. It was awarded the “Warm Home for Truck Drivers (Category A)” title by the Sichuan Provincial Department of Transport and selected as one of the “Top Ten Cases” for corporate social responsibility among Chengdu municipal state-owned enterprises. Additionally, the Group proactively addressed historical legacy issues by systematically reviewing existing assets, successfully reclaiming land ownership for the Pingle Gas Station on Qiongmeng Expressway at a low cost, thereby adding a high-value land asset.

Strengthen Planning and Safeguards to Explore New Financing Channels

During the Reporting Period, the Group maintained its domestic credit rating of AA+ and focused on improving its diversified financing system. Beyond traditional financing efforts, it accurately assessed policy windows, selectively utilised financing instruments, and scientifically managed the execution pace by initiating the multiple-tranche issuance of corporate bonds with a total amount not exceeding RMB2 billion. This not only secured early funding for the Chengwenqiong Expressway Expansion Construction Project, but also further expanded financing channels.



CHAIRMAN'S STATEMENT

OUTLOOK IN 2025

The year 2025 marks the decisive final stage of the “14th Five-Year Plan.” Standing at a new historical starting point, the Group will adhere to the theme of advancing high-quality development. On one hand, it will focus on core responsibilities and primary business operations, continuously enhance operational capabilities, and solidify the foundation of corporate operations. On the other hand, through enriching high-quality road assets, expanding smart application scenarios, deepening the “Expressway+” initiative and new energy businesses, the Group aims to build a diversified and synergistic business operation system, striving to strengthen core competitiveness and cultivate new growth drivers.

In the expressway segment, firstly, the Group will further deepen the development of the “Chengdu Expressway” operational brand, rigorously manage the operation of its expressway network, and drive dual improvements in brand value and management efficiency; secondly, optimise its layout and expand the “Expressway+” business model, continuously enhancing service quality through management innovation and differentiated offerings to boost service-added value and user experience; thirdly, accelerate the application of smart transportation innovations, focusing on intelligent toll collection, vehicle-road coordination, and smart service areas, while cultivating a smart transportation industry chain to enable digital and intelligent transformation of traditional infrastructure.

In the energy segment, the Group will closely align with the national “dual-carbon” strategic goals, actively respond to urban green and low-carbon transition opportunities, and leverage the locational advantages of existing fuel and gas stations to build an industrial structure integrating traditional and new energy synergistically. In the traditional oil and gas sector, the Group will rigorously analyse market trends for refined oil and natural gas, optimise resource allocation and distribution systems, continuously refine resource pool structures, strengthen marketing efforts to expand sales and reduce inventory while effectively lowering overall procurement costs, and enhance sales efficiency. In the new energy sector, the Group will accelerate energy structure transformation, prioritise charging infrastructure network development, extend to the operation of three microgrid scenarios, actively explore clean energy applications such as hydrogen and photovoltaic power, and establish a comprehensive energy service system integrating “oil, gas, electricity, and hydrogen” to drive rapid quality and scale improvements in new energy industries. Additionally, the Group will focus on constant optimisation of virtual power plant platform and integrating AI technologies to upgrade digital energy management platforms.

The Group will faithfully fulfill its listing commitments, seize new development opportunities, and continuously create value for the Shareholders.



CHAIRMAN'S STATEMENT

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express gratitude to the Company's Shareholders, clients, partners, management and all employees for their support.

Yang Tan

Chairman

Chengdu, the PRC, 26 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF THE GROUP'S OPERATING RESULTS

	As of 31 December 2024 RMB	As of 31 December 2023 RMB
Revenue	2,915,386,143	2,894,040,981
Including:		
Toll income	1,432,748,797	1,470,432,380
Revenue from operation and management services	106,979,454	70,426,406
Revenue from maintenance services	17,942,870	17,299,626
Revenue from construction services	39,609,163	12,058,159
Revenue from sales of refined oil	1,259,954,132	1,269,066,964
Revenue from convenience stores	25,662,995	17,372,516
Charging pile service fee income	2,566,579	–
Gas refueling income	1,758,228	–
Asset rental income	19,125,369	13,333,907
Traffic volume compensation for operation suspension at a toll station	–	13,283,433
Forward traffic volume compensation	7,107,691	3,697,111
Others	1,930,865	7,070,479
Total profit	785,981,781	806,866,677
Net profit attributable to the Shareholders of the Company	519,517,638	618,766,312
Basic earnings per Share	0.31	0.37

SUMMARY OF THE GROUP'S FINANCIAL POSITION

	As at 31 December 2024 RMB	As at 31 December 2023 RMB
Total assets	9,041,947,811	9,254,746,976
Total liabilities	3,450,010,327	3,952,422,829
Non-controlling interests	1,002,225,837	953,679,228
Total equity attributable to Shareholders of the Company	4,589,711,647	4,348,644,919

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

The Group generates revenue from two business segments, mainly comprising (i) toll income from operating expressways; and (ii) revenue from sales of refined oil through operating petrol stations.

During the Reporting Period, the Group operated Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Chengdu Airport Expressway and Qiongming Expressway, as well as Tianfu Airport Expressway, Pudu Expressway and Cangba Expressway under entrusted management under the expressway segment; while under the energy segment, 27 petrol stations and 1 gas station of the Group were in operation, 3 gas stations of the Group were in construction (including the stations which completed construction and yet to commence operation), and 3 petrol stations, i.e. Xinhua Petrol Station and Huamin Petrol Station (including Chengluo Petrol Station thereunder) were under entrusted management.

The Group achieved revenue of RMB2,915,386,143 during the Reporting Period (2023: RMB2,894,040,981), representing an increase of RMB21,345,162, or 0.7%, from 2023, including revenue from the expressway segment of RMB1,612,188,802, representing a year-on-year increase of 1.2%, accounting for 55.3% of the total revenue for 2024, and revenue from the energy segment of RMB1,303,197,341, representing a year-on-year increase of 0.2%, accounting for 44.7% of the total revenue for 2024.

The table below sets forth an analysis of revenue generated by the Group during the Reporting Period:

	2024 RMB	2023 RMB	Increase/ (decrease) from the corresponding period of preceding year
Revenue from expressway segment:			
Toll income	1,432,748,797	1,470,432,380	(2.6%)
Revenue from operation and management services	99,846,851	62,400,479	60.0%
Revenue from maintenance services	17,942,870	17,299,626	3.7%
Revenue from construction services	38,038,526	12,058,159	215.5%
Asset rental income	16,251,280	10,860,602	49.6%
Traffic volume compensation for operation suspension at a toll station	—	13,283,433	—
Forward traffic volume compensation	7,107,691	3,697,111	92.2%
Others	252,787	3,499,494	(92.8%)
	1,612,188,802	1,593,531,284	1.2%
Revenue from energy segment:			
Revenue from sales of refined oil	1,259,954,132	1,269,066,964	(0.7%)
Revenue from construction services	1,570,637	—	—
Revenue from convenience stores	25,662,995	17,372,516	47.7%
Revenue from operation and management services	7,132,603	8,025,927	(11.1%)
Charging pile service fee income	2,566,579	—	—
Gas refueling income	1,758,228	—	—
Asset rental income	2,874,089	2,473,305	16.2%
Others	1,678,078	3,570,985	(53.0%)
	1,303,197,341	1,300,509,697	0.2%
Total revenue	2,915,386,143	2,894,040,981	0.7%

MANAGEMENT DISCUSSION AND ANALYSIS

Expressway Segment

During the Reporting Period, the Group's revenue from expressway segment amounted to RMB1,612,188,802 (2023: RMB1,593,531,284), representing an increase of RMB18,657,518, or 1.2%, from 2023.

- Revenue from the expressway segment represented primarily toll income, which accounted for 88.9% of the total revenue from expressway segment. During the Reporting Period, toll income from the expressway segment amounted to RMB1,432,748,797, representing a decrease of RMB37,683,583, or 2.6% year-on-year. During the Reporting Period, while Chengguan Expressway recorded certain increase in traffic volume and toll income, other expressways managed by the Group experienced a year-on-year decline traffic volume and toll income, which was primarily attributable to (i) insufficient effective demand in the domestic economy coupled with the short-term frequent occurrences of extreme weather, leading to a year-on-year decrease in traffic volume and toll income; (ii) an extension in toll-free period by a total of four days as compared with the previous year during the Spring Festival and Qingming Festival holidays, resulting in a fall in toll income; (iii) disappearance of the favorable factors, i.e. complete close-down of the major route of G5 Jingkun Expressway (Chengmian section) during construction in 2023 that benefited Chengpeng Expressway with increased toll income due to traffic diversion; (iv) implementation of the differentiated preferential tariff policy for freight vehicles in Sichuan during 1 April 2024 to 31 December 2024 pursuant to the Notice on Certain Policies and Measures to Continuously Consolidate and Strengthen the Economic Recovery issued by the General Office of Sichuan Provincial People's Government (Chuan Ban Gui [2024] No. 2), leading to a decrease in toll income on our expressways; (v) prohibition of access to Qiongmeng Expressway for two days during construction control, leading to a decrease in its traffic volume and toll income; and (vi) a decrease in traffic volume and toll income of Chengdu Airport Expressway as a result of commencement of operation of Chengdu Metro Line No. 19, extension of Chengdu Metro Line No. 10 and lane occupation within Shuangliu Airport due to construction.

- Set out below is the toll income data for each expressway held by the Group during the Reporting Period:

Expressway toll income	2024 RMB	2023 RMB	Increase/ (decrease) from the corresponding period of preceding year
Chengguan Expressway	425,818,567	412,444,388	3.2%
Chengpeng Expressway	288,287,432	293,229,908	(1.7%)
Chengwenqiong Expressway	416,236,360	433,531,677	(4.0%)
Chengdu Airport Expressway	106,122,366	111,378,926	(4.7%)
Qiongmeng Expressway	196,284,072	219,847,481	(10.7%)
Total	1,432,748,797	1,470,432,380	(2.6%)

MANAGEMENT DISCUSSION AND ANALYSIS

- 2) Set out below is the traffic volume of each expressway held by the Group recorded during the period from 1 January 2024 to 31 December 2024:

Expressway traffic volume	2024	2023	Year-on-year increase/ (decrease)
Chengguan Expressway	55,354	54,041	2.4%
Chengpeng Expressway	61,113	61,931	(1.3%)
Chengwenqiong Expressway	52,752	53,701	(1.8%)
Chengdu Airport Expressway	30,861	32,892	(6.2%)
Qiongming Expressway	17,079	17,931	(4.8%)
Total	217,159	220,496	(1.5%)

- During the Reporting Period, the expressway segment achieved revenue from operation and management services of RMB99,846,851, accounting for 6.2% of the revenue from expressway segment, and representing a year-on-year increase of 60.0%, which was the operation and management service fees charged for provision of operation and management services to Tianfu Airport Expressway, Pudu Expressway and Cangba Expressway.
- During the Reporting Period, the expressway segment achieved revenue from maintenance services of RMB17,942,870, accounting for 1.1% of the revenue from expressway segment, and representing a year-on-year increase of 3.7%, which was derived from maintenance services provided to Tianfu Airport Expressway and Pudu Expressway.
- During the Reporting Period, the expressway segment achieved revenue from construction services of RMB38,038,526, accounting for 2.4% of the revenue from expressway segment, and representing a year-on-year increase of 215.5%, which was derived from the corresponding construction income recognised by the Group based on the progress of the Chengwenqiong Expressway Expansion Construction Project up to 31 December 2024 in accordance with the requirements of the China Accounting Standards for Business Enterprises.
- During the Reporting Period, the expressway segment achieved asset rental income of RMB16,251,280, accounting for 1.0% of the revenue from expressway segment, and representing a year-on-year increase of 49.6%, which was mainly derived from the rental income generated from the Group's lease of certain properties of Ande South Service Area and Ande North Service Area.
- During the Reporting Period, the expressway segment achieved forward traffic volume compensation of RMB7,107,691, accounting for 0.4% of the revenue from expressway segment, and representing a year-on-year increase of 92.2%, which was attributable to the Chengguan Expressway Pidu east (five-ring interconnection) transformation project.
- During the Reporting Period, the expressway segment achieved other income of RMB252,787, representing a year-on-year decrease of 92.8%.

MANAGEMENT DISCUSSION AND ANALYSIS

Energy Segment

During the Reporting Period, the Group's revenue from energy segment amounted to RMB1,303,197,341 (2023: RMB1,300,509,697), representing an increase of RMB2,687,644, or 0.2%, from 2023.

1. The major source of revenue from energy segment was revenue from sales of refined oil, which accounted for 96.7% of the revenue from energy segment. During the Reporting Period, revenue from sales of refined oil amounted to RMB1,259,954,132, representing a decrease of RMB9,112,832 from 2023, and a year-on-year decrease of 0.7%, mainly due to the fluctuation of domestic refined oil guiding price and increase in promotions from 2023, the sales price of refined oil is lower than that in 2023.
2. During the Reporting Period, the energy segment newly achieved revenue from construction services of RMB1,570,637, accounting for 0.1% of the revenue of the energy segment, which was primarily attributable to charging piles newly constructed by New Energy Company in 2024.
3. During the Reporting Period, the energy segment achieved revenue from convenience stores of RMB25,662,995, which accounted for 2.0% of the revenue from energy segment and represented a year-on-year increase of 47.7%, which was mainly attributable to an increase in revenue resulting from increase in the number of convenience stores.
4. During the Reporting Period, the energy segment achieved revenue from operation and management services of RMB7,132,603, which accounted for 0.5% of the revenue from energy segment and represented a year-on-year decrease of 11.1%, primarily representing revenue from operation and management services provided to Xinhua Petrol Station and Huamin Petrol Station (including Chengluo Petrol Station thereunder) under entrusted management of Zhongyou Energy.
5. During the Reporting Period, the energy segment newly achieved charging pile service fee income of RMB2,566,579, which accounted for 0.2% of the revenue from energy segment.
6. During the Reporting Period, the energy segment newly achieved gas refueling income of RMB1,758,228, which accounted for 0.2% of the revenue from energy segment due to an increase in revenue from gas stations newly operated by Zhongyou Energy.
7. During the Reporting Period, the energy segment achieved asset rental income of RMB2,874,089, which accounted for 0.2% of the revenue from energy segment and represented a year-on-year increase of 16.2%.
8. During the Reporting Period, the energy segment achieved other income of RMB1,678,078, which accounted for 0.1% of the revenue from energy segment and represented a year-on-year decrease of 53.0%.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING COST

During the Reporting Period, operating cost of the Group mainly included fuel purchase cost, depreciation and amortisation, staff remuneration and expressway repair and maintenance cost. During the Reporting Period, the Group incurred operating cost of RMB1,834,741,112 (2023: RMB1,851,990,580), representing a year-on-year decrease of RMB17,249,468, or 0.9% from 2023.

Major factors with an impact include: (i) the expenditure on oil procurement was RMB1,055,236,360, representing a year-on-year decrease of RMB46,182,737, which was due to the decrease in the purchase price of refined oil; (ii) depreciation and amortisation expenses were RMB378,885,728, representing a year-on-year decrease of RMB6,251,455, mainly due to the decline of expressway traffic volume, the amortisation cost and depreciation of intangible assets underlying service concession rights decreased; and (iii) expressway maintenance expenditure was RMB58,190,351, a year-on-year decrease of RMB6,173,112, mainly due to the decline in traffic volume and maintenance services required.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, the Group generated gross profit from operations of RMB1,080,645,031 (2023: RMB1,042,050,401), representing a year-on-year increase of 3.7%, and achieved gross profit margin of 37.1% (2023: 36.0%), representing a year-on-year increase of 1.1 percentage points. In particular, the expressway segment recorded gross profit of RMB880,356,529 and gross profit margin of 54.6% (2023: 54.3%), representing a year-on-year increase of 0.3 percentage point, primarily due to a significant increase in revenue from operation and management services. The energy segment recorded gross profit of RMB200,288,502 and gross profit margin of 15.4% (2023: 13.7%), representing a year-on-year increase of 1.7 percentage points, primarily due to a decline in oil purchase cost which exceeded that of the decrease in revenue from sales of oil.

ADMINISTRATIVE EXPENSES

During the Reporting Period, the Group incurred administrative expenses of RMB161,734,717 (2023: RMB136,802,593), representing a year-on-year increase of 18.2%, which was mainly attributable to the increase in labour cost and the recognition of expenses incurred for the originally proposed application for listing of A Shares during the Reporting Period.

During the Reporting Period, the management staff benefit expenses (including salary and social insurance expenses) of the Group were RMB116,659,252 (2023: RMB100,644,827).

MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENT INCOME

During the Reporting Period, the Group's investment income was RMB31,725,978 (the same period in 2023: RMB26,694,326), an increase of RMB5,031,652 compared with the same period in 2023, with a year-on-year increase of 18.8%. Among them, (i) due to the impact of the increase in sales of new energy vehicles, investment income recognized in joint venture Sinopec Energy decreased by RMB48,012 year-on-year and investment loss recognized in Battery Services-Communications Investment increased by RMB1,684,572 year-on-year; (ii) the Group's investment income from associates such as Chengdu Tongneng, Chengdu Jiuhe and Chengdu Jiaoyun CNG increased by RMB97,981, RMB11,035 and RMB32,888 respectively; investment loss recognized in associate Zhongyou Jieneng increased by RMB380,569 year-on-year; (iii) the Group's investment income in New Energy Company increased by RMB3,670,572 year-on-year; the investment income recognised in Teld, an associate, decreased by RMB4,044,291 year-on-year; (iv) the Group's investment income from the associate Chengbei Exit Expressway Company increased by RMB5,258,120; and (v) during the Reporting Period, the dividend income of other non-current financial assets held by the Group increased by RMB2,118,500.

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

During the Reporting Period, net profit attributable to the Shareholders of the Company amounted to RMB519,517,638 (2023: RMB618,766,312), representing a year-on-year decrease of RMB99,248,674, or 16.0%; and basic earnings per Share reached approximately RMB0.31 (2023: approximately RMB0.37), representing a year-on-year decrease of 16.2%, primarily attributable to decrease of toll income, increase of administrative expenses and increase of income tax expenses during the Reporting Period, which in turn led to the decrease in net profit attributable to the Shareholders of the Company and basic earnings per Share.

ASSETS AND LIABILITIES OVERALL CONDITIONS

As at the end of the Reporting Period, total assets of the Group amounted to RMB9,041,947,811 (31 December 2023: RMB9,254,746,976), representing a decrease of RMB212,799,165, or 2.3% from the end of 2023. As at the end of the Reporting Period, the Group's assets mainly consisted of intangible assets underlying the service concession rights in respect of Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Chengdu Airport Expressway and Qiongming Expressway, which accounted for 56.1% of the Group's total assets. Currency funds and other assets accounted for 21.1% and 22.8% of total assets, respectively.

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB3,450,010,327 (31 December 2023: RMB3,952,422,829), representing a year-on-year decrease of RMB502,412,502, or 12.7% from the end of 2023, primarily due to the repayment of long-term borrowings of RMB218,000,000; a year-on-year decrease in accounts payable of RMB333,872,906; a year-on-year increase in taxes and surcharges payable of RMB6,470,710; and a year-on-year increase in non-current liabilities due within one year of RMB86,001,229 during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

BORROWINGS AND REPAYMENT CAPACITY

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB3,450,010,327, of which 73.1% (31 December 2023: 70.4%) represented total interest-bearing borrowings while 5.4% (31 December 2023: 13.2%) represented accounts payable.

As at the end of the Reporting Period, total interest-bearing borrowings of the Group amounted to RMB2,521,015,729 (31 December 2023: RMB2,780,958,357), of which RMB2,175,781,765 represented bank borrowings, RMB45,233,964 represented Shareholders' borrowings, and RMB300,000,000 represented medium-term notes. 86.3% of the interest-bearing borrowings are not repayable within one year. Borrowings of the Group are primarily denominated in RMB.

As at the end of the Reporting Period, bank borrowings of the Group carried an annual interest rate ranging from 2.86% to 3.71%. During the Reporting Period, interest expense of the Group amounted to RMB101,603,305 (2023: RMB114,352,584). Earnings before interest and tax amounted to RMB887,585,086 (2023: RMB921,219,261) and therefore interest coverage ratio (earnings before interest and tax divided by interest expenses) was 8.7 (2023: 8.1).

As at the end of the Reporting Period, gearing ratio of the Group (being total liabilities divided by total assets) was 38.2% (31 December 2023: 42.7%).

BORROWING RATIO

Being a measurement of financial leverage, borrowing ratio is calculated as net debt divided by "total equity and net debt". Net debt refers to interest-bearing bank and other loans minus cash and cash equivalents, not including liabilities for working capital purpose. Equity includes equity attributable to Shareholders of the Company and non-controlling interests. As at the end of the Reporting Period, the borrowing ratio of the Group was 9.9% (31 December 2023: 8.9%).

CAPITAL EXPENDITURE COMMITMENTS AND UTILISATION

During the Reporting Period, capital expenditure of the Group amounted to RMB502,233,529, primarily incurred for Chengpeng Expressway expansion and renovation and acquisition of land by Jinniu Xinyuanli.

As at the end of the Reporting Period, total capital expenditure commitments of the Group amounted to RMB739,098,131, including capital commitments of RMB663,098,131 for land relocation, survey and design of Chengwenqiong Expressway Expansion Construction Project and the construction of charging piles by Electric Power Construction, and investment commitments of RMB76,000,000 by Energy Development Company for equity investment in Battery Services-Communications Investment. The Group will finance the above capital expenditure commitments with self-owned funds and bank loans and prioritise using internal resources for this purpose.

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT RATIO

The Group focuses on maintaining a reasonable capital structure and continuously improving its profitability in order to maintain good credit standing and sound financial position.

As at the end of the Reporting Period, total current assets of the Group amounted to RMB2,404,932,953 (31 December 2023: RMB2,672,504,703), of which: (i) currency funds were RMB1,909,458,289 (31 December 2023: RMB2,260,931,042), accounting for 79.4% (31 December 2023: 84.6%) of current assets; (ii) accounts receivable were RMB365,586,224 (31 December 2023: RMB226,215,503), accounting for 15.2% (31 December 2023: 8.5%) of current assets; (iii) inventories were RMB26,982,613 (31 December 2023: RMB20,670,025), accounting for 1.1% (31 December 2023: 0.8%) of current assets; and (iv) prepayments and other current assets were RMB102,905,827 (31 December 2023: RMB164,688,133), accounting for 4.3% (31 December 2023: 6.2%) of current assets.

As at the end of the Reporting Period, current ratio (current assets divided by current liabilities) of the Group was 266.4% (31 December 2023: 243.7%).

The table below sets out certain information about the Group's consolidated statement of cash flows for the years ended 31 December 2023 and 2024:

	2024		2023
	RMB	RMB	RMB
Cash and cash equivalents presented in the consolidated statement of cash flows at the beginning of the year		2,260,931,042	1,814,070,960
Net cash flows from operating activities	806,007,655		1,114,589,492
Net cash flows used in investing activities	(463,310,046)		(75,227,224)
Net cash flows used in financing activities	(699,975,341)		(592,502,186)
Net (decrease)/increase in cash and cash equivalents		(357,277,732)	446,860,082
Cash and cash equivalents presented in the consolidated statement of cash flows at the end of the year		1,903,653,310	2,260,931,042
Analysis of balances of cash and cash equivalents			
Balance of cash and cash equivalents as at the end of the year		1,903,653,310	2,260,931,042
Including: term deposits due within three months		454,722,600	864,000,000
Cash and cash equivalents as stated in the consolidated statement of cash flows		1,903,653,310	2,260,931,042

MANAGEMENT DISCUSSION AND ANALYSIS

Net cash flows from operating activities: During the Reporting Period, the Group's net cash flow from operating activities was RMB806,007,655 (2023: RMB1,114,589,492), a year-on-year decrease of RMB308,581,837, mainly due to: (i) during the reporting period, cash received from selling goods and providing services decreased by RMB60,940,600 compared with 2023, which was mainly due to the decrease in the batch payment income of Chengwenqiong Expressway compared with 2023; (ii) cash paid to and for employees during the Reporting Period increased by RMB27,825,313 compared with 2023; (iii) taxes and surcharges paid during the Reporting Period increased by RMB85,962,462 compared with 2023; and (iv) other cash paid related to operating activities during the Reporting Period increased by RMB181,501,180 compared with 2023, mainly due to payment of the agent construction expenses involved in the expansion and renovation project of Chengpeng Expressway.

Net cash flows used in investing activities: During the Reporting Period, the Group's net cash flow used in investment activities was RMB463,310,046 (2023: RMB75,227,224), an increase of RMB388,082,822, mainly due to (i) an increase in cash received from disposal of investments of RMB330,000,000 during the Reporting Period; (ii) an increase in net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets of RMB375,303,804, which was mainly used to pay the levy for Chengwenqiong Expressway Expansion Construction Project, the final payment for the expansion and reconstruction project of Chengpeng Expressway and the land purchase of Jinniu Low-carbon Center by Energy Development Company; and (iii) the cash invested and paid during the Reporting Period increased by RMB362,000,000 compared with 2023, mainly due to the increase in the amount of structured deposits purchased this year.

Net cash flows used in financing activities: During the Reporting Period, the Group's net cash flow used in financing activities was RMB699,975,341 (2023: RMB592,502,186), an increase of RMB107,473,155 year-on-year, mainly because there was no new borrowings and capital contribution from non-controlling shareholders during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, Energy Development Company, a subsidiary of the Group, can control the daily business activities of New Energy Company, and therefore included New Energy Company and its wholly-owned subsidiary Electric Power Construction into its consolidation scope. Save as disclosed in this annual report, the Group did not hold any significant investments during the Reporting Period.

FUTURE PLAN FOR SIGNIFICANT INVESTMENT

For details of the Group's future significant investment, please refer to the section headed "Chairman's Statement". Save as disclosed in this annual report, the Group currently has no other future plans for significant investments or acquisitions of capital assets.

PLEDGE OF ASSETS

As at the end of the Reporting Period, the toll collection rights of Chengwenqiong Expressway with a net carrying amount of RMB879,515,027 (31 December 2023: RMB903,427,709) were pledged to secure bank loans and other loans of RMB350,000,000 (31 December 2023: RMB380,000,000), the toll collection rights of Chengpeng Expressway with a net carrying amount of RMB752,636,777 (31 December 2023: RMB909,545,373) were pledged to secure bank loans of RMB143,000,000 (31 December 2023: RMB143,000,000), and the toll collection rights of Qiongmeng Expressway with a net carrying amount of RMB2,100,399,338 (31 December 2023: RMB2,179,969,502) were pledged to secure bank loans of RMB1,505,000,000 (31 December 2023: RMB1,580,000,000).

EXCHANGE RATE FLUCTUATION RISK

As the Group operates in mainland China and the transactions are mainly settled in Renminbi, it is not exposed to material foreign exchange rate risk.

The Group currently does not engage in hedging activities that are designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange movements to maximise the Group's cash value.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

Lawsuits between Zhenxing Company and Tuochuang Construction

In 2021, Zhenxing Company and Sichuan Tuochuang Construction Engineering Co., Ltd. ("**Tuochuang Construction**") entered into an engineering construction contract, pursuant to which Tuochuang Construction was responsible for the construction of the Ande Service Area Project (Phase I). In May 2024, Tuochuang Construction filed a lawsuit against Zhenxing Company with the Pidu District People's Court of Chengdu City, demanding payment of outstanding project fees and various compensations totaling RMB28,059,936.

Upon receiving the aforementioned complaint, Zhenxing Company filed a counterclaim with the Pidu District People's Court of Chengdu City on the grounds of delayed completion of the project in question, demanding Tuochuang Construction pay liquidated damages of RMB10,032,492 for overdue project delivery.

As of the date of this report, Pidu District People's Court of Chengdu City has not awarded any judgement regarding the case.

Lawsuit between Energy Development Company and Huaguan Industrial

On 14 August 2014, Energy Development Company issued the "Letter of Undertakings on Solving Issues concerning Project Lands of Communications Investment Energy" (the "**Undertaking**") to Chengdu Huaguan Industrial Co., Ltd. (成都華冠實業股份有限公司) ("**Huaguan Industrial**"), the then non-controlling shareholder of Communications Investment Energy. Pursuant to the Undertaking, Energy Development Company was going through land procedures for one petrol station (No. 3 station), and land construction procedures for one petrol station and one gas station through swap for Communications Investment Energy. Following issuance of the Undertaking, despite several rounds of resolution between the parties, the land procedures for the petrol stations and gas station failed to be completed. Based on the above situation, Huaguan Industrial filed a lawsuit against Energy Development Company to Chengdu Intermediate People's Court in 2021, demanding Energy Development Company to 1) complete the construction land procedures for No. 3 station and help Communications Investment Energy to complete the state-owned land procedures; 2) identify lands for construction of one petrol station and one gas station within the administrative jurisdiction of Chengdu, and help Communications Investment Energy to complete the state-owned land procedures of the petrol station; and 3) compensate Huaguan Industrial for economic loss of RMB36,876,367.

On 11 August 2022, Chengdu Intermediate People's Court awarded a first-instance judgment, pursuant to which Energy Development Company shall not assume liability for compensation. Huaguan Industrial appealed the first-instance judgement to the High People's Court of Sichuan Province which heard the case on 21 November 2022, and issued a civil ruling on 15 February 2023, pursuant to which the High People's Court of Sichuan Province considered that Energy Development Company and Huaguan Industrial constituted contractual relationship of rights and obligations, and the original judgment made a mistake in determining whether the contract has been established. Accordingly, the High People's Court of Sichuan Province revoked the judgment awarded by Chengdu Intermediate People's Court in August 2022, and remanded the case to Chengdu Intermediate People's Court for retrial. As the first and second claims of Huaguan Industrial are in substance unfulfillable, Huaguan Industrial thus changed its claims to the followings in April 2023: 1) demand the court to terminate the contractual relationship of rights and obligations between Huaguan Industrial and Energy Development Company; 2) demand Energy Development Company to compensate Huaguan Industrial economic loss of RMB65,039,200; and 3) demand Energy Development Company to bear in full the litigation fee incurred in the case.

MANAGEMENT DISCUSSION AND ANALYSIS

On 19 September 2023, Chengdu Intermediate People's Court made the first-instance judgment on the above case, in which the court held that the legal claims of Huaguan Industrial lacked factual and legal basis and could not be substantiated in accordance with the laws, and were thus rejected.

On 26 September 2023, Huaguan Industrial appealed the aforesaid judgment to the High People's Court of Sichuan Province, which held a hearing on 29 November 2023. On 29 November 2024, the Sichuan Higher People's Court made a judgment: 1. revoke the civil judgment of the Chengdu Intermediate People's Court of Sichuan Province (2023) Chuan 01 Minchu No.260; 2. the contractual rights and obligations between Chengdu Huaguan Industrial Co., Ltd. and Chengdu Energy Development Co., Ltd. were terminated on 10 August 2021; 3. Chengdu Energy Development Co., Ltd. shall compensate Chengdu Huaguan Industrial Co., Ltd. for the loss of RMB8 million within 15 days from the effective date of this judgment; 4. reject other claims of Chengdu Huaguan Industrial Co., Ltd.. If the obligation to pay money is not fulfilled within the period specified in this judgment, the interest on the debt during the delayed performance shall be doubled in accordance with the provisions of Article 264 of the Civil Procedure Law of People's Republic of China. The acceptance fee for the first-instance case is RMB226,182, which is borne by Chengdu Huaguan Industrial Co., Ltd. of RMB198,362 and RMB27,820 by Chengdu Energy Development Co., Ltd. The acceptance fee for the second instance case is RMB226,182, which is borne by Chengdu Huaguan Industrial Co., Ltd. of RMB198,362 and RMB27,820 by Chengdu Energy Development Co., Ltd. The above judgment is final.

Lawsuit between Chengming Expressway Company and Xuyang Petrification

On 20 May 2022, Chengming Expressway Company initiated a lawsuit against Sichuan Xuyang Petrification Trading Co., Ltd. (四川省旭陽石化貿易有限公司) ("**Xuyang Petrification**"), the defendant, in the Jianyang People's Court, applying to legally invalidate the transfer (lease) agreements (the "**Agreements**") entered into between the parties on 27 December 2012 and 26 July 2014, respectively, in relation to the extended 12-year land use rights following the change of nature of land use rights of two pairs and a total of four petrol and gas stations in Qionglai and Mingshan service areas along the Qionglai – Mingshan Expressway alongside National Highway 318, and the construction and operation right of Pingle service area (including the petrol and gas stations), and demanding Xuyang Petrification to return Pingle service area to Chengming Expressway Company in status quo. Pursuant to the Agreements, amounts incurred from the change of nature of land use rights of two pairs and a total of four petrol and gas stations in Qionglai and Mingshan service areas, change of nature of land use rights of the petrol stations and gas stations in Pingle service area and construction of Pingle service area shall be paid by Xuyang Petrification. As of 31 December 2022, Xuyang Petrification had paid Chengming Expressway Company RMB6,833,248 for change of nature of land use rights, and partially completed the construction of the petrol stations in Pingle service area, which, however, did not commence commercial operation. Xuyang Petrification failed to pay Chengming Expressway Company any amount for transfer (lease) of construction and operation right as agreed in the agreements. Chengming Expressway Company recognised the amount paid by Xuyang Petrification for change of nature of land use rights in other payables.

On 26 July 2022, Chengming Expressway Company received the counterclaim filed by Xuyang Petrification, claiming that the demand raised by Chengming Expressway Company to invalidate the Agreements has in effect rendered the fulfillment of the Agreements unrealistic, and requesting Chengming Expressway Company to compensate economic loss thus incurred to Xuyang Petrification in a total amount of RMB28,162,100.

MANAGEMENT DISCUSSION AND ANALYSIS

On 20 April 2023, Xuyang Petrification modified its claims, and demanded the court to rule that Chengming Expressway Company (1) refund the land transfer consideration and tax payment of RMB6,249,506, as well as interest accrued on the occupied fund to Xuyang Petrification; and (2) compensate Xuyang Petrification for loss equivalent to the expected income from petrol stations in Pingle service area of RMB4,282,800, loss on construction expenditure of RMB2,966,700 and loss on land use right of the construction land of RMB6,261,200, totaling RMB13,510,700.

On 13 June 2023, the Jianyang People's Court awarded the judgement, pursuant to which, (i) Chengming Expressway Company and Xuyang Petrification shall rescind the Agreements, and Xuyang Petrification shall return Pingle service area to Chengming Expressway Company in its existing status; (ii) Xuyang Petrification shall pay Chengming Expressway Company loss of interest accrued on occupied rental of RMB2,082,066; and (iii) Chengming Expressway Company shall pay Xuyang Petrification land transfer consideration of RMB6,820,868 and interest accrued on such funds of RMB2,601,692, construction expenditure of RMB2,966,700 and loss equivalent to expected income of RMB4,282,800, totaling RMB16,672,060.

On 3 July 2023, Chengming Expressway Company and Xuyang Petrification both appealed the aforesaid judgment to Chengdu Intermediate People's Court. As of the Reporting Date, no judgement has been awarded by Chengdu Intermediate People's Court. On 7 May 2024, the Chengdu Intermediate People's Court made a judgment: the appeal was dismissed and the original judgment was upheld. The judgment is final.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As at 31 December 2024, the Company did not hold any treasury shares.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BIOGRAPHICAL DETAILS OF DIRECTORS

The table below sets forth information regarding the Directors ⁽¹⁾:

Name	Position(s)	Term of office ⁽¹⁾
Mr. Yang Tan	Chairman of the Board Executive Director General Manager	June 2023 – Up to now June 2020 – Up to now June 2020 to January 2025
Mr. Ding Dapan	Executive Director General Manager	September 2022 – Up to now January 2025 - Up to now
Mr. Xia Wei	Executive Director	October 2023– Up to now
Ms. Wu Haiyan	Non-executive Director	September 2022 – Up to now
Mr. Jiang Xinliang ⁽²⁾	Non-executive Director	January 2025 – Up to now
Mr. Leung Chi Hang Benson	Independent non-executive Director	September 2022 – Up to now
Mr. Qian Yongjiu	Independent non-executive Director	September 2022 – Up to now
Mr. Wang Peng	Independent non-executive Director	September 2022 – Up to now

Notes:

1. Term of office represents the period during which such individuals hold position(s) listed in the table. For details of their other positions, please refer to the following. The term of office of the second session of the Board has expired in June 2023.

Given that the nomination of candidates for the new session of Directors has not yet been completed, in order to maintain the continuity of the work of the Board, the election of the new session of the Board will be postponed, and the terms of office of the special committees under the second session of the Board and the senior management appointed by the Board will be postponed accordingly. The postponement of election of the Board will not affect the normal operation of the Company.

2. Mr. Jiang Xinliang has served as a non-executive Director with effect from 9 January 2025. Mr. Jiang has obtained the legal advice under Rule 3.09D of the Listing Rules on 9 January 2025, and has confirmed that he understands the responsibilities required for him as a director of listed issuers.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yang Tan (楊坦), Chairman and Executive Director

Mr. Yang Tan, aged 59, has been an executive Director since June 2020, secretary to the Party Committee and chairman of the Board since June 2023, and general manager of the Company from April 2020 to January 2025. Mr. Yang resigned as the general manager of the Company in January 2025 and continued to serve as the secretary to the Party Committee and chairman of the Board. Set forth below are the key biographies of Mr. Yang:

- staff member of North Gate Station of Chengdu Motor Transport Company (成都市汽車運輸公司) from August 1988 to November 1990;
- deputy director of the General Manager Office of Chengdu Motor Transport Corporation (成都市汽車運輸總公司) from December 1990 to August 1993;
- deputy general manager of Sichuan Tonglian Rare Animal Breeding Co., Ltd. (四川通聯珍稀動物養殖有限公司) from August 1993 to December 1996;
- deputy manager of Baiyun Hotel of Chengdu Motor Transport Corporation from December 1996 to October 1997;
- worked in the Fifth Branch of Chengdu Motor Transport (Group) Company (成都汽車運輸（集團）公司) from October 1997 to July 2010;
- general manager of Chengguan Expressway Company from July 2010 to April 2016;
- director and general manager of Energy Development Company from April 2016 to April 2020.

Mr. Yang graduated from Chongqing Jiaotong College, majoring in transportation management engineering in July 1988 with a bachelor's degree in engineering.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Ding Dapan (丁大攀), Executive Director and General Manager

Mr. Ding Dapan, aged 37, has served as an executive Director since September 2022, deputy general manager of the Company from November 2021 to January 2025, and general manager of the Company since January 2025. Set forth below are the key biographies of Mr. Ding:

- worked in Yangtze River Three Gorges Technology and Economic Development Company (長江三峽技術經濟發展公司) from July 2012 to February 2014;
- deputy principal staff member, third-tier principal staff member, second-tier principal staff member and deputy director of the Construction and Maintenance Department of the Expressway Administration Bureau (Law Enforcement Corps) of Department of Transportation of Sichuan Province from February 2014 to August 2020;
- deputy general manager of Operation Company from August 2020 to November 2021.

At present, Mr. Ding also concurrently serves as chairman of the board of directors of Operation Company.

Mr. Ding graduated from Southwest Jiaotong University with a master's degree of engineering majoring in bridge and tunnel engineering in July 2012. Mr. Ding was granted the qualification of engineer by Chengdu Human Resources and Social Security Bureau in January 2023.

Mr. Xia Wei (夏燁), Executive Director and Chief Accountant

Mr. Xia Wei, aged 49, has been the chief accountant of the Company since July 2023, executive Director since October 2023 and an authorised representative of the Company under Rule 3.05 of the Listing Rules (the "Authorised Representative") since April 2024. Set forth below are the key biographies of Mr. Xia:

- assistant accountant of Chengdu Guoteng Communication (Group) Co., Ltd. (成都國騰通訊（集團）有限公司) from July 1998 to April 2004;
- manager of the finance department of Sichuan Xinzhongtong Engineering Consulting Co., Ltd. (四川新中通工程諮詢有限公司) from April 2004 to June 2007;
- a clerk, principal staff, supervisor, senior supervisor and deputy director of the planning and finance department and deputy director of the finance department (capital centre) of Chengdu Communications Investment from June 2007 to July 2023.

Mr. Xia graduated from the School of Accounting of Southwestern University of Finance and Economics in July 1998, majoring in accounting with a bachelor's degree in economics. Mr. Xia was awarded the qualification of senior accountant by the Chengdu Review Committee of Accounting Professional Senior Positions in Sichuan Province in July 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Wu Haiyan (吳海燕), Non-executive Director

Ms. Wu Haiyan, aged 53, has served as a shareholder representative Supervisor from November 2016 to September 2022, and non-executive Director since September 2022. Set forth below are the key biographies of Ms. Wu:

- accountant and deputy manager of the finance department of Communications Investment Construction and Management from December 1997 to February 2007;
- accountant of Chengdu Communications Investment from February 2007 to January 2008;
- manager and deputy general manager of finance department of Chengdu Transportation Hub and Station Construction Management Company Limited (成都交通樞紐場站建設管理有限公司) from January 2008 to February 2015;
- head and deputy head (person-in-charge) of the finance department (capital centre) of Chengdu Communications Investment from February 2015 to July 2022;
- employee representative supervisor of Chengdu Communications Investment from September 2016 to August 2022.

At present, Ms. Wu also concurrently acts as a director of Chengdu Communications Investment Capital Management Co., Ltd. (成都交投資本管理有限責任公司) and dedicated external director of Chengdu Communications Investment Shancheng Industrial Co., Ltd. (成都交投善成實業有限公司).

Ms. Wu finished her junior college courses at Southwest University of Finance and Economics majoring in accounting in June 1993 and graduated from Correspondence College of the Party School of the Sichuan Provincial Committee of Communist Party of China (中共四川省委黨校函授學院) in June 2009 majoring in administration management with a bachelor's degree. Ms. Wu was recognised as a senior accountant by Chengdu Professional Title Reform Leading Group in November 2015.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Jiang Xinliang (蔣欣良), Non-executive Director

Mr. Jiang Xinliang, aged 51, has served as a non-executive Director since January 2025. Set forth below are the key biographies of Mr. Jiang:

- accountant in the Finance Section of the Port Affairs Office of the Transportation Bureau in Xinning County, Hunan Province (湖南省新寧縣交通局港務所財務科) from September 1993 to March 1996;
- accountant and accounting head successively in the Finance Department of Guangdong Yin Hai Group (Stock) Company Limited (廣東銀海集團(股份)有限公司) from March 1996 to September 1999;
- manager of the Management Department of Guangzhou Enhe Trading Beijing Branch (廣州恩和貿易北京分公司) from October 1999 to March 2000;
- deputy manager and manager of the Finance Department of Guangdong Guang Kong Huayin Property Management Company (廣東廣控華銀物業管理公司) from April 2000 to July 2002;
- head and deputy director of the Investment and Operation Department of Xin Yue Company Limited (新粵有限公司) from August 2002 to October 2015;
- head of the Investment and Operation Department of Xin Yue Company Limited, and concurrently as a director of Guangdong Jiangzhong Expressway Co., Ltd. (廣東江中高速公路有限公司), Guangzhou Xinyue Asphalt Co., Ltd. (廣州新粵瀝青有限公司), Guangdong Kaiyang Expressway Co., Ltd. (廣東開陽高速公路有限公司) and Xin Yue (Guangzhou) Financial Leasing Co., Ltd. (新粵(廣州)融資租賃有限公司) since November 2015.

Mr. Jiang obtained a master's degree from Sichuan University majoring in business administration in December 2014 and held qualifications of certified public accountant and certified tax agent.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Leung Chi Hang Benson (梁志恒), Independent Non-executive Director

Mr. Leung Chi Hang Benson, aged 46, has served as an independent non-executive Director since September 2022. Mr. Leung has over 20 years of experience in audit and financial management. Set forth below are the key biographies of Mr. Leung:

- auditor, senior auditor and audit manager of PricewaterhouseCoopers from September 2000 to June 2007;
- audit manager of the San Jose office in the United States of PricewaterhouseCoopers LLP from July 2007 to June 2009;
- senior audit manager and partner of PricewaterhouseCoopers from July 2009 to August 2020;
- partner of the PricewaterhouseCoopers Zhong Tian LLP Beijing Branch from September 2020 to February 2022;
- vice president of finance of A-Bite Technology Inc. (舌尖科技有限公司) from April 2022 to June 2022;
- executive director and general manager of Guangzhou Hongfu Supply Chain Co., Ltd. (廣州宏富供應鏈有限公司) from December 2022 to April 2023;
- regional director of Sifu Enterprise Management Consulting (Shanghai) Co., Ltd. (司富企業管理諮詢(上海)有限公司) from July 2022 to June 2023;
- independent director of Sansheng Intellectual Education Technology Co., Ltd. (三盛智慧教育科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300282) from August 2022 to October 2022;
- executive director, general manager and financial manager of Beijing Caidonghui Enterprise Management Consulting Co., Ltd. (北京財董匯企業管理諮詢有限公司) since September 2022;
- independent non-executive director of Hygieia Group Limited since April 2024.

Mr. Leung graduated from the University of Warwick (英國華威大學) in July 2000, and obtained a bachelor's degree with honours in accounting and finance. Mr. Leung is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants (ACCA).

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Qian Yongjiu (錢永久), Independent non-executive Director

Mr. Qian Yongjiu, aged 61, has served as an independent non-executive Director since September 2022. Set forth below are the key biographies of Mr. Qian:

- teaching assistant, lecturer, associate professor and professor in Southwest Jiaotong University since May 1986;
- Besides, Mr. Qian also acted as assistant director and deputy director of the Structural Engineering Research Institute, assistant director of the Structural Engineering Experiment Centre, deputy director of the human resources department, deputy dean and Party Secretary of the School of Civil Engineering of Southwest Jiaotong University.

Mr. Qian graduated from Southwest Jiaotong University in August 1992 with a doctorate in engineering.

Mr. Wang Peng (王鵬), Independent Non-executive Director

Mr. Wang Peng, aged 44, has served as an independent non-executive Director since September 2022. Set forth below are the key biographies of Mr. Wang:

- lecturer, assistant director, deputy director and professor of the School of Finance and the China Financial Research Institute (中國金融研究院) (formerly known as China Financial Research Centre (中國金融研究中心)) of Southwest University of Finance and Economics since September 2010;
- visiting scholar at the University of Colorado, Denver from March 2016 to February 2017.

Currently, Mr. Wang also serves as an independent director of Nanchong Rural Commercial Bank Co., Ltd. and Zigong Rural Commercial Bank Co., Ltd.

Mr. Wang graduated from Southwest Jiaotong University in June 2010 with a doctorate in business management.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BIOGRAPHICAL DETAILS OF SUPERVISORS

The following table sets forth information regarding the Supervisors ⁽¹⁾:

Name	Position	Term of office ⁽¹⁾
Ms. Jiang Yan	Chairlady of the Supervisory Committee (<i>Shareholder Representative Supervisor</i>)	May 2018 – Up to now
Mr. Zhang Chengyi	Supervisor (<i>Shareholder Representative Supervisor</i>)	September 2022 – Up to now
Mr. Zhang Yi	Supervisor (<i>Shareholder Representative Supervisor</i>)	June 2020 – Up to now
Ms. Xu Jingxian	Supervisor (<i>Employee Representative Supervisor</i>)	November 2016 – Up to now
Ms. Zheng Lifang	Supervisor (<i>Employee Representative Supervisor</i>)	October 2023 – Up to now

Note:

1. Term of office represents the period during which such individuals hold positions listed in the table. For details of their other positions, please refer to the following. Shareholder representative Supervisors and employee representative Supervisors of the second session of the Supervisory Committee were appointed for a term of office of three years commencing from June 2020. Given that the nomination of candidates for the new session of Supervisors has not yet been completed, in order to maintain the continuity of the work of the Supervisory Committee, the election of the new session of the Supervisory Committee will be postponed. Before the completion of the election of the new session of the Supervisory Committee, all members of the second session of the Supervisory Committee will continue to perform their respective duties and obligations in accordance with relevant laws and regulations as well as the Articles of Association of the Company and other relevant provisions.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Jiang Yan (蔣燕), aged 54, has served as chairlady of the Supervisory Committee and a shareholder representative Supervisor since May 2018. Set forth below are the key biographies of Ms. Jiang:

- accountant in Chongqing Yongchuan Cocoon Silk Group Company (重慶市永川市繭絲綢集團公司) from August 1991 to June 1993;
- loan officer and deputy section chief of cashier's department in Jintang sub-branch, Chengdu branch of Bank of Communications from June 1993 to December 1995;
- director of small local branch and deputy chief of accounting division in Jintang sub-branch, Sichuan branch of Industrial and Commercial Bank of China Limited from December 1995 to August 2004;
- financial manager in Sichuan Jieshijie New Material Co. Ltd. (四川傑事傑新材料有限公司) from August 2004 to March 2008;
- supervisor of the investment and financing department in Chengdu Modern Agricultural Logistics Development and Investment Co., Ltd (成都市現代農業物流業發展投資有限公司) from March 2008 to March 2009;
- deputy head of board's office in Chengdu Urban and Rural Commercial Logistics Development and Investment Group Co., Ltd. (成都城鄉商貿物流發展投資（集團）有限公司) from March 2009 to February 2011;
- deputy general manager of Zhongyou Jieneng from February 2011 to May 2011;
- CFO and deputy general manager of Energy Development Company from May 2011 to April 2016;
- deputy general manager of Chengdu Communications Investment Tourism Transportation Development Co., Ltd (成都交投旅遊運業發展有限公司) from April 2016 to February 2017;
- deputy department head of the operation and management department in Chengdu Communications Investment from February 2017 to March 2018;
- deputy department head and head of the capital operation department of Chengdu Communications Investment from March 2018 to July 2023.

At present, Ms. Jiang also concurrently acts as a dedicated external director of Communications Investment Construction and Management and Chengdu Communications Investment Capital Management Co., Ltd.

Ms. Jiang finished her junior college courses at Sichuan Business College majoring in planning and statistics in July 1991 and graduated from Correspondence College of the Party School of the Sichuan Provincial Committee of Communist Party of China in December 1997 majoring in economic management. Ms. Jiang received her economist certificate from the Ministry of Personnel of the People's Republic of China in October 1996 and the senior economist certificate issued by Chengdu Human Resources and Social Security Bureau in August 2020.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zhang Chengyi (張成毅), aged 44, has served as a shareholder representative Supervisor since September 2022. Set forth below are the key biographies of Mr. Zhang:

- worked for No.5 Engineering Corporation Limited of China Railway 11th Bureau Group Company Limited (中鐵十一局集團第五工程有限公司) from June 2004 to May 2005;
- designer, chief engineer, deputy director, secretary of the board of directors and vice president of the Design Department I of Traffic Survey and Design Institute (交通勘察設計院設計一處) from May 2005 to August 2015;
- general manager of Sichuan Wufeng Technology Co., Ltd. (四川五豐科技有限公司) from August 2015 to June 2016;
- senior director and deputy head of the investment development department and deputy head of the railway division of Chengdu Communications Investment from June 2016 to September 2017;
- director and general manager of Chengdu Jianzhou New Town Investment Group Co., Ltd. (成都市簡州新城投資集團有限公司) from September 2017 to May 2022;
- director and general manager of Communications Investment Construction and Management from May 2022 to August 2023;
- chairman of the board of directors and general manager of Communications Investment Construction and Management from August 2023 to June 2024;
- chairman of the board of directors of Communications Investment Construction and Management since June 2024.

At present, Mr. Zhang also concurrently serves as the president of Chengdu Highway Industry Association (成都公路行業協會).

Mr. Zhang graduated from Xihua University majoring in civil engineering (traffic civil engineering) in June 2004, and Tsinghua University majoring in business administration in June 2024. Mr. Zhang holds the professional qualifications of senior engineer.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zhang Yi (張毅), aged 39, has served as a shareholder representative Supervisor since June 2020. Set forth below are the key biographies of Mr. Zhang:

- member of the construction crew of Sichuan Junxiang Construction Engineering Co., Ltd. (四川俊翔建築工程有限公司) from July 2007 to July 2008;
- supervision engineer and director representative of Sichuan Zhongxin Construction Engineering Project Supervision Co., Ltd. (四川眾信建設工程項目監理有限公司) from August 2008 to March 2013;
- person-in-charge of the engineering department, head of the parking lot management station, senior director of the investment and development department, senior director of the operation and management department and deputy director and director of the operation and management department of Communications Investment Construction and Management from April 2013 to March 2024;
- director of the investment and operation department of Communications Investment Construction and Management since March 2024.

At present, Mr. Zhang also acts as director of Sichuan Hongsheng International Logistics Co., Ltd. (四川宏盛國際物流有限責任公司) and director of Chengming Expressway Company.

Mr. Zhang graduated from Sichuan College of Architectural Technology in July 2007, majoring in engineering supervision and from Southwest University of Science and Technology in December 2011, majoring in construction economics and management. Mr. Zhang was qualified as an engineer by Chengdu Professional Title Reform Leading Group in March 2018.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Xu Jingxian (許靜嫻), aged 47, has served as an employee representative Supervisor since November 2016, head of the finance department of the Company from November 2016 to February 2019, and redesigned from head of the finance management department of the Company to head of the audit and compliance department (accountability office) of the Company in March 2019. Set forth below are the key biographies of Ms. Xu:

- cashier, accountant, deputy head and head of the finance department of Chengguan Expressway Company from August 1998 to January 2017.

At present, Ms. Xu also acts as a supervisor (chairlady of the supervisory committee) of Chengdu Airport Expressway Company, supervisor (chairlady of the supervisory committee) of Energy Development Company and supervisor of Chengbei Exit Expressway Company.

Ms. Xu graduated from Sichuan Provincial Fiscal School in July 1998 majoring in finance and accounting, and graduated from Sichuan University majoring in marketing in June 2005.

Ms. Xu was recognised as a semi-senior accountant by Sichuan Province Personnel Department in October 2009. Ms. Xu obtained the qualification of senior accountant granted by Chengdu Human Resources and Social Security Bureau in July 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Zheng Lifang (鄭荔方) (formerly known as Zheng Qin (鄭沁)), aged 34, has served as the director of the finance management department of the Company since September 2023, and an employee representative Supervisor since October 2023. Set forth below are the key biographies of Ms. Zheng:

- worked for Huaneng International Electric Power Co., Ltd. Shanghai Electric Power Maintenance Company (華能國際電力股份有限公司上海電力檢修公司) from August 2014 to March 2017;
- worked for Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) from March 2017 to June 2018;
- principal staff and senior principal staff of the finance management department (financial sharing centre) of Chengdu Communications Investment from July 2018 to September 2023.

Currently, Ms. Zheng also acts as a director of Operation Company and Energy Development Company.

Ms. Zheng graduated from Shanghai University of Finance and Economics in June 2014 majoring in accounting (certified public accountants) with a bachelor's degree in management, and from Sichuan University in December 2021 majoring in business administration with a master's degree in business administration. Ms. Zheng obtained the qualification of certified public accountants granted by The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in May 2017.

BIOGRAPHICAL DETAILS OF SENIOR MANAGEMENT

The following table sets forth information regarding the senior management of the Company:

Name	Position(s)	Term of office ⁽¹⁾
Mr. Yang Tan	General Manager	April 2020 – January 2025
Mr. Ding Dapan ⁽²⁾	Deputy General Manager	November 2021 – January 2025
	General Manager	January 2025– Up to now
Mr. Liu Yujiang	Deputy General Manager	August 2023 – Up to now
Mr. Xia Wei	Chief Accountant	July 2023 – Up to now
Mr. Pan Xin	Deputy General Manager	June 2020 – Up to now
Mr. Guo Tianxing ⁽³⁾	Chief Engineer	July 2024– Up to now
Mr. Zhang Guangwen	Secretary to the Board and Joint Company Secretary	December 2016 – April 2024

Notes:

1. Term of office represents the period during which such individuals hold positions listed in the table. For details of their other positions, please refer to the following.
2. Mr. Ding Dapan has served as the general manager of the Company since January 2025.
3. Mr. Guo Tianxing has served as the chief engineer of the Company since July 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yang Tan (楊坦), aged 59, is the Chairman of the Board and an executive Director of the Company. For biographical details of Mr. Yang, please refer to the sub-section headed “Biographical Details of Directors” in this section.

Mr. Ding Dapan (丁大攀), aged 37, is an executive Director and General Manager of the Company. For biographical details of Mr. Ding, please refer to the sub-section headed “Biographical Details of Directors” in this section.

Mr. Liu Yujiang (劉育江), aged 44, has served as Deputy General Manager of the Company since August 2023. Set forth below are the key biographies of Mr. Liu:

- trainee and assistant engineer of China Railway Eleventh Bureau Group Second Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司) from July 2003 to March 2006;
- worked for Sichuan Province Jiang'an County Transportation Construction Engineering Co., Ltd. (四川省江安縣交通建築工程有限責任公司) from March 2006 to May 2007;
- staff member, deputy section chief of supervision division, section chief of quality supervision division and section chief of safety supervision division of Transportation Infrastructure Quality Supervision Station (Cost Management Station) of Chengdu Municipal Transportation Commission from June 2007 to August 2016;
- deputy general manager of Chengdu Road and Bridge Operation and Management Company Limited (成都市路橋經營管理有限責任公司) from September 2016 to March 2018;
- deputy general manager of Communications Investment Construction and Management from March 2018 to August 2023;
- director of Communications Investment Construction and Management from April 2021 to August 2022.

Mr. Liu graduated from Southwest Jiaotong University in July 2003 majoring in civil engineering with a bachelor's degree in engineering, and from Southwest Jiaotong University in December 2011 with a master's degree in engineering in the field of architecture and civil engineering. Mr. Liu was awarded the qualification of first class constructor (highway engineering) by the Ministry of Human Resources and Social Security and the Ministry of Housing and Urban-Rural Development of the People's Republic of China in January 2010, and was awarded the qualification of senior engineer (road and bridge engineering) by Chengdu Professional Title Reform Leading Group in November 2013.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xia Wei (夏煒), aged 49, is an executive Director and Chief Accountant of the Company. For biographical details of Mr. Xia, please refer to the sub-section headed “Biographical Details of Directors” in this section.

Mr. Pan Xin (潘欣), aged 37, has served as Deputy General Manager of the Company since May 2020, and Supervisor of the Company from November 2016 to May 2020. Set forth below are the key biographies of Mr. Pan:

- director and supervisor of the investment and development department of Chengdu Communications Investment from July 2013 to September 2016;
- head of the investment and development department of Communications Investment Construction and Management from September 2016 to May 2020.

At present, Mr. Pan also acts as director of each of Energy Development Company and Operation Company.

Mr. Pan graduated from Southwest Jiaotong University majoring in traffic transportation with a bachelor’s degree in engineering in June 2010, and obtained his master’s degree in engineering from Southwest Jiaotong University majoring in transportation planning and management in June 2013. Mr. Pan was recognised as a logistician by China Federation of Logistics and Purchasing and the National Logistics Standardisation Technical Committee in December 2011. He obtained the qualification of engineer granted by Chengdu Professional Title Reform Leading Group in December 2017, the qualification of grade II constructor granted by the Sichuan Provincial Department of Human Resources and Social Security and the Sichuan Provincial Department of Housing and Urban-Rural Development in June 2018, and the qualification of economist granted by Ministry of Human Resources and Social Security of the PRC in November 2018.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Guo Tianxing (郭天興), aged 43, has served as the Chief Engineer of the Company since July 2024. Set forth below are the key biographies of Mr. Guo:

- general management personnel in Chengdu Construction Engineering Road & Bridge Construction Co., Ltd. (成都建工路橋建設有限公司) from July 2005 to January 2010;
- deputy director of the project cost department of the Construction and Management Branch of Chengdu Construction Engineering Road & Bridge Construction Co., Ltd. from January 2010 to September 2010;
- deputy director of the contract budget department of the Engineering Consultation Management Branch of Chengdu Construction Engineering Road & Bridge Construction Co., Ltd. from September 2010 to April 2012;
- director of the contract budget department of Xinghuai Branch of Chengdu Construction Engineering Road & Bridge Construction Co., Ltd. from April 2012 to July 2014;
- deputy general manager of Chengdu Xingjian Project Construction Management Co., Ltd. (成都興建項目建設管理有限責任公司) from July 2014 to October 2015;
- manager of the investment management department and director of the market investment and development department of Chengdu Construction Engineering Road & Bridge Construction Co., Ltd. from October 2015 to September 2018;
- interim person-in-charge of Chengdu Xingjian Project Construction Management Co., Ltd. from September 2018 to June 2021;
- assistant to general manager, director of the operation development department and director of the audit and supervision department of Chengdu Communications Investment Construction Co., Ltd. (成都交投建設有限公司) from June 2021 to July 2024.

At present, Mr. Guo also concurrently serves as chief engineer of Chengdu Chengwenqiong Expressway Co., Ltd. and an executive director of Chengdu Jingsheng Construction Engineering Co., Ltd. (成都景升建築工程有限公司).

Mr. Guo graduated from school of engineering of China University of Geosciences (Wuhan) in June 2005 majoring in civil engineering with a bachelor's degree in engineering, and studied in the advanced seminar of modern enterprise management for young and middle-aged managers and backup managers of Chengdu Construction Engineering Road & Bridge Construction Co., Ltd. in School of Business Administration of Sichuan University between November 2011 and March 2012.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE STRUCTURE

The Company conducts its business strictly in accordance with the relevant laws and regulations and regulatory documents such as the Company Law and the Listing Rules as well as requirements of the Articles of Association. The Company has established an internal governance structure with well-established policies and systems which consists of the general meeting, the Board and its special committees, the Supervisory Committee and senior management.

The Board believes that high standards of corporate governance are essential to providing a framework for the Company to safeguard the interests of Shareholders of the Company, enhance corporate value, formulate business strategies and policies, and enhance transparency and accountability. The Company managed to maintain high standards of corporate governance, and each of the internal governance departments was operated independently and efficiently with its respective duties and obligations being practically fulfilled.

The Company has adopted the principles and code provisions of good corporate governance as set out in part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules as its own corporate governance code. Save for deviations from code provisions C.2.1 and B.2.2 of Part 2 of the Corporate Governance Code, the Company has been in compliance with the applicable code provisions throughout the Reporting Period.

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same person at the same time. Mr. Yang Tan, the General Manager of the Company, who performs the same duties as the Chief Executive Officer, has been acting as the Chairman of the Company since 15 March 2023 and was appointed as the chairman of the Company on 7 June 2023. Mr. Yang Tan is familiar with the development strategy, Board operation and business management of the Company. The Board believes that the arrangement for Mr. Yang Tan to concurrently assume the roles of both the Chairman of the Board and the General Manager of the Company will provide the Group with unified leadership, enhance the efficiency of the Company's decision-making and execution, and effectively capture business opportunities. In addition, the duties and division of responsibilities between the Chairman of the Board and the General Manager of the Company have been clearly defined and set out in writing to ensure that their respective duties are carried out in a clear and efficient manner, with clear delineation of authority and responsibility, and such arrangement will not jeopardise the balance of power and responsibility between the Board and the management of the Group. On 23 January 2025, Mr. Yang Tan tendered his resignation to the Board to resign as the General Manager of the Company due to work arrangement with effect from 23 January 2025. On the same date, the Board resolved to appoint Mr. Ding Dapan as the General Manager of the Company with effect from 23 January 2025. In light of the above, the roles of Chairman of the Board and General Manager of the Company have been separated.

Code provision B.2.2 stipulates that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. As disclosed in the announcement of the Company dated 9 June 2023, the term of office of the second session of the Board of Directors and the Supervisory Committee of the Company has expired on 11 June 2023. Given that the nomination of candidates for the new session of Directors and Supervisors of the Company has not yet been completed, in order to maintain the continuity of the work of the Board and the Supervisory Committee of the Company, the election of the new session of the Board and the Supervisory Committee will be postponed, and the terms of office of the special committees under the second session of the Board of Directors of the Company and of the senior management appointed by the Board of Directors will be postponed accordingly. The postponement of election of the Board and the Supervisory Committee will not affect the normal operation of the Company. The Company will actively promote the relevant work and complete the election of the new session of the Board and the Supervisory Committee as soon as possible and fulfill the corresponding information disclosure obligations in a timely manner.



CORPORATE GOVERNANCE REPORT

CORPORATE CULTURE OF THE COMPANY

The Company's corporate culture is characterised by diversity, openness, and inclusivity. It embodies the core values of the Group, including our mission, vision and values, which serve as a strong guiding force and cultural foundation for the development of the Group. The Company will continue to uphold this corporate culture, continuously advance our various tasks, provide customers with better services, and create greater value for society.

In 2024, the Company implemented various initiatives and focused on four key areas: stakeholder-centric approach, strong operational performance, talent and culture, and risk management and internal controls. These efforts were aimed at further strengthening the Company's cultural framework. Details of these initiatives are set out in the "Chairman's Statement" and "Corporate Governance Report" sections of this annual report and the "2024 Corporate Social Responsibility Report".

MISSION OF THE COMPANY

Our mission is to facilitate convenient transportation, shape transformative transportation experiences, and bridge the Chengdu-Chongqing economic zone.

VISION OF THE COMPANY

Become a "comprehensive service provider for transportation and travel scenarios" rooted in Chengdu with a leading position in the industry and nationwide influence.

Rooted in Chengdu: We will put great efforts in investment, construction, operation, and maintenance of expressways and energy industry in Chengdu and its surrounding areas, and gradually expand to markets in and out of Sichuan.

Leading position in the industry: By actively shaping lifestyle scenarios based on expressways and energy industry, we will establish a service brand, foster innovation, and become a company with significant industry influence and a prominent role in setting standards.

Expanding nationwide: Leveraging national strategies such as the "Chengdu-Chongqing Economic Zone", we will strive to achieve nationwide business development.



CORPORATE GOVERNANCE REPORT

CORPORATE VALUE OF THE COMPANY

Relentless pursuit of innovation, unity and collaboration, courage to shoulder responsibilities, and a commitment to integrity and practicality.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct for all Directors and Supervisors in conducting securities transactions of the Company. The Company has made specific enquiries to all Directors and Supervisors, and they confirmed that they complied with the requirements of the Model Code throughout the Reporting Period.

THE BOARD

The Board performs its functions and exercises its powers in accordance with the provisions of the Articles of Association. The Board is responsible for overseeing the Company's businesses, strategic decisions and performance and should make decisions objectively in the best interests of the Company.

As at the Reporting Date, the Board comprised eight Directors, consisting of three executive Directors, two non-executive Directors and three independent non-executive Directors. The term of office of Directors shall be three years commencing from the date of election till the expiry of the current session of the Board and is renewable upon re-election. Please refer to the sub-section headed "Biographical Details of Directors" of "Biographical Details of Directors, Supervisors and Senior Management" of this annual report for information on the specific members of the Board, their terms of office and biographical information. None of the members of the Board have any financial, business, family or other material relationships with each other.

CORPORATE GOVERNANCE REPORT

The general meetings, Board meetings and special committees meetings attended in person by the Directors during the Reporting Period are as follows:

	Actual attendance/Required attendance					
	General Meeting	Board Meeting	Audit and Risk Management Committee Meeting	Nomination Committee Meeting	Remuneration and Evaluation Committee Meeting	Strategy and Development Committee Meeting
Executive Directors						
Yang Tan (<i>Chairman of the Board</i>)	2/2	20/20	N/A	3/3	N/A	8/8
Ding Dapan (<i>General Manager</i>)	2/2	20/20	N/A	N/A	N/A	N/A
Xia Wei	2/2	20/20	N/A	N/A	N/A	N/A
Non-executive Director						
Wu Haiyan	2/2	20/20	10/10	N/A	2/2	N/A
Independent Non-executive Directors						
Leung Chi Hang Benson	2/2	20/20	10/10	N/A	N/A	8/8
Qian Yongjiu	2/2	20/20	N/A	3/3	2/2	8/8
Wang Peng	2/2	20/20	10/10	3/3	2/2	N/A

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with Rules 3.10(1), (2) and 3.10A of the Listing Rules relating to appointment of independent non-executive Directors. The Board has appointed three independent non-executive Directors and at least one of them possesses appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received the annual written confirmation letter from each of the independent non-executive Directors in respect of his independence. The Company is of the view that all independent non-executive Directors remain independent.

CORPORATE GOVERNANCE REPORT

DUTIES OF THE BOARD

The Board is responsible for and has full power and authorities for the management and development of the Company. The functions and duties of the Board include: convening the Shareholders' general meetings and to report on its work to the Shareholders' general meetings; implementing the resolutions adopted by the Shareholders' general meetings; determining the Company's business plans and investment plans; formulating the Company's annual plans for financial budgets and final accounts; formulating the Company's profit distribution plans and plans to cover losses; and exercising other powers, functions and duties conferred by the Articles of Association.

The Board is responsible for performing corporate governance functions, including (i) formulating and reviewing the corporate governance policies and practices of the Company; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices in complying with legal and regulatory requirements; (iv) formulating, reviewing and monitoring codes of conduct and compliance manuals (if any) applicable to employees and the Directors; (v) ensuring that the Company establishes and maintains appropriate and effective risk management and internal control system and overseeing the design, implementation and supervision over the risk management and internal control system by the management of the Company; and (vi) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report. Regarding the performance of the aforementioned functions, during the Reporting Period, the Board has reviewed the Corporate Governance Report of the Company for 2023 and the trainings and continuous professional development undertaken by the Directors and senior management.

The Board delegates day-to-day operations of the Company to the management. The functions and duties of the management include: to be in charge of the Company's operation and management, to organise the implementation of the resolutions of the Board and report to the Board; to implement the Company's annual business plans and investment plans; to draft plans for the establishment of the Company's internal management organizations; to draft the Company's basic management system; to formulate the specific rules and regulations of the Company and to exercise other powers and functions granted by the Articles of Association and the Board. The Board and the management have clearly defined their powers and responsibilities under various internal control and balance mechanisms.

The Directors (including independent non-executive Directors) and Supervisors of the Company can obtain knowledge of the Company's business activities and business development trends through various channels to ensure that they can perform their duties properly. During the Reporting Period, the Company provided the following information, reports and training activities to assist Directors and Supervisors in performing their duties:

- (i) proposing to the Board the annual work summary of the Company for consideration and approval, and reporting the progress of the resolutions of the Board and updates on major projects of the Company;
- (ii) consulting the opinions of the non-executive Directors, independent non-executive Directors and Supervisors regarding the strategic decisions of the Company;

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- (iii) furnishing the Board with management statements and industry overview on a monthly basis, and the securities market regulatory news as and when appropriate;
- (iv) providing the independent non-executive Directors with documents and information required to perform their duties in a timely manner; and
- (v) arranging for Directors to participate in the training on the Listing Rules and providing advice on regulations to Directors and Supervisors upon request to help them fully and systematically understand the Company's operations and the relevant domestic and foreign regulations and principles regarding governance.

The Company is well aware that obtaining independent opinions by the Board is crucial to sound corporate governance and the effectiveness of the Board. The Board has established the following mechanisms to ensure that the Board can obtain independent opinions and perspectives, so as to enhance the objectivity and effectiveness of decision-making:

- (i) The number of independent non-executive Directors meets the requirements of the Listing Rules that the board must have at least three independent non-executive Directors and the appointed independent non-executive Directors must account for at least one third of the Board members;
- (ii) Independent non-executive Directors shall be assessed for their independence, qualifications and competence when they are appointed, and continue to be assessed for the above factors after their appointment;
- (iii) The Board annually listens to the work report of independent non-executive Directors, and evaluates the time invested by independent non-executive Directors in the affairs of the Company and the independent opinions expressed during the year;
- (iv) Directors may seek independent professional advice when necessary, and relevant expenses shall be borne by the Company;
- (v) Directors (including independent non-executive Directors) who have significant interests in contracts, arrangements or other proposals shall not vote or be counted in the quorum for any Board resolution approving such matters; and
- (vi) The Chairman of the Board meets with independent non-executive Directors each year in the absence of executive Directors and non-executive Directors. The Board also reviews the implementation and effectiveness of the above mechanism on an annual basis.

The Board has reviewed the implementation of the above mechanisms during the Reporting Period, and considered they were still valid and effective.

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CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Company has established procedures of training (including anti-corruption training) and development for Directors, Supervisors and senior management.

During the Reporting Period, all Directors have been provided with the relevant guideline materials regarding the duties and responsibilities of Directors, the relevant laws and regulations applicable to Directors and the obligations of disclosure of interests. In addition, relevant reading materials including legal and regulatory dynamics and updates have been provided to the Directors for their reference and studying.

A summary of the training and professional development attended by each Director during the year ended 31 December 2024, based on the training records provided by each Director to the Company, is set out below:

Name of Director	Theme Training <small>Notes</small>	Monthly Law and Regulation Updates and Regulatory Dynamics
Executive Directors		
Yang Tan (<i>Chairman of the Board</i>)	✓	✓
Ding Dapan (<i>General Manager</i>)	✓	✓
Xia Wei	✓	✓
Non-executive Director		
Wu Haiyan	✓	✓
Independent non-executive Directors		
Leung Chi Hang Benson	✓	✓
Qian Yongjiu	✓	✓
Wang Peng	✓	✓

Notes:

- (1) During the period from 15 May 2024 to 17 May 2024, Wu Haiyan and Xia Wei, being our Directors, and Jiang Yan and Zhang Yi, being our Supervisors, attended the 75th advanced continuing professional development lecturing for corporate governance professionals held by The Hong Kong Chartered Governance Institute.
- (2) During the period from 17 July 2024 to 19 July 2024, Yang Tan and Leung Chi Hang Benson, being our Directors, and Xu Jingxian and Zheng Lifang, being our Supervisors, attended the 76th advanced continuing professional development lecturing for corporate governance professionals held by The Hong Kong Chartered Governance Institute.
- (3) On 30 October 2024, all Directors, Supervisors and senior management of the Company attended the “training on compliance of listed companies” provided by DLA Piper Hong Kong, the legal adviser of the Company as to Hong Kong law.

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BOARD COMMITTEES

The Board has delegated certain of its duties to various committees. In accordance with the relevant PRC laws and regulations and the provisions on corporate governance prescribed in the Listing Rules and the Articles of Association, the Company has established four Board committees to oversee particular aspects of the Company's affairs, namely the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategy and Development Committee. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authorities and duties. The terms of reference of each of the Board Committees are posted on the Company's website and the Stock Exchange's website and are available to the Shareholders upon request.

NOMINATION COMMITTEE

As at the end of the Reporting Period and up to the Reporting Date, the Nomination Committee consisted of three Directors, namely Mr. Yang Tan (executive Director), Mr. Wang Peng (independent non-executive Director) and Mr. Qian Yongjiu (independent non-executive Director). Mr. Qian Yongjiu serves as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include: (a) reviewing the structure, size and composition of the Board at least once a year on aspects of expertise, knowledge and experience, and advising on any changes to be made to the Board in response to the Company's strategies; (b) studying and advising on the standards, procedures and methods for the election of Directors and senior management members; (c) searching far and wide for qualified candidates for Directors and senior management members; (d) evaluating the eligibility of candidates for Directors and senior management members and reporting to the Board its opinions and advise on the relevant appointment; (e) reviewing the independence of the independent non-executive Directors; and (f) advising the Board on the appointment or re-appointment of Directors and senior management members, as well as the succession plans for Directors and senior management members (especially the Chairman of the Board and General Manager). For details, please refer to the Terms of Reference of the Nomination Committee.

The nomination process of Directors of the Company is as follows: first, the Nomination Committee shall actively study the demand of the Company for new Directors and senior management, taking into account the requirements of the Board diversity policy of the Company and present such information in writing; the Nomination Committee shall seek extensively for candidates for Directors and senior management from the Company, its wholly-owned, controlled and invested enterprises and the human resources market, gather information about the occupation, academic qualifications, positional titles, detailed work experience and all the concurrent posts of the candidates and present such information in writing; second, the Nomination Committee shall obtain the consent for nomination from nominees; third, the Nomination Committee shall convene a meeting to review the qualifications of the candidates based on the criteria for Directors; fourth, the Nomination Committee shall make suggestions to the Board on the candidates for Directors and submit the relevant materials; fifth, the Board shall review and approve the nomination of candidates for Directors and submit it for approval at the general meeting. Shareholders, either individually or in aggregate, holding more than 1% of the Shares of the Company shall have the right to nominate Directors through exercising its right of proposal. For the specific procedure of proposal, please refer to Article 70 of the Articles of Association⁽¹⁾.

Note:

1. According to the relevant provisions of Article 115 of the Company Law.



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The Company has established a Board diversity policy. When designing the composition of the Board, in order to achieve a diversity of perspectives among members of the Board, the Company will consider various aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In making recommendation or providing advice to the Board in respect of appointing new Directors of the Company, the Nomination Committee shall fully take into account the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company has appointed one female Director. Meanwhile, the Company shall consider the above-mentioned factors based on its own business model and specific needs from time to time and make final decisions based on merits and contributions that the candidates will bring to the Board. In addition, the Company will also strive to achieve gender diversity when recruiting employees at all levels (including middle and senior levels), so as to provide suitable successors for the Board at the appropriate time and ensure gender diversity on the Board.

The Board comprises six members with experience in transportation and education industries, accounting for 75% of the total members of the Board; four members with expertise, academic background and experience relevant to the finance, investment and other financial and economic industries, accounting for 50% of the total members of the Board; four members holding a master's degree or above, accounting for 50% of the total members of the Board; and one female member, accounting for 13% of the total members of the Board, having reached the measurable goal set for the Board diversity policy of the Company. Board members span over 37 to 61 in terms of age and possess diverse work experience, educational background and members of different age groups to provide various perspectives for the development of the Company. The Nomination Committee is of the opinion that the current Board composition is in line with the requirements set out in the Board Diversity Policy. The Board wishes to maintain the proportion of female members at least at the current level and will continue to seek opportunities to increase the proportion of female members in the future should there be suitable candidates.

During the Reporting Period, the Nomination Committee actively performed its duties and convened 3 meetings in total, at which it reviewed the 2023 work report of the Nomination Committee under the Board, reviewed the structure and composition of the Board, the independence of independent non-executive Directors and the continuing professional development training program of Directors and senior management in 2024, nominated the candidate to chief engineer of the Company in accordance with the Terms of Reference of the Nomination Committee and other systematic requirements and considered the designation by Xin Yue Company Limited of Mr. Jiang Xinliang as a non-executive Director of the second session of the Board.

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REMUNERATION AND EVALUATION COMMITTEE

As at the end of the Reporting Period and up to the Reporting Date, the Remuneration and Evaluation Committee consisted of three Directors, namely Ms. Wu Haiyan (non-executive Director), Mr. Wang Peng (independent non-executive Director) and Mr. Qian Yongjiu (independent non-executive Director). Mr. Wang Peng serves as the chairman of the Remuneration and Evaluation Committee.

The primary duties of the Remuneration and Evaluation Committee include: (a) advising to the Board on the overall remuneration policy and framework for Directors and senior management members, and on the establishment of standardised and transparent remuneration policy formulation procedures; (b) studying assessment criteria, performance evaluation procedures, remuneration and rewards and punishment policies for Directors and senior management members and submitting the same to the Board for approval; (c) formulating the management rules on performance evaluation of Directors and senior management members of the Company, preparing the evaluation plan and determining the evaluation objectives; (d) reviewing and approving proposals on senior management's remuneration in accordance with the Company's guidelines and targets approved by the Board; (e) formulating and advising to the Board on the remuneration packages for Directors and senior management members and submitting the same to the Board for approval; (f) reviewing and approving the compensation required to be paid to the executive Directors and senior management members for the loss or termination of the office or appointment; (g) reviewing and approving the compensation arrangements with regard to the dismissal or removal of Directors due to their misconduct; (h) ensuring the Directors or their associates not to determine by themselves, or be involved in determining their remuneration; (i) supervising the implementation of the Company's remuneration policies; and (j) studying and advising on the Company's equity incentive plan and submitting the same to the Board for approval. Please refer to the Terms of Reference of the Remuneration and Evaluation Committee for details.

The remunerations of the Directors and senior management of the Company are determined in accordance with the policies and objectives of the Company, remuneration paid by similar companies and time commitment and responsibilities assumed by such Director and senior management member and other factors. The remunerations of the Directors are determined at the general meeting and the remunerations and awards and punishments of the senior management members are determined by the Board. The Company makes no further determination or payments of the Directors' emoluments for the Directors who receive management remunerations from the Company or its Shareholders. During the Reporting Period, the emoluments received by the Board members and the senior management were strictly based on the proposal approved at the general meeting and by the Board.

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The emoluments of the members of the senior management of the Company by band during the Reporting Period are set out below:

Band of emoluments (in RMB)	Number	
	Year ended 31 December 2024	2023
1 to 100,000	–	2
100,000 to 200,000	1	3
200,000 to 300,000	–	–
300,000 to 400,000	–	–
400,000 to 500,000	1	1
500,000 to 600,000	1	3
600,000 to 700,000	1	–
700,000 to 800,000	2	–
800,000 to 900,000	1	–

Further particulars regarding Directors' remuneration are set out in Note XIV. 2 to the financial statements of this annual report.

During the Reporting Period, the Remuneration and Evaluation Committee actively performed its duties and responsibilities. It convened 2 meetings in total to consider, among others, the 2023 work report of the Remuneration and Evaluation Committee under the Board and remuneration and bonuses of senior management of the Company.

AUDIT AND RISK MANAGEMENT COMMITTEE

As at the end of the Reporting Period and up to the Reporting Date, the Audit and Risk Management Committee consisted of three Directors, namely Ms. Wu Haiyan (non-executive Director), Mr. Wang Peng (independent non-executive Director) and Mr. Leung Chi Hang Benson (independent non-executive Director). Mr. Leung Chi Hang Benson, who holds professional qualifications in accounting, serves as the chairman of the Audit and Risk Management Committee.

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The primary duties of the Audit and Risk Management Committee include: (a) advising to the Board on the appointment, renewal, change or dismissal of external auditor and submitting the same to the Board for approval; approving and reviewing audit fees and appointment terms for external auditor; (b) reviewing and supervising the independence and objectivity of the external auditor and the effectiveness of the audit procedures according to applicable standards, and discussing issues related to the nature, category and reporting responsibility of auditing with external auditor before the auditing work starts; (c) formulating and implementing policies of non-audit services provided by external auditor, reporting and advising to the Board the actions they deem necessary to be taken or matters to be improved; (d) reviewing and supervising the completeness of the Company's financial statements, annual reports and accounts, interim reports and quarterly reports (if any), and reviewing the important opinions on the financial reporting recorded in the financial statements and financial reports; (e) reviewing the Company's financial overseeing, internal control and risk management systems, monitoring the implementation of such systems on an on-going basis, and ensuring that the effectiveness of the Company's risk management and internal control systems is reviewed at least once a year; (f) reviewing the compliance by the Company with the applicable Corporate Governance Code and the disclosure requirements of corporate governance report as required by the regulatory rules at the place where the Shares are listed; (g) discussing on the risk management and internal control systems with the management of the Company to ensure the establishment of an effective internal control system by the management, supervising the effective implementation of internal control and the self-assessment conditions of internal control, and coordinating internal control audit and other related matters; (h) reviewing the Company's financial and accounting policies and practices; (i) confirming the list of the Company's related/connected parties and reporting to the Board and the Supervisory Committee; conducting a preliminary review of the related/connected transactions to be submitted to the Board for consideration and approval; and reviewing the reasonableness and necessity of major related/connected transactions; (j) reviewing internal control valuation report reported by the internal Audit Department; and (k) supervising and controlling the risks that the Company is legally affected by the overseas sanctions to ensure a timely, complete and accurate disclosure of information related to the transactions subject to sanctions in accordance with such laws. Please refer to the Terms of Reference of the Audit and Risk Management Committee for details.

During the Reporting Period, the Audit and Risk Management Committee actively performed its duties and convened 10 meetings in total to consider the aspects relating to risk management and internal control contained in the Company's 2023 annual corporate governance report, the selection and appointment of auditor of the Company for 2024, the Company's internal audit and internal control compliance work plan for 2024, review the Company's 2023 annual results announcement and annual report, the Company's 2024 interim report, the Company's first and third quarterly financial statements for 2024, inspect the Company's connected transactions, and independently evaluated and supervised the compliance, legality and effectiveness of the Company's economic activities.

The Audit and Risk Management Committee had reviewed the annual results announcement and annual report of the Company for the year 2024.

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STRATEGY AND DEVELOPMENT COMMITTEE

As at the end of the Reporting Period and up to the Reporting Date, the Strategy and Development Committee consisted of three Directors, including Mr. Yang Tan (executive Director), Mr. Qian Yongjiu (independent non-executive Director) and Mr. Leung Chi Hang Benson (independent non-executive Director). Mr. Yang Tan serves as the chairman of the Strategy and Development Committee.

The primary duties of the Strategy and Development Committee include: (a) establishing the basic framework for the Company's strategy-making procedures, studying and advising on the Company's medium and long-term strategic development plan; (b) studying and advising on major financing and investment plans which, according to the Articles of Association, should be approved by the Board or at the general meeting; (c) reviewing project investment proposals, annual investment plan, annual financing scheme and annual operating plan, and proposing advice thereon; (d) conducting study and advising on major capital operation and asset management projects which are required to be approved by the Board or at the general meeting according to the Articles of Association; (e) studying and advising on the plans for corporate reorganisation, mergers and acquisitions, equity transfer, restructuring, organizational restructuring which, according to the Articles of Association, should be approved by the Board or at the general meeting; (f) studying and advising on other major events which may have influence in the Company's development; (g) conducting post-investment project assessments; and (h) supervising the implementation of the above matters. Please refer to the Terms of Reference of the Strategy and Development Committee for details.

During the Reporting Period, the Strategy and Development Committee actively performed its duties and convened eight meetings in total to consider, among others, the 2023 work report of the Strategy and Development Committee under the Board, launching of the project of proposed capital increase in Chengdu Chengwenqiong Expressway Co., Ltd., establishment of Chengdu Expressway Chuanlutong Operation Management Co., Ltd., launching of the project of increase in the registered capital of Chengdu Energy Development Co., Ltd., amendments to the Terms of Reference of the Strategy and Development Committee of the Board of Chengdu Expressway Co., Ltd., and the Investment Management Measures of Chengdu Expressway Co., Ltd. (Trial), participation by Xinyuanli Energy in the auction of a parcel of land of 13.18 mu located in Shaheyuan Street, Jinniu District, capital increase in Chengdu Chengwenqiong Expressway Co., Ltd., withdrawal of the A-share listing application materials, investment and establishment of the interim construction waste recycling facilities by Chengwenqiong Expressway Company, capital contribution to the registered capital of Chengdu Energy Development Co., Ltd., declaration report and catalogue confirmation sheet of the principal activities of Chengdu Expressway Co., Ltd., refraining from the bid of Chengdu-Emei Mountain expressway project for the time being and implementation of the construction of petrol stations in Pingle comprehensive service area on Qiongmeng Expressway.

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RISK MANAGEMENT AND INTERNAL CONTROL

The Company is dedicated to the establishment and maintenance of a sound internal control system. The internal control system of the Company covers corporate governance, operation, management, legal affairs, finance and auditing. The Company has established internal rules and systems pursuant to the Company Law, the Listing Rules and other relevant laws and regulations, such as the Rules of Procedures for Shareholders' General Meetings, Rules of Procedures for Board Meetings, Rules of Procedures for Supervisory Committee Meetings and the terms of reference for specific committees, which stipulate, among others, the duties and responsibilities of the Board and the Supervisory Committee. The Company has adopted and implemented risk management policies and corporate governance measures in various aspects of the business operations such as financial reporting, legal compliance and human resources management.

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness through the Audit and Risk Management Committee. Such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Procedure for identifying, assessing and managing major risks

The Company has complied with the Risk Management Measures of Chengdu Expressway Co., Ltd. to clearly define the risk management process. The risk management process includes initial risk information collection, risk assessment, risk response as well as supervision and improvement of internal control and risk management.

Initial risk information collection: extensively and continuously collects internal and external initial information related to the Company's risks and risk management through various internal and external information collection channels, including historical data, future forecasts and risk loss cases of the Company and related domestic and foreign enterprises. The Company regularly conducts an initial risk information collection to implement dynamic management of the risk information.

Risk assessment: the Company conducts risk assessment based on the initial risk information collected regularly and various business management activities and its major business processes. The Company conducts a risk assessment at least once a year based on the initial risk information collection.

Risk response: according to its own conditions and external environment, the Company determines the risk appetite, risk tolerance, risk management effectiveness criteria, and selects appropriate risk management tools such as risk exposure, risk aversion, risk transfer, risk conversion, risk hedging, risk compensation and risk control based on the corporate development strategies. The Company sets up risk management and control objectives annually.

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Internal control: the Company formulates the corresponding internal control measures according to the inherent risks of each business process based on the Company's risk appetite, risk tolerance and risk management effectiveness criteria.

Supervision and improvement of risk management: after each department implements risk management control according to the response strategies, the department head shall regularly report to the management on the progress of the control and the updated information on the relevant risk changes collected during the implementation, so as to enable the management to timely receive the dynamic results of risk changes and make response actions. The Audit and Compliance Department (Accountability Office) will also employ a third-party organization to conduct control testing on the implementation by the departments implementing the risk response strategies according to the requirements of the Company's management, supervise the results of risk changes, and assist the departments in adjusting the risk response strategies in a timely manner.

Characteristics of risk management and internal control system

The Company has established a three-tier prevention system for risk management, in which each department, excluding those in the second tier, acts as the first tier, and the Audit and Compliance Department (Accountability Office), the Finance Department, the Party-masses Human Resources Department and the Audit and Risk Management Committee act as the second tier. The Audit and Compliance Department (Accountability Office) tracks and inspects risk management from aspects of internal control assessment, risk management evaluation and internal audit and the Finance Department and Party-masses Human Resources Department conduct centralised management over special risks in finance management and human resources management. The Audit and Compliance Department (Accountability Office) plays a dominant role among the three departments, and the Board acts as the third tier.

All departments of the Company and its subsidiaries shall implement their respective basic risk management process, following the organisation, coordination, guidance and supervision of the Audit and Compliance Department (Accountability Office) of the Company in the overall risk management work.

The Audit and Risk Management Committee is comprehensively responsible for the Company's risk management work and is accountable to the Board. The Audit and Compliance Department (Accountability Office) is the designated management department for the Company's risk management work, responsible for the daily organization and coordination of the Company's risk management, and is accountable to the Company's Audit and Risk Management Committee. In the aspect of risk management, the Audit and Compliance Department (Accountability Office) is mainly responsible for studying and reviewing the comprehensive risk management supervision and evaluation system, formulating relevant systems for supervision and evaluation, and conducting supervision and evaluation.

The Board is accountable to the general meeting for the effectiveness of the risk management.

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Procedure for reviewing the effectiveness of risk management and internal control system

During the Reporting Period, the Audit and Compliance Department (Accountability Office) employed a third-party organization to conduct control testing on the implementation and internal control effectiveness of the departments implementing the risk response strategies according to the requirements of the Company's management, and assist the departments in adjusting the risk response strategies in a timely manner. At the end of each year, each department shall conduct risk self-assessment work based on the risk management objectives and control tables, the implementation conditions and results of the risk response strategies, and re-evaluate the probability of occurrence of major risks (including environmental, social and governance ("ESG") risks) at each of the control points in the departments. At the same time, the Audit and Compliance Department (Accountability Office) or the external third-party organization shall review the risk self-assessment score based on the control testing results, and issue an annual comprehensive risk management assessment report, which will finally be submitted to the Board for review.

Details of major risks and countermeasures

The risks faced by the Group mainly include policy, market and financial risks. The Company attaches great importance to these risks and proactively identifies, assesses and responds to risks in the course of its operations and establishes and improves a systematic risk management mechanism. For details, please refer to the "Directors' Report" of the Company.

Procedure for addressing serious internal control defect

The Company has formulated a corresponding rectification plan for internal control defects based on the results of the annual internal control assessment results. The Audit and Compliance Department (Accountability Office) will conduct follow-up audits within a certain period after the audit to check the implementation status and effectiveness of the rectification.

On-going measures to monitor the implementation of risk management policies

The Audit and Risk Management Committee and senior management of the Company monitor the implementation of the risk management policies of the Company on an on-going basis to ensure that the Company's internal control system is effective in identifying, managing and mitigating risks involved in the operations. The Company has established the Audit and Compliance Department (Accountability Office) which is responsible for audit, internal control management, risk management and legal affairs.

The Company has conducted an annual assessment on the effectiveness of the Company's risk management and internal control during the Reporting Period. The Board considers that, during the Reporting Period, in terms of such businesses and matters as included in the scope of assessment, the Company had put in place risk management and internal control which had been implemented effectively with the Company's risk management and internal control objectives being accomplished. The internal control system was effective and sufficient and there were no significant defects.

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The Company has engaged a third party agency to supervise the Company's formulation and implementation of the internal control of the Company. The head of each department of the Company will regularly update the risk register and related risks and report and make recommendation for prevention to the Board. The Company will continuously optimise the risk management and internal control systems based on its existing systems, and will practically establish, perfect and implement corporate risk management and internal control system with definite division between powers and duties, scientific management and efficient implementation.

Inside information management

The Company has implemented a registration and filing system for the insiders, who should bear the responsibility of confidentiality for the inside information they know. The Company shall disclose the inside information to the public as soon as reasonably practicable after knowing any inside information or after the information has been identified as inside information by the Company's Board or the inside information management team, except for the inside information which is temporarily non-discloseable under the laws and regulations and regulatory rules. Regarding the aforementioned temporarily non-discloseable inside information, the Company shall take relevant measures to keep the inside information strictly confidential, and once the inside information is leaked, the Company shall immediately disclose it to the public, or (if necessary) apply for trading halt or suspension of trading of the Company's securities.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the results and cash flows for that period. The Company deploys appropriate and sufficient resources to prepare financial statements. Senior management is required to present and explain the financial reporting and matters that materially affect or may have material impact on the financial performance and operations of the Company to the Audit and Risk Management Committee and the Board, and respond to the queries and concerns raised by the Audit and Risk Management Committee and the Board to their satisfaction. The financial statements have been prepared in accordance with the China Accounting Standards for Business Enterprises and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The reporting responsibilities of the Company's auditor for the Company's financial statements for the year ended 31 December 2024 are set out in the independent auditor's report in this annual report.

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INDEPENDENCE OF EXTERNAL AUDITOR

The Audit and Risk Management Committee is responsible for monitoring the independence of the Company's external auditor and determining the remuneration standards of the external auditor to ensure that their capacity in giving independent and objective opinions on the Company's financial statements or any other letters will not be prejudiced due to the provision of non-audit services.

All services provided and fees charged by the Company's external auditor are subject to approval by the Audit and Risk Management Committee to ensure a balance between their objectivity and economic interests. Except for interim review and annual audit services, the Company's external auditor generally may only provide limited services on tax related issues or specially approved items, including but not limited to merger and acquisition or financial due diligence and other accounting advice.

The Audit and Risk Management Committee of the Company regularly discusses the independence and objectivity of the external auditor. The Company also disclosed in detail the audit service fees paid by the Company to the external auditor in its annual reports in accordance with the requirements of the Corporate Governance Report of Appendix C1 of the Listing Rules (including any entity that is under common control, ownership or management with Ernst & Young Hua Ming LLP or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of Ernst & Young Hua Ming LLP nationally or internationally) and non-auditing service fees, if any.

AUDITOR'S REMUNERATION

For the year ended 31 December 2024, the remuneration payable by the Company to its auditor is set out below:

Item	Amount	Auditor
	(RMB)	
Audit services		
Auditing fee for 2024	1,428,000	Ernst & Young Hua Ming LLP
	(tax inclusive)	
Special auditing fee for the Company's initial public offering of A shares	1,752,000	Ernst & Young Hua Ming LLP
	(tax inclusive)	
	3,180,000	
Total	(tax inclusive)	

For the year ended 31 December 2024, the Company had RMB807,000 (tax inclusive) payable to the auditor, which represented the remaining annual auditing fee of RMB807,000 (tax inclusive).

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COMPANY SECRETARY

The company secretary of the Company is Ms. Kwong Yin Ping, Yvonne, a senior vice president of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Kwong Yin Ping, Yvonne possesses the qualifications of company secretary as required under Rule 3.28 of the Listing Rules. The company secretary is mainly responsible for facilitating the operation of the Board, ensuring the effective information communications among the members of the Board and the compliance with the policies and procedures of the Board, and ensuring the compliance with the Listing Rules and other regulations by the Company. Ms. Kwong Yin Ping, Yvonne's primary contact person of the Company is Mr. Xia Wei.

On 29 April 2024, Mr. Zhang Guangwen resigned as the secretary to the Board, joint company secretary and an Authorised Representative with effect from 29 April 2024. For further details regarding resignation of the secretary to the Board, joint company secretary and an Authorised Representative, please refer to the announcement of the Company dated 29 April 2024.

In order to comply with the requirements of Rule 3.29 of the Listing Rules, during the year ended 31 December 2024, Ms. Kwong Yin Ping, Yvonne had attended relevant professional trainings for not less than 15 hours.

All Directors have access to the advice and services from the company secretary of the Company on corporate governance and the Board's practices and matters to ensure the compliance with the Board's procedures and all applicable laws, rules and regulations.

SHAREHOLDER COMMUNICATION POLICY

According to Article 67 of the Articles of Association, an extraordinary general meeting shall be convened upon request in writing by Shareholders, either individually or in aggregate, holding more than 10% of the Company's issued voting Shares. Please refer to Article 108 of the Articles of Association for the specific procedures for Shareholders to convene an extraordinary general meeting.

According to Article 70 of the Articles of Association, Shareholders, either individually or in aggregate, holding more than 3% of the Shares of the Company shall have the right to propose new proposals in writing to the Company, and the Company shall include the proposals into the agenda of such general meeting if they fall within the functions and powers of the general meeting.

The Company considers that effective communications with Shareholders are essential for enhancing the relations between investors and the Company, and investors' understanding of the Company's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders through general meetings. Chairman of the Board will preside over the general meetings, and arrange for members of the Board and senior management to attend the general meetings, answer questions from Shareholders and listen to their opinions.

CORPORATE GOVERNANCE REPORT

For putting forward proposals at the general meeting or any enquiries to the Board, Shareholders may send written proposals or enquiries to the Company. The details of contact information are set forth as follows:

Address: Chengdu Expressway Co., Ltd.
9th Floor, Chengnan Tianfu Building
No. 66 Shenghe 1st Road, High-Tech Zone
Chengdu, the PRC
Contact Number: 86 28 86056063
Fax: 86 28 86056070
E-mail: cggfdb@chengdugs.com

The Company will strictly abide by its statutory obligations in respect of information disclosure, and carry out investor relations activities through various forms to actively promote the image of the Company, convey information to investors in a timely manner and consider their opinions and advices carefully, aiming to form a benign interaction between the Company and investors.

When conducting its investor relations work, the Company will actively communicate with investors through various manners, including setting up a platform on the website of the Company, telephone and e-mail.

The Company has reviewed the implementation of the policies on Shareholder communication during the Reporting Period, and considered such policies to be appropriate and effective.

EMPLOYEE DIVERSITY

The Group attaches importance to and cultivates multiculturalism, and is committed to creating a workplace that provides equal opportunities for all employees, treating all employees equally, extending them a sense of belonging and respect, and prohibiting any form of discrimination in terms of gender, nationality, race and religion. The recruitment strategy of the Group is to hire suitable employees for suitable positions, regardless of gender. The Group welcomes individuals of all genders to join, and undertakes to provide employees with equal opportunities in recruitment, training and development, promotion and salary and welfare benefits. As at the end of the Reporting Period, the gender ratio of male and female employees (including senior management) of the Group was 1:1.4.



CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has adopted a dividend policy, and the formulation and implementation of the dividend policy conform to the provisions of the Articles of Association.

The dividend policy of the Company regulates that the proposed dividends shall be determined by the Board based on factors including: (i) the Company's actual and expected financial performance; (ii) the Company's profits and reserves available for distribution; (iii) the Company's working capital demands, capital expenditure demands and future expansion plans; (iv) the liquidity position of the Company; (v) the macroeconomic conditions and internal or external factors that may affect the business, financial performance and position of the Company; (vi) statutory and regulatory restrictions relating to dividend distribution; and (vii) provisions of the Articles of Association, and shall be declared subject to the consideration and approval by Shareholders at the general meeting.

After the general meeting has passed a resolution on the profit distribution plan, the Board shall complete the distribution and payment of dividends within 2 months after the general meeting is held.

The cash dividends and other payments payable by the Company to the Shareholders of the Domestic Shares shall be denominated and declared in RMB, and paid in RMB. The cash dividends and other payments payable by the Company to the Shareholders of the H Shares shall be denominated and declared in RMB, and paid in Hong Kong dollars.



DIRECTORS' REPORT

The Board is pleased to present this report and the audited financial statements of the Group for the year ended 31 December 2024.

GROUP ACTIVITIES AND PERFORMANCE

The Group is primarily engaged in the operation, management and development of expressways located in and around Chengdu, Sichuan Province, the PRC and also carries out retail of refined oil and operation of natural gas.

The Company's results for the year ended 31 December 2024 and the financial position of the Company as at the same date are set out in the audited financial statements of this annual report.

BUSINESS REVIEW

Description of the fair review of the Group's business and the analysis using the financial key performance indicators, and future prospects of the Group's business are set out in the sections headed "Financial and Operational Highlights", "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

FINANCIAL HIGHLIGHTS

The Company's results and financial position for the past five financial years are summarised and set out in the section headed "Financial and Operational Highlights" of this annual report.

PROPOSED ISSUE OF CORPORATE BONDS

To satisfy the Company's financing needs and broaden its financing channels, the Board has, on 10 July 2024, approved the proposed issue of corporate bonds in the PRC with an aggregate principal amount of not more than RMB2 billion (inclusive) through multiple tranches. For further details regarding the proposed issue of corporate bonds, please refer to the announcement of the Company dated 10 July 2024.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in reserves of the Group during the Reporting Period are set out in the section headed "Consolidated Balance Sheet" and note V.36 to the financial statements of this annual report. The total amount of the reserve distributable to equity Shareholders as at the end of the Reporting Period was approximately RMB1,995,925,523.



DIRECTORS' REPORT

DIVIDENDS

According to the Reply on the Profit Distribution in the Consolidated Financial Statements issued by the Ministry of Finance, the profit distribution of companies that prepare consolidated accounting statements shall be based on the distributable profits of the parent company. As such, the Board proposed to make profit distribution based on the relevant data stated in the financial statements of the parent company (i.e. the financial statements of the Company) which is prepared in accordance with the China Accounting Standards for Business Enterprises. In 2024, the Company realised net profit of RMB307,671,716, of which distributable profit was RMB276,904,544.

The Board recommended a final cash dividend for 2024 of RMB0.101 per Share (tax inclusive), totaling RMB167,266,302 based on the Company's current total number of Shares of 1,656,102,000. The dividend distribution proposal is subject to the approval by the Shareholders at the AGM to be held on 15 May 2025. If approved, the final dividends are expected to be paid on 15 July 2025 to Shareholders whose names appear on the register of members of the Company on 23 May 2025. Dividends payable to the holders of Domestic Shares will be paid in RMB, and dividends payable to the holders of H Shares will be paid in Hong Kong dollars. The amount of Hong Kong dollars payable will be calculated based on the average central parity rate of RMB to Hong Kong dollars as announced by the People's Bank of China during the calendar week prior to the announcement of declaration of the final dividend at the AGM (if approved).

The amount of dividends proposed for 2024 accounted for approximately 60.4% of the distributable profits stated in the financial statements of the Company during the year. As of the Reporting Date, the Company was not aware of any arrangements pursuant to which any Shareholder had waived or agreed to waive any dividends.

TAXATION ON DIVIDENDS

Pursuant to the Enterprise Income Tax Law of the PRC and its implementing regulations (hereinafter collectively referred to as the "EIT Law"), the tax rate of the enterprise income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders as defined under the EIT Law. The Company will distribute the final dividend to non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

According to the Circular on Issues Concerning Taxation and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the Company shall withhold and pay individual income tax for individual Shareholders of the H Shares. If the individual Shareholders of the H Shares are Hong Kong or Macau residents or residents of the countries or regions which have an agreed tax rate of 10% under the relevant tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.



DIRECTORS' REPORT

If the individual Shareholders of the H Shares are residents of the countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders claim refund of the amount in excess of the individual income tax payable under the tax treaties, the Company can apply on behalf of such Shareholders according to the relevant tax treaties for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Rules on Enjoying Treatment under Taxation Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement, 2015, No. 60) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to approval of the competent tax authority.

If the individual Shareholders of the H Shares are residents of the countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of the H Shares are residents of the countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders.

Shareholders are required to consult their tax advisors as to Mainland China, Hong Kong and other tax implications regarding the ownership and disposal of H shares of the Company.

DIRECTORS' REPORT

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a sufficient public float in compliance with the Listing Rules as at the Reporting Date.

SHARE CAPITAL

During the Reporting Period, there was no change in the share capital of the Company. As at the Reporting Date, the total share capital of the Company amounted to RMB1,656,102,000, which represented 1,656,102,000 issued Shares with a nominal value of RMB1.00 each. The share capital structure of the Company as at the Reporting Date was as follows:

Class of Shares	Number of Shares	Percentage to the total issued share capital
Domestic Shares	1,200,000,000	72.46%
H Shares	456,102,000	27.54%
Total	1,656,102,000	100%

INTERESTS AND/OR SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of 31 December 2024, based on the information available to the Company and to the best knowledge of the Directors, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' REPORT

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As of 31 December 2024, based on the information available to the Company and to the best knowledge of the Directors, the following persons (other than the Company's Directors, Supervisors and chief executive) or corporations had interests or short positions in the Shares or underlying Shares of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO:

Domestic Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares as at the Reporting Date	Percentage of total issued share capital as at the Reporting Date
Chengdu Communications Investment ¹	Interest in controlled corporation	Domestic Shares	Long position	900,000,000	100%	72.46%
	Beneficial owner	Domestic Shares	Long position	300,000,000		
Communications Investment Construction and Management ²	Beneficial owner	Domestic Shares	Long position	900,000,000	75%	54.34%

Notes:

- (1) Chengdu Communications Investment is held by the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government and Sichuan Provincial Finance Department as to 90% and 10%, respectively.
- (2) Communications Investment Construction and Management is wholly owned by Chengdu Communications Investment.

DIRECTORS' REPORT

H Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares as at the Reporting Date	Percentage of total issued share capital as at the Reporting Date
Guangdong Provincial Communication Group Company Limited (廣東省交通集團有限公司) ¹	Interest in controlled corporation	H Shares	Long position	100,000,000	21.92%	6.04%
Xin Yue Company Limited (新粵有限公司) ¹	Beneficial owner	H Shares	Long position	100,000,000	21.92%	6.04%
Chengdu Jiaozi Financial Holding Group Co., Ltd. (成都交子金融控股集團有限公司)	Beneficial owner	H Shares	Long position	50,000,000	10.96%	3.02%
Chengdu Rail Transit Group Co., Ltd. (成都軌道交通集團有限公司) ²	Interest in controlled corporation	H Shares	Long position	49,950,000	10.95%	3.02%
Chengdu Rail Industrial Investment Group Co., Ltd. (成都軌道產業投資集團有限公司) (formerly known as Chengdu Rail Industrial Investment Co., Ltd. (成都軌道產業投資有限公司)) ²	Beneficial owner	H Shares	Long position	49,950,000	10.95%	3.02%
Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) ³	Investment manager	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Urban Construction Investment Management Group Co., Ltd. (成都城建投資管理集團有限責任公司)	Beneficial owner	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Environment Investment Group Company Limited (成都環境投資集團有限公司)	Beneficial owner	H Shares	Long position	45,450,000	9.96%	2.74%
Chengdu Tianfu New Area Investment Group Co., Ltd. (成都天府新區投資集團有限公司) ⁴	Interest in controlled corporation	H Shares	Long position	42,939,000	9.41%	2.59%
Sichuan Tianfu New Area Capital Investment Co., Ltd. (四川天府新區資本投資有限公司) ⁴	Trust beneficiary	H Shares	Long position	42,939,000	9.41%	2.59%
Chengdu Industry Investment Group Co., Ltd. (成都產業投資集團有限公司) ⁵	Interest in controlled corporation	H Shares	Long position	25,646,000	5.62%	1.55%
Chengdu Advanced Manufacturing Industry Investment Co., Ltd. (成都先進製造產業投資有限公司) ⁵	Beneficial owner	H Shares	Long position	25,646,000	5.62%	1.55%

DIRECTORS' REPORT

Notes:

- (1) Guangdong Provincial Communication Group Company Limited holds interests in 100,000,000 H Shares of the Company through its wholly-owned subsidiary, Xin Yue Company Limited.
- (2) Chengdu Rail Industrial Investment Group Co., Ltd. is wholly-owned by Chengdu Rail Transit Group Co., Ltd.. Chengdu Rail Industrial Investment Group Co., Ltd. holds interests in 49,950,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd (中誠信託有限責任公司).
- (3) As an investor manager, Fullgoal Fund Management Co., Ltd. holds interests in 49,900,000 H Shares of the Company. The fund it manages is the Fullgoal Fund Global Allocation No. 6 QDII-Asset Management Plan (富國基金全球配置6號QDII – 資產管理計劃).
- (4) Chengdu Tianfu New Area Investment Group Co., Ltd. holds 100% interests in Sichuan Tianfu New Area Capital Investment Co., Ltd. (previously known as Chengdu Tianfu Capital Investment Co., Ltd. (成都天府資本投資有限公司)). Sichuan Tianfu New Area Capital Investment Co., Ltd. holds interests in 42,939,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd.
- (5) Chengdu Advanced Manufacturing Industry Investment Co., Ltd. is wholly owned by Chengdu Industry Investment Group Co., Ltd.. Chengdu Advanced Manufacturing Industry Investment Co., Ltd. is interested in 25,646,000 H Shares of the Company through investment in the Chengxin No. 103 Trusted Overseas Wealth Management Project of China Credit Trust (中誠信託誠信海外配置103號受託境外理財項目).

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any person (other than Directors, Supervisors or chief executive of the Company) or corporation which had an interest or short position in the Shares or underlying Shares of the Company which would be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

Maintaining good relationships with major service providers is essential in the supply chain, property management and meeting business needs, which can generate cost-effectiveness and promote long-term business benefits. Our major service providers include oil and gas supplier, equipment supplier, engineering material supplier, external consultant providing professional services and other business partners who provide value-added services to the Group.

The total purchase amount of the Group during the Reporting Period amounted to approximately RMB1,051,684,546, of which purchases from the five largest suppliers of the Group accounted for 73.4% of our total purchase amount, and purchase from the largest supplier accounted for 46.2% of our total purchase amount.



DIRECTORS' REPORT

Given the nature of our expressway and energy business, the Group did not have any single customer that contributed more than 5% to the revenue of the Group, or that was otherwise material to it during the Reporting Period. During the Reporting Period, the sales of the Group to the five largest customers accounted for not more than 15% of the total sales of the Group.

None of the Directors, Supervisors, their respective close associates, or any of the Shareholders who, to the knowledge of our Directors, owns more than 5% of the Company's Shares in issue, had any interest in any of our top five suppliers.

LIST OF DIRECTORS

The list of Directors during the Reporting Period and as at the Reporting Date, save as otherwise stated, was set out in the sub-section headed "Biographical Details of Directors" of "Biographical Details of Directors, Supervisors and Senior Management" of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The profiles of Directors, Supervisors and senior management were set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this annual report.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the non-exempt connected transactions disclosed in this annual report, none of the Company, its holding company, or any of its subsidiaries or fellow subsidiaries entered into any significant transactions, arrangements or contracts which are relevant to the Group's business and in which, a Director or Supervisor of the Company or his or her connected entity had direct or indirect material interests, and subsisted as at the end of the Reporting Period or at any time during the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors of the Company has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules.

DIRECTORS' REPORT

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into service contract with the Company. None of the Directors or Supervisors has entered into a service contract which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, none of the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party to any arrangement which enables the Directors and Supervisors to acquire benefits by means of acquisition of Shares or debentures of the Company or of any other body corporate.

DEBENTURES ISSUED

For details of debentures issued by the Company, please refer to the section headed "Major Events During the Reporting Period" in this annual report and note V. 28 to the financial statements.

PERMITTED INDEMNITY PROVISION

The Company maintained Directors' liability insurance to protect them from any loss to which the Directors of the Company might be liable arising from their actual or alleged misconduct. Such insurance was valid throughout the financial year ended 31 December 2024 and still remains in effect as at the Reporting Date.

MANAGEMENT CONTRACTS

No contract concerning the management or administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

COMPLIANCE WITH THE NON-COMPETITION AGREEMENT

The Company and Chengdu Communications Investment entered into a non-competition agreement on 29 June 2017, and supplemental agreement to the non-competition agreement on 25 May 2020 (collectively, the "Original Non-competition Agreements"), pursuant to which Chengdu Communications Investment has irrevocably undertaken that, Chengdu Communications Investment and its subsidiaries (excluding the Group) will not, during the term of the Non-competition Agreements, and will procure their associates not to, directly or indirectly, engage in, individually or jointly, with other entities, or assist to engage in or participate in any business which competes with the Group's principal business in Sichuan Province, the PRC.

Given that the Company proposes to publicly issue A Shares and list the same on the A-share market, in order to comply with relevant requirements of the regulatory authorities and stock exchanges of both the A-share and H-share markets, and further regulate the non-competition issues between the Company and Communications Investment Construction and Management and Chengdu Communications Investment, the parties entered into the new non-competition agreement on 9 September 2022 (the "New Non-competition Agreement") to regulate relevant issues. The New Non-competition Agreement has been approved by the independent Shareholders at the extraordinary general meeting of the Company held on 30 September 2022 to replace the Original Non-competition Agreements. For details, please refer to the announcement of the Company dated 30 September 2022.



DIRECTORS' REPORT

In addition, pursuant to the New Non-competition Agreement, both Communications Investment Construction and Management and Chengdu Communications Investment have undertaken to grant the Company an option to acquire new business opportunities that may compete, directly or indirectly, with the principal business of the Group, and acquisition options and right of first refusal for the competing business (as defined in the circular of the Company dated 14 September 2022). For details of the New Non-competition Agreement, please refer to the circular of the Company dated 14 September 2022.

As disclosed in the announcement of the Company dated 4 June 2024, the Company has withdrawn its A-share listing application from the Shanghai Stock Exchange. Based on the current business conditions and to better cater to future development, the Company entered into the supplemental agreement to the non-competition agreement with its controlling shareholders on 28 November 2024 to revise certain terms contained in the non-competition agreement. After amendments, the controlling shareholders and their subsidiaries are allowed obtain control of new business opportunities rejected by the Company. The supplementary agreement constitutes a connected transaction of the Company. For details regarding the Supplemental Agreement to the Non-competition Agreement, please refer to the announcements dated 9 January 2025 and 28 November 2024 as well as the circular dated 5 December 2024 of the Company.

During the Reporting Period, the Company received a letter from Communications Investment Construction and Management inquiring with the Company on whether to join with other bidders as a consortium to participate in the Chengdu-Emeishan Expressway (成都至峨眉山高速公路) project.

As disclosed in the announcement of the Company dated 18 December 2024, the Company received a letter from Communications Investment Construction and Management inquiring with the Company on whether to join with other bidders as a consortium to participate in the Chengdu-Emeishan Expressway (成都至峨眉山高速公路) project (the "Project"). Parties to the consortium will jointly set up a project company to be responsible for the investment, construction, operation and management of the Project. It also confirms that if it wins the bid of the Project, the Company may exercise the acquisition option and the right of first refusal in accordance with the relevant terms of the New Non-competition Agreement during the investment, construction, operation and transfer of the Project. If the Company exercises relevant rights under the New Non-competition Agreement in respect of the Project in the future, the Company will comply with approval procedures and disclosure obligations in accordance with applicable laws and regulations as well as the Listing Rules. For details, please refer to the announcement dated 18 December 2024 of the Company.

Chengdu Communications Investment has provided a written confirmation to the Company, confirming that it has duly complied with all provisions and requirements under the New Non-competition Agreement during the Reporting Period. Communications Investment Construction and Management has provided a written confirmation to the Company, confirming that it has duly complied with all provisions and requirements under the New Non-competition Agreement during the Reporting Period.

The independent non-executive Directors have reviewed all the necessary materials provided by Chengdu Communications Investment for compliance with the New Non-competition Agreement, and confirmed that as at the Reporting Date, Chengdu Communications Investment has fully complied with and did not breach any terms and requirements of the New Non-competition Agreement, and Communications Investment Construction and Management has fully complied with and did not breach any terms and requirements of the New Non-competition Agreement.

DIRECTORS' REPORT

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Company has conducted the following non-exempt continuing connected transactions:

1. Commodity Purchase and Sale Framework Agreement – Chengdu Communications Investment

Parties and connected relations: The Company and Chengdu Communications Investment (one of the controlling shareholders of the Company and thus a connected person of the Company)

Date and term: Entered into on 22 November 2024 for a term commencing from 22 November 2024 to 31 December 2026. For details, please refer to the announcement of the Company dated 22 November 2024.

Subject: To the extent permitted by law, the Company and Chengdu Communications Investment shall sell the relevant commodities to each other. The relevant commodities to be purchased by the Company from Chengdu Communications Investment include but are not limited to equipment and spare parts and engineering raw materials, and the relevant commodities to be sold by the Company to Chengdu Communications Investment include but are not limited to food, ingredients and daily necessities, as well as other relevant commodities to be sold to each other as agreed between the Company and Chengdu Communications Investment.

Pricing principle: To be determined in the following order:

- (1) government pricing;
- (2) government-guided prices;
- (3) in the absence of the above two pricing standards, where prices of the same or similar relevant commodities from third parties on normal commercial terms and in the ordinary course of business are available, reference shall be made to the prevailing market prices;
- (4) in the absence of the three aforementioned standards, the pricing standards shall be determined based on the agreed prices;
- (5) for the relevant commodities for which applicable laws and regulations require the use of tendering procedures, the prices shall be determined based on the prices finally determined through the tendering procedures.

DIRECTORS' REPORT

Annual caps during the Reporting Period: Transaction amounts of relevant commodities to be purchased by the Group from Chengdu Communications Investment shall not exceed RMB4.0 million. Transaction amounts of relevant commodities to be sold by the Group to Chengdu Communications Investment Group shall not exceed RMB3.7 million.

Amount actually incurred: The transaction amount of the Group's purchase of relevant commodities from Chengdu Communications Investment Group was RMB3.4 million, and the transaction amount of the Group's sales of relevant commodities to Chengdu Communications Investment Group was RMB3.6 million.

As disclosed in the announcement of the Company dated 22 November 2024, in determining the annual caps governing the purchase and sales of relevant commodities between the Group and Chengdu Communications Investment Group, a reasonable buffer has been included to allow for any unanticipated increase in the prices of the relevant commodities and related costs during the term of the Commodity Purchase and Sale Framework Agreement, details of which are set out below:

	2024	2025	2026
Annual caps for purchases	2.5%	1.6%	1.4%
Annual caps for sales	2.7%	2.3%	1.1%

As the amount of buffer only accounted for an insignificant portion of the respective annual caps, i.e. approximately 1% to 3%, and is included to allow for any unanticipated increase in the prices of the relevant commodities and related costs, the Board considers that the percentage of buffer and basis of determination are fair and reasonable and on normal commercial terms.

DIRECTORS' REPORT

2. Property Leasing Framework Agreement – Chengdu Communications Investment

Parties and connected relations: The Company and Chengdu Communications Investment (one of the controlling shareholders of the Company and thus a connected person of the Company)

Date and term: Renewed on 7 August 2020 for a term commencing from 1 January 2021 to 31 December 2023. For details, please refer to the announcement of the Company dated 7 August 2020.

As the annual caps of the original property leasing framework agreement and the continuing connected transactions thereunder expired on 31 December 2023, on 27 December 2023, the Company and Chengdu Communications Investment entered into the new property leasing framework agreement for a term of three years commencing from 1 January 2024 to 31 December 2026. Please refer to the announcement of the Company dated 27 December 2023 for details.

Subject: Chengdu Communications Investment Group may lease properties to the Group.

Pricing principle: Determined at arm's-length negotiations between relevant parties and with reference to the prevailing market price of local properties in vicinity with similar size and quality.

Annual cap during the Reporting Period: Right-of-use assets with a total amount of RMB31 million

Amount actually incurred: RMB4.3 million



DIRECTORS' REPORT

3. General Services Framework Agreement – Chengdu Communications Investment

Parties and connected relations: The Company and Chengdu Communications Investment (one of the controlling shareholders of the Company and thus a connected person of the Company)

Date and term: Renewed on 7 August 2020 for a term commencing from 1 January 2021 to 31 December 2023. For details, please refer to the announcement of the Company dated 7 August 2020.

As the annual caps of the original general services framework agreement and the continuing connected transactions thereunder expired on 31 December 2023, on 27 December 2023, the Company and Chengdu Communications Investment entered into the new general services framework agreement for a term of three years commencing from 1 January 2024 to 31 December 2026. Please refer to the announcement of the Company dated 27 December 2023 for details.

Subject: Chengdu Communications Investment Group will provide the following general services to the Group: To provide property management service, water and electricity services, lift access control card issuance service, parking management service and repair and maintenance service to the properties of Chengdu Communications Investment Group leased by the Group; Staff canteen catering service; To provide management and leasing services to the properties owned by the Group; Labour services; Engineering design, construction and assessment services; System software development, authorized use, operation and maintenance, technical support and other information technology services; To provide construction management services in respect of the Group's construction projects, including but not limited to preliminary project planning, economic analysis and project assessment, project tender, project construction management, organization of project inspection, acceptance and settlement, production commissioning, management of project warranty period and other services; and to provide other services as agreed by both parties to the Group.

DIRECTORS' REPORT

The Group will provide the following general services to Chengdu Communications Investment Group: To provide construction management services in respect of the construction projects of Chengdu Communications Investment Group, including but not limited to assisting in preliminary project planning, economic analysis and project assessment, project tender, project construction management, organization of project inspection, acceptance and settlement, production commissioning, management of project warranty period and other services; To provide management, daily operation and other operational services to the properties owned by Chengdu Communications Investment Group; and to provide other services as agreed by both parties to Chengdu Communications Investment Group.

Pricing principle:

Determined based on the general principles and in the following order: (i) Government pricing or pricing by negotiation within the government guidance price; (ii) Adopting market price; and (iii) If no market price is available or the principles above are not applicable in actual transactions, the agreed price shall be adopted.

Annual cap of total transactions during the Reporting Period:

Service fees payable by the Group to Chengdu Communications Investment Group: RMB45 million. Service fees payable by Chengdu Communications Investment Group to the Group: RMB3 million

Amount actually incurred:

Service fees paid by the Group to Chengdu Communications Investment Group was RMB4.1 million. Chengdu Communications Investment Group did not purchase services from the Group.

DIRECTORS' REPORT

4. Highway Business Operation Services Framework Agreement – Chengdu Communications Investment

Parties and connected relations:	Chengdu Communications Investment and the Company (Chengdu Communications Investment is one of the controlling shareholders of the Company, and therefore is a connected person of the Company)
Date and term:	20 May 2022, for a term from 20 May 2022 to 31 December 2024. For details, please refer to the announcement of the Company dated 20 May 2022.
Subject:	Chengdu Communications Investment shall provide the Group with the comprehensive services in relation to highway business operation, including regular maintenance services, special construction ancillary services, surveying and design, inspection and other comprehensive services in relation to highway business operation as may be further agreed between the parties from time to time.
Pricing policy:	The prices for each of the services under the Highway Business Operation Services Framework Agreement shall be determined in the following order: government pricing, government-guided prices, market prices, agreed prices, and for services subject to tender procedures as required by applicable laws and regulations, the pricing shall be based on the prices finally determined through the tender process.
Annual cap of total transactions during the Reporting Period:	RMB81.5 million
Amount actually incurred:	RMB11.1 million

DIRECTORS' REPORT

5. Agreements Related to Purchase of Refined Oil

5.1 Refined Oil Framework Agreement – Zhongyou Energy

Parties and connected relations:	Zhongyou Energy and PetroChina Chengdu Sales Branch (a branch of PetroChina, a substantial shareholder of Zhongyou Energy and therefore a connected person of the Company)
Date and term:	Renewed on 28 December 2022 for a term commencing from 1 January 2023 to 31 December 2025. For details, please refer to the announcement of the Company dated 28 December 2022.
Subject:	Zhongyou Energy may purchase specific types of refined oil (including transportation service) from PetroChina Chengdu Sales Branch.
Pricing policy:	PetroChina Chengdu Sales Branch shall supply refined oil to Zhongyou Energy at most favourable selling price which shall not exceed the prevailing wholesale price of PetroChina Sichuan Sales Branch (which shall not exceed the prevailing guidance price of refined oil published by the National Development and Reform Commission on its official website (www.ndrc.gov.cn)), and shall be subject to the confirmation letter of purchase of refined oil confirmed by both parties.
Annual cap of total transactions during the Reporting Period:	RMB1,400 million
Amount actually incurred:	RMB605.6 million

DIRECTORS' REPORT

5.2 Refined Oil Purchase and Sale Contract – Huamin Petrol Station (including Chengluo Petrol Station thereunder)

Parties and connected relations: Xinyuanli Energy and Huamin Petrol Station (including Chengluo Petrol Station thereunder) (Huamin Petrol Station (including Chengluo Petrol Station thereunder) are wholly-owned subsidiaries of Chengdu Communications Investment, therefore they are connected persons of the Company)

Date and term⁽¹⁾: Entered into on 28 April 2022 for a term from the effective date of the agreement to 31 August 2023. For details, please refer to the announcement of the Company dated 28 April 2022.

On 27 July 2023, Xinyuanli Energy entered into a supplemental agreement with Huamin Petrol Station to extend the term to 27 April 2025. Please refer to the announcement of the Company dated 27 July 2023 for further details.

Subject⁽¹⁾: Xinyuanli Energy shall supply refined oil to Huamin Petrol Station and Chengluo Petrol Station (established with the fund from Huamin Petrol Station), and payment shall be made before delivery: after both parties confirm the total quantity of oil and the amount payable in accordance with the pricing policy, the purchaser shall remit the payment for the oil to the account of the vendor.

Pricing policy⁽¹⁾: The unit price of respective oil products shall be determined based on the arithmetic average of the daily average oil prices of Chengdu Sinopec and Chengdu PetroChina as published by the Refined Oil Price Centre of JLC (<http://www.315i.com/>), and, in case that no daily average oil price is available, the arithmetic average of the daily average oil prices immediately before the date of the sales order shall apply (the aforesaid prices include transportation expenses).

Annual cap of total transactions during the Reporting Period: RMB81.1 million

Amount actually incurred: RMB35.6 million

Note:

1. On 27 July 2023, Xinyuanli Energy entered into a supplemental agreement with Huamin Petrol Station to extend the term to 27 April 2025 and make certain amendments to the agreement, mainly relating to the pricing policy and the payment method. For details, please refer to the announcement of the Company dated 27 July 2023.

DIRECTORS' REPORT

5.3 Refined Oil Purchase and Sale Contract – Xinhua Petrol Station

Parties and connected relations: Xinyuanli Energy and Xinhua Petrol Station (Xinhua Petrol Station is a wholly-owned subsidiary of Chengdu Communications Investment, therefore it is a connected person of the Company)

Date and term⁽¹⁾: Entered into on 28 April 2022 for a term from the effective date of the agreement to 31 August 2023. For details, please refer to the announcement of the Company dated 28 April 2022.

On 27 July 2023, Xinyuanli Energy entered into a supplemental agreement with Xinhua Petrol Station to extend the term to 27 April 2025. Please refer to the announcement of the Company dated 27 July 2023 for further details.

Subject⁽¹⁾: Xinyuanli Energy shall supply refined oil to Xinhua Petrol Station, and payment shall be made before delivery: after both parties confirm the total quantity of oil and the amount payable in accordance with the pricing policy, the purchaser shall remit the payment for the oil to the account of the vendor.

Pricing policy⁽¹⁾: The unit price of respective oil products shall be determined based on the arithmetic average of the daily average oil prices of Chengdu Sinopec and Chengdu PetroChina as published by the Refined Oil Price Centre of JLC (<http://www.315i.com/>), and, in case that no daily average oil price is available, the arithmetic average of the daily average oil prices immediately before the date of the sales order shall apply (the aforesaid prices include transportation expenses).

Annual cap of total transactions during the Reporting Period: RMB48 million

Amount actually incurred: RMB3.0 million

Note:

1. On 27 July 2023, Xinyuanli Energy entered into a supplemental agreement with Xinhua Petrol Station to extend the term to 27 April 2025 and make certain amendments to the agreement, mainly relating to the pricing policy and the payment method. For details, please refer to the announcement of the Company dated 27 July 2023.



DIRECTORS' REPORT

5.4 Refined Oil Purchase and Sale Contract – Xinyuanli Energy

Parties and connected relations: Xinyuanli Energy and PetroChina Chengdu Sales Branch (Xinyuanli Energy is an indirect subsidiary of the Company, and PetroChina is a substantial shareholder of Zhongyou Energy, a major subsidiary of the Company, and thus a connected person of the Company)

Date and term: 1 January 2023 for a term from the effective date of the agreement to 31 December 2023.

On 25 September 2023, Xinyuanli Energy entered into the new refined oil purchase and sale contract with PetroChina Chengdu Sales Branch for a term commencing from 1 January 2024 to 31 December 2025. For details, please refer to the announcement of the Company dated 25 September 2023.

Subject: Designated type of refined oil supplied from PetroChina Chengdu Sales Branch to Xinyuanli Energy.

Pricing policy: The settlement price charged by PetroChina Chengdu Sales Branch for refined oil products supplied to Xinyuanli Energy shall be the then prevailing wholesale price stipulated by PetroChina Sichuan Sales Branch, with the specific price subject to that available on the date of issuance of invoice.

PetroChina Chengdu Sales Branch shall deliver the refined oil products to the place(s) designated by Xinyuanli Energy, and shall charge transportation fees to Xinyuanli Energy based on the then prevailing standards set by PetroChina Sichuan Sales Branch.

Annual cap of total transactions during the Reporting Period: RMB80 million

Amount actually incurred: RMB50.7 million

DIRECTORS' REPORT

5.5 Refined Oil Purchase and Sale Contract – Communications Investment Energy

Parties and connected relations:	Communications Investment Energy and each of the connected suppliers (Communications Investment Energy is an indirect material subsidiary of the Company, Yanchang Shell is a substantial shareholder of Communications Investment Energy and each of the connected suppliers is an associate of Yanchang Shell and a connected person of the Company)
Date and term:	Entered into on 27 December 2023 for a term from 1 January 2024 to 31 December 2026. For details, please refer to the announcement of the Company dated 27 December 2023.
Subject:	Communications Investment Energy may purchase designated types of refined oil from each of the connected suppliers.
Pricing policy:	Communications Investment Energy will invite each of the connected suppliers to submit quotations, and the final settlement amount will be based on the final price as agreed in the batch business confirmation letter (i.e. the specific purchase order used to determine the purchase price and estimated purchase quantity of designated types of refined oil in a given period) between the parties and the volume actually distributed. The quotation provided by each of the connected suppliers shall be the price of refined oil and delivery (inclusive of tax), being the full cost (inclusive of tax) for delivery to the designated stations of Communications Investment Energy.
Annual cap of total transactions during the Reporting Period:	RMB700 million
Amount actually incurred:	RMB292.9 million



DIRECTORS' REPORT

6. Agreements Related to Entrusted Management or Operation Business

6.1 Entrusted Operation and Management Contract – Chengming Expressway Company

Parties and connected relations:	Operation Company and Chengming Expressway Company (a connected subsidiary of the Company and therefore a connected person of the Company)
Date and term:	Renewed on 28 December 2022 for a term commencing from 1 January 2023 to 31 December 2025. For details, please refer to the announcement of the Company dated 28 December 2022.
Subject:	Operation Company is entrusted by Chengming Expressway Company to take charge of the management of Qiongmeng Expressway and the operation and management of all its supporting facilities.
Pricing policy:	The entrusted operation and management service fee is determined after arm's-length negotiations between the two parties with reference to (i) the Group's operation and management experience of toll expressways and estimation of potential revenue, cost and expenses arising from operation and management of Qiongmeng Expressway; (ii) the charge standards applied to expressways invested in and operated by other subsidiaries of the Company which are under entrusted operation and management by Operation Company; and (iii) revenue forecast of Qiongmeng Expressway in the forthcoming years made by Master Alliance (China) Limited, an independent third party, in its Traffic Forecasting Study Report of Qiongmeng Expressway in Sichuan Province issued to the Company on 23 October 2019.
Annual cap of total transactions during the Reporting Period:	RMB9.46 million
Amount actually incurred:	RMB5.9 million

DIRECTORS' REPORT

6.2 Entrustment Management Agreement – Huamin Petrol Station (including Chengluo Petrol Station thereunder)

Parties and connected relations: Chengdu Communications Investment, Xinyuanli Energy and Huamin Petrol Station (including Chengluo Petrol Station thereunder) (Chengdu Communications Investment is one of the controlling shareholders of the Company, and Huamin Petrol Station (including Chengluo Petrol Station thereunder) are wholly-owned subsidiaries of Chengdu Communications Investment, therefore Chengdu Communications Investment and Huamin Petrol Station (including Chengluo Petrol Station thereunder) are connected persons of the Company)

Date and term: Entered into on 29 August 2022. The term of entrusted management of Huamin Petrol Station by Xinyuanli Energy shall commence on 23 April 2022 and end on 31 December 2024; and the term of entrusted management of Chengluo Petrol Station shall commence on 1 October 2022 and end on 31 December 2024. In the event of any change in the shareholding of Huamin Petrol Station prior to the expiry of the management term, the agreement may be terminated earlier through negotiation between the parties. For details, please refer to the announcement of the Company dated 29 August 2022.

Subject: Chengdu Communications Investment agreed to entrust the management of overall corporate operation of Huamin Petrol Station (and Chengluo Petrol Station thereunder) to Xinyuanli Energy, which mainly includes the production and operation activities of petrol stations, as well as the management activities including but not limited to safety, environmental protection, occupational health, equipment and facilities, finance and human resources management for production and operation.

Pricing policy: Xinyuanli Energy shall charge Huamin Petrol Station (and Chengluo Petrol Station thereunder) an annual management fee of 6% of its annual operating revenue.

Annual cap of total transactions during the Reporting Period: RMB7.7 million

Amount actually incurred: RMB4.6 million



DIRECTORS' REPORT

6.3 Entrustment Management Agreement – Xinhua Petrol Station

Parties and connected relations:	Chengdu Communications Investment, Xinyuanli Energy and Xinhua Petrol Station (Chengdu Communications Investment is one of the controlling shareholders of the Company, and Xinhua Petrol Station is a wholly-owned subsidiary of Chengdu Communications Investment, therefore Chengdu Communications Investment and Xinhua Petrol Station are connected persons of the Company)
Date and term:	Entered into on 29 August 2022. The term of entrusted management of Xinhua Petrol Station by Xinyuanli Energy shall commence on 23 April 2022 and end on 31 December 2024. In the event of any change in the shareholding of Xinhua Petrol Station prior to the expiry of the management term, the agreement may be terminated earlier through negotiation between the parties. For details, please refer to the announcement of the Company dated 29 August 2022.
Subject:	Chengdu Communications Investment agreed to entrust the management of overall corporate operation of Xinhua Petrol Station to Xinyuanli Energy, which mainly includes the production and operation activities of petrol stations, as well as the management activities including but not limited to safety, environmental protection, occupational health, equipment and facilities, finance and human resources management for production and operation.
Pricing policy:	Xinyuanli Energy shall charge Xinhua Petrol Station an annual management fee of 6% of its annual operating revenue.
Annual cap of total transactions during the Reporting Period:	RMB3.5 million
Amount actually incurred:	RMB2.5 million

DIRECTORS' REPORT

6.4 Entrusted Operation Business Contract – Chengmian Cangba Company

Parties and connected relations:	Operation Company and Chengmian Cangba Company (Operation Company is a wholly-owned subsidiary of the Company. Chengdu Airport Expressway Company is a material subsidiary of the Company and is owned as to 25% by Chengyu Expressway Company, therefore Chengyu Expressway Company is a connected person of a material subsidiary of the Company. Shudao Group is the holding company of Chengyu Expressway Company and Shudao Group indirectly holds 40% equity interests in Chengmian Cangba Company, and therefore Chengmian Cangba Company is an associate of Chengyu Expressway Company. Accordingly, Chengmian Cangba Company is a connected person at the subsidiary level of the Company)
Date and term:	Entered into on 28 December 2023 for a term from 28 December 2023 to 27 December 2025. For details, please refer to the announcement of the Company dated 28 December 2023.
Subject:	The operation and management services provided by Operation Company for Cangba Expressway primarily include, but are not limited to: vehicle toll collection management, utilisation and maintenance management of electrical and mechanical facilities, road patrol management, monitoring service management, service area management, maintenance management and safety and emergency response management.
Pricing policy:	The amount of service fees shall be determined after arm's length negotiations between the parties with reference to (i) the scope of operation and management of Cangba Expressway to be undertaken by Operation Company in the future and the work content; (ii) the estimated costs (including labour and property management service fees, staff costs, costs of routine civil maintenance works, testing fees and vehicle usage fees) that may be incurred in the course of operation and management of Cangba Expressway by Operation Company; and (iii) the prices charged by third parties for providing the same or similar operation and management services.
Annual cap of total transactions during the Reporting Period:	RMB79.3 million
Amount actually incurred:	RMB34.7 million

DIRECTORS' REPORT

7. Labour Service and Property Management Contract – Expressway Property

Parties and connected relations:	Operation Company and Expressway Property (Operation Company is a wholly-owned subsidiary of the Company. Chengdu Airport Expressway Company is a material subsidiary of the Company and is owned as to 25% by Chengyu Expressway Company, therefore Chengyu Expressway Company is a connected person of a material subsidiary of the Company. Expressway Property is an indirectly owned subsidiary of Shudao Group and also an associate of Chengyu Expressway Company. Accordingly, Expressway Property is a connected person at the subsidiary level of the Company)
Date and term:	Entered into on 28 December 2023 for a term from 28 December 2023 to 27 December 2024. For details, please refer to the announcement of the Company dated 28 December 2023.
Subject:	The services provided by Expressway Property in relation to Cangba Expressway mainly include: labour services and property services.
Pricing policy:	The Company identified Expressway Property as the trustee under the labour service and property management contract through public tender process. The tender price quoted by Expressway Property was the service fee under the labour service and property management contract, which was slightly lower than the tender control price. The tender control price is determined by the Company prior to the tender after taking into account the labour and property management costs incurred by the Company for the provision of the operation and management services under the entrusted operation business contract with reference to (i) the scope of operation and management services to be provided by the Company under the entrusted operation business contract; (ii) the number of employees required for the management personnel, labour services and property management services as well as the estimated market wages and benefits, etc., of such personnel; and (iii) the prices charged by third parties for the provision of the same or similar services.
Annual cap of total transactions during the Reporting Period:	RMB27.50 million
Amount actually incurred:	RMB9.4 million



DIRECTORS' REPORT

The Company has confirmed that the execution and enforcement of the implementation agreements under the continuing connected transactions set above during the Reporting Period followed the pricing principles of such continuing connected transactions.

The independent non-executive Directors have reviewed and confirmed such continuing connected transactions have been entered into (i) in the usual and ordinary course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company has provided a letter to the Board that, in respect of the above-mentioned continuing connected transaction:

(i) nothing has come to their attention that causes them to believe that such continuing connected transaction has not been approved by the Board; (ii) nothing has come to their attention that causes them to believe that such continuing connected transaction was not conducted, in all material respects, in accordance with the relevant agreement governing the transaction; (iii) such continuing connected transaction has not exceeded the annual caps set by the Company; and (iv) nothing has come to their attention that causes them to believe that such continuing continued transaction (involving the provision of goods or services by the Group) was not conducted, in all material respects, in accordance with the pricing policies of the Group.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Listing Rules*.

A summary of major related party transactions during the Reporting Period is set out in Note XI to the financial statements. Except as disclosed above (these transactions have complied with the disclosure requirements in Chapter 14A of the Listing Rules), other related party transactions disclosed in Note XI to the financial statements do not constitute discloseable related party transactions under the Listing Rules.

DIRECTORS' REPORT

OTHER MATTERS

Subscription For Structured Deposits

During the Reporting Period, the structured deposits (all of which are principal-guaranteed with floating rate) subscribed for by the Company and its subsidiaries are as follows:

Subscription date	Subscriber	Bank	Amount (RMB million)	Commencement date	Maturity date	Expected annualised rate of return
3 January 2024	The Company	Construction Bank Corporation	300	5 January 2024	27 June 2024	1.05%-3.00%
3 January 2024	The Company	Industrial and Commercial Bank of China	200	5 January 2024	27 June 2024	1.20%-2.39%
2 July 2024	The Company	Construction Bank Corporation	300	5 July 2024	11 October 2024	1.05%-2.70%
2 July 2024	The Company	Industrial and Commercial Bank of China	200	5 July 2024	11 October 2024	1.20%-2.49%
14 October 2024	The Company	Construction Bank Corporation	350	16 October 2024	24 December 2024	1.05%-2.70%

For further details regarding subscription of structured deposits, please refer to the announcements of the Company dated 14 October 2024, 2 July 2024 and 3 January 2024.

Amendments to the Articles of Association

On 27 March 2024, as Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a promoter and a controlling shareholder of the Company, changed its registered name to “Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司)”, as approved at the extraordinary general meeting of the Company, the Company made certain amendments to the Articles of Association. For details, please refer to the announcements dated 7 March 2024 and 29 February 2024 as well as the circular dated 7 March 2024 of the Company.

Resignation of Board Secretary and Joint Company Secretary and Change of Authorised Representative

On 29 April 2024, due to work rearrangement, Mr. Zhang Guangwen resigned as the secretary of the Board, the joint company secretary and the authorised representative of the Company under the Listing Rules. Following Mr. Zhang's Guangwen resignation, the other joint company secretary of the Company, Ms. Kwong Yin Ping, Yvonne continued to serve as the company secretary of the Company, and Mr. Xia Wei, an executive Director, has been appointed as an authorised representative. For details, please refer to the announcement of the Company dated 29 April 2024.



DIRECTORS' REPORT

Withdrawal of Application for Listing of A Shares

In view of the adjustments to the existing vetting policies in the capital market, taking into account the future strategic positioning of the Company's own business, and to coordinate its business development and capital operation planning, on 4 June 2024, the Company decided to apply to the Shanghai Stock Exchange for withdrawal of its application for listing of A Shares after prudent study with the sponsor and consideration and approval by the Board. For details, please refer to the announcement of the Company dated 4 June 2024.

Proposed Issue of Corporate Bonds

To satisfy the Company's financing needs and broaden its financing channels, the Board has, on 10 July 2024, approved the proposed issue of corporate bonds in the PRC with an aggregate principal amount of not more than RMB2 billion (inclusive) through multiple tranches. For details, please refer to the announcement of the Company dated 10 July 2024.

Entering into the Land Requisition and Relocation Agreement for Dayi County Section in Relation to the Chengwenqiong Expressway Expansion Construction Project

On 29 October 2024, Chengwenqiong Expressway Company and Dayi County People's Government of Chengdu City, Sichuan Province entered into the Land Requisition and Relocation Agreement for Dayi County Section. For further details, please refer to the announcement of the Company dated 29 October 2024.

Entering into the Land Requisition and Relocation Agreement for Wenjiang District Section in Relation to the Chengwenqiong Expressway Expansion Construction Project

On 27 November 2024, Chengwenqiong Expressway Company and Wenjiang District People's Government of Chengdu City, Sichuan Province entered into the Land Requisition and Relocation Agreement for Wenjiang District Section. For further details, please refer to the announcements of the Company dated 27 November 2024 and 29 October 2024.



DIRECTORS' REPORT

ENVIRONMENTAL POLICY AND PERFORMANCE

The Company regards environmental protection as an important corporate responsibility and places great emphasis on implementing environmental protection measures in our daily operations. The Company has established a safety and environmental protection supervision team comprising general manager as the team leader, other senior management as the deputy team leaders and the heads of various departments as members, and formulated the Administrative Measures for Urban and Rural Environmental Comprehensive Management to regulate the appearance, order, environmental sanitation and greening ecology at full line of the expressways, office areas and service areas, further strengthen the ecological environment protection on the managed expressways, and realise the normalization and regularisation of the environmental pollution prevention and control work. While the Company's main business is not in a highly polluting or hazardous industry, the traffic on the Company's expressways may produce exhaust gas, dust and noise pollution, and the Group's road maintenance, expansion or construction work may affect the surrounding vegetation, soil and water. Therefore, the Company has strictly controlled dust, noise and sewage discharge, and required measures such as closure, dust reduction and noise reduction be taken at the road construction site.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is subject to a number of laws and regulations, which mainly include the Company Law of the PRC, the Civil Code of the PRC, the Labour Law of the PRC, the Highway Law of the PRC, the Safety Production Law of the PRC, the Road Traffic Safety Law of the PRC, the Environmental Protection Law of the PRC, the Special Equipment Safety Law of the PRC, the Law on Prevention and Control of Environmental Pollution by Solid Waste of the PRC, Regulations on Safety Management of Dangerous Chemicals, Regulation on the Administration of Toll Roads, the Regulation on Highway Safety Protection, Code for Design and Construction of Automobile Petrol and Gas Stations and Sichuan Expressway Regulations.

Through internal control, compliance management, business approval procedures and employee training, the Company ensures compliance with applicable laws, regulations and regulatory documents, especially those that have significant impact on our main business; the Company will notify relevant employees and operating teams from time to time of any changes in applicable laws, regulations and regulatory documents applicable to our main business.

During the Reporting Period, to the best knowledge of the Directors, the Company did not have any non-compliance with applicable laws and regulations that are significant to the Company.

RELATIONSHIP WITH STAKEHOLDERS

The Company is of the view that its employees, customers and business partners are important to its sustainable development. The Company is committed to maintaining close relationship with its employees, providing quality services to customers and strengthening the cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity of the staff, offers competitive remuneration and benefits and career development opportunities based on their merits and performance. The Company also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfilment in their positions.

DIRECTORS' REPORT

The Group understands that customer satisfaction is critical to the Group's development. With respect to expressways, the Group created a sound driving experience for our customers by providing quality toll collection services, a safe driving environment, and beautiful highway scenery. At the same time, the monitoring centre and the road administration brigade of the Group can rush to the scene in a timely manner when receiving or discovering customer demand for assistance. With respect to energy business, the Group thoughtfully understands customer needs and constantly enhances customer loyalty through offering standard oil and gas products and quality oil and gas refueling and battery charging and replacement services for new energy vehicles. To improve customer service level, the Group has established a customer complaint mechanism to deal with complaints promptly.

The Group is also dedicated to develop good relationship with suppliers and contractors to ensure the smooth and healthy development of the Group's business. The Group reinforces business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner to ensure quality and timely delivery.

EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered into by the Company during the Reporting Period or subsisted as at the end of the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Article of Association and the laws of PRC which oblige the Company to offer pre-emptive rights of new shares to existing shareholders on their shareholding proportion.

FIXED ASSETS

Details of changes in fixed assets of the Group during the Reporting Period are set out in note V.10 to the financial statements of this annual report.

INTANGIBLE ASSETS

Details of changes in intangible assets of the Group during the Reporting Period are set out in note V.13 to the financial statements of this annual report.

EMPLOYEE AND REMUNERATION POLICIES

As of the end of the Reporting Period, the Group had an aggregate of 2,375 employees (31 December 2023: 2,290), including 1,997 front-line staff, accounting for 84.1% of the total number of employees, up 43 year-on-year; 291 general management staff, including those in finance, human resources and other departments, accounting for 12.3% of the total number of employees, up 38 year-on-year, and 87 mid-level management and above, accounting for 3.6% of the total number of employees, up 4 year-on-year.

The remuneration and benefit policies of the Group were implemented pursuant to the statutory requirements and the Management Measures for Benefits (《福利管理辦法》) of the Group. Staff remuneration and benefits, comprising wage, performance bonus and statutory and company benefits, are determined in accordance with the comprehensive appraisal results of the staff members based on the principle of "salary is determined based on position, and salary varies with position", which indicates strategies, market and performance orientation and internal and external impartiality.



DIRECTORS' REPORT

Pursuant to statutory requirements, the Group has participated in the employee retirement scheme organised by the local government authorities (social pension insurance) and the housing provident fund plan, and has adopted various protection plans such as basic medical insurance, work injury insurance, unemployment insurance and maternity insurance for its employees. The Group is required to contribute to the aforesaid employee retirement scheme organised by local government authorities subject to a certain percentage of the salaries of the employees. The sole responsibility of the Group under such scheme is to contribute the prescribed amount. In addition, the Group also participates in an additional employee retirement scheme, i.e. annuity. The Group will pay annuity on a monthly basis subject to a certain percentage of the average salaries of qualified employees in the previous year.

The Group's contributions to the defined contribution plans for its employees are fully and immediately vested at the time of contribution, and may not be offset by the contributions confiscated before being fully vested due to termination of the plan with the employees.

The Company's executive Directors and the employee representative Supervisors received management remuneration based on their specific management positions in the Company. They do not receive any remuneration for their positions as Directors or Supervisors, non-executive Directors also do not receive remuneration as non-executive Directors, and independent non-executive Directors receive remunerations based on their relevant experience and responsibilities in the Company subject to approval at the general meeting. Remuneration of the senior management includes fixed salary and performance bonuses, of which performance bonuses are calculated based on how the annual performance targets are met by them, and will be audited by the Remuneration and Evaluation Committee.

The Board determines the Company's annual operating performance targets each year and sets out clear and concrete rating criteria as the basis for year-end appraisals on the overall performance of the senior management of the Company. During the Reporting Period, the Company made allocation and assessment on eight key performance targets, namely operation results, specific tasks, reform and consolidation, operation and management, negative list, integrity, party construction and work appraisal.

Based on the operating performance targets approved by the Board, the Company will determine the annual tasks and targets for subsidiaries of all ranks, segregate and delegate the Company's objectives to the relevant enterprises and staff. Meanwhile, each subsidiary is required to sign accountability statements on operation results with the general manager of the Company. At the end of 2024, the Board and the general manager determined the overall performance score of the Company and individual performance scores of the senior management members with reference to the state of completion of the Company's and individual performance targets, and calculate the performance bonuses for the senior management members accordingly. The remuneration of all senior management members is subject to review by the Remuneration and Evaluation Committee and needs to be reported to the Board.

The Group values staff training and has established the Management Measures on Employee Training and a preliminary training system based on job competency. During the Reporting Period, the Company and its departments have organised various training sessions, which covered general management, operating management and professional skills, covering employees of all levels from front-line staff to senior management. The Group will also provide employees with comprehensive benefit plans and career development opportunities, including retirement plans, medical benefits and on-the-job training, IT training, safety training, toll calculation training and service etiquette training based on their needs.



DIRECTORS' REPORT

During the Reporting Period, the relevant staff costs amounted to RMB396,270,295 (2023: RMB367,956,918). For details, please refer to Note V.48 to the financial statements of this annual report.

MAJOR RISKS AND UNCERTAINTIES

The risks faced by the Group primarily include policy risks, market risks and financial risks and others. The Company attaches great importance to the above risks, takes the initiative to identify, evaluate and respond to the risks arising during the course of business, and will gradually establish and improve the systematic risk management mechanism.

Policy risks and the corresponding measures

Renew or extend the duration of right to operate expressway

The remaining operating period of the Group's expressways ranges from 9 months to 14 years, in which the toll collection of the Chengdu Airport Expressway Company will expire in December 2025. While the Group strives to renew or extend the operating periods of its expressways, it cannot assure that the Group will be able to obtain the necessary approval from relevant government authorities. Failure to extend the duration of our right to operate the expressways may materially and adversely affect the Group's business, results of operations and financial condition. Any adverse change to such arrangements with local governments could have a material adverse effect on the Group's financial position, results of operations and prospects.

Tolling policy

Toll rates charged by toll roads in China are set by various provincial or local government authorities. Any proposed toll rate increase requires approval by the relevant government authorities, taking into account various factors such as traffic flow, construction and operational costs of the expressways, prospective recovery periods of investment, loan repayment terms, inflation rate, management, operation and maintenance costs of the expressways and affordability to users. As an operator of expressways, the Company may from time to time apply to the relevant governmental authorities for change in toll rate. However, the Company cannot assure that the governmental authorities will approve such application in a timely manner, or at all. Further, the Company cannot assure that the governmental authorities will not at any time request a toll rate reduction or exemption. If government authorities fail to approve in a timely manner or do not approve the request of the Company to raise toll rates, or require a reduction or waiver in toll payment, the business and operating results of the Company may be materially and adversely affected.

According to the Measures for Evaluation of Expressway Safety and Service Quality of Sichuan Province (《四川省高速公路安全和服務質量考評辦法》) implemented by the Sichuan Provincial Transportation Department commencing from October 2021, the Expressway Administration Bureau of Sichuan Provincial Transportation Department shall evaluate the expressways in operation within the administrative division of Sichuan Province. The evaluation results will be included in the annual credit evaluation of expressway operators, and are linked to the payment ratio of road network operation guarantee service fees and the settlement period of toll income from ETC vehicles. Any decline in scores on expressway safety and service quality accredited by the competent department will lead to an adjustment of the settlement period of toll income, and in turn will have an adverse impact on the operation of the Company.



DIRECTORS' REPORT

The Classification by Vehicle Types on Toll Roads (JT/T489-2019) issued by the MOT and implemented on 1 January 2020, stipulates that passenger vehicle and freight vehicle are charged according to the classification of vehicle types. Although vehicle classification standards have been adjusted by the competent authorities from time to time and such adjustments have not affected the Group's toll income significantly, there can be no assurance that any future guidelines, notices or changes of the government policies relating to transportation and logistics will not adversely affect the business, results of operations, financial conditions and prospects of the Group. In addition, certain vehicles are exempted from toll payment pursuant to the Regulations on the Administration of Toll Roads (《收費公路管理條例》), the Notice of the State Council on the Approval and Forwarding of the Implementation of the Toll-Free Policy on Small Passenger Vehicles on Major Festivals and Holidays Promulgated by the Ministry of Transport and Other Departments (《國務院關於批轉交通運輸部等部門重大節假日免收小型客車通行費實施方案的通知》) (the "Holiday Toll-Free Policy") and the Notice on Further Improving Policies for Green Passage of Live Agricultural Products (Jiao Gong Lu Fa [2019] No. 99) (《關於進一步優化鮮活農產品運輸“綠色通道”政策的通知》). There can be no assurance that the relevant government authorities will not implement toll discount or toll-free policies and any other policies in relation to tolls or toll rates in the future, which may adversely affect the Group's business, results of operations, financial conditions and prospects. Pursuant to the Circular on Implementation Plan for Comprehensively Promoting Differentiated Expressway Toll Collection (《全面推廣高速公路差異化收費實施方案》) (Jiao Gong Lu Han [2021] No. 228) jointly promulgated by the MOT, the National Development and Reform Commission and the Ministry of Finance, differentiated toll collection is required to be implemented on expressways nationwide, which may have a negative impact on the business, performance, financial condition and prospects of the Group.

Corresponding measures

For policy risks, the Group will adopt the following counter-measures: (i) promoting the continuous growth of the Group's asset scale and operating results through investment in and construction of expressways with sound development prospects; and (ii) mitigating impact from failure of the Group to renew or extend the service concession periods of expressways of the Group through expanding into expressway-related services or investment projects, including expressway entrusted operation and management services and introducing petrol and gas station operation business, new energy charging piles and service areas with petrol stations. The Group will continue to keep a close eye on relevant potential investment projects, in a bid to further mitigate the impact from possible failure to renew or extend the service concession periods of expressways.

Market risks and corresponding measures

Impact of decline in traffic volume

Revenue from expressways of the Group primarily depends on the number of vehicles on its expressways. Traffic volume is directly and indirectly affected by a number of factors, including: toll rates, fuel prices, vehicle prices and the cost of owning and operating vehicles, mix between different vehicle classes using the expressways of the Group, capacity constraints on the number of vehicles and the mix of different vehicle classes that can efficiently use its expressways in any given period, occurrence of natural disasters, accidents, road closures or restricted access caused by upgrade, expansion and repair projects undertaken, and changes in laws, regulations and policies, etc.



DIRECTORS' REPORT

The traffic volume on a given toll road is also influenced by the extent of its connectivity with other local and national route networks. Future changes in the route system and network in Sichuan Province may adversely affect the traffic volume on the expressways of the Group. Any decline in traffic volume may adversely affect the Group's revenue and earnings.

Impact of competing roads and alternative forms of transportation

The Group's results of operations may be affected by competition from the following sources: including (i) existing competing roads and bridges of a comparable quality, the expanding high speed train network and the planning and development of subways and inter-city light rail systems; and (ii) new competing expressways which may or may not have lower toll rates.

Alternative forms of transportation may provide travellers with more comfortable and convenient transportation services. The Company cannot assure that it will be able to maintain or improve the road conditions of its expressways in order to compete with existing and new forms of transportation. In the event there are changes to passenger and transportation patterns, resulting in a decrease in the overall traffic volumes on the expressways of the Group, the Group's business, financial position and results of operations could be affected.

Highways in the Chengdu metropolitan area that currently compete with the expressways of the Company include Tianqiong Expressway (天邛高速), Chengqing Freeway (成青快速通道), Chengmian Expressway (成綿高速公路), Chengya Expressway (成雅高速公路), Chengwenqiong Highway (成溫邛快速通道), Chengqingjin Freeway (成青金快速通道) and Chengdu Economic Zone Ring (3rd) Expressway (成都經濟區環線(三繞)高速). In addition, official operation of the Chengdu Tianfu International Airport attracts significant amount of flights from Chengdu Shuangliu International Airport, which has a material impact on the traffic flow of Chengdu Airport Expressway. Therefore, the Company cannot assure that the traffic volumes of the expressways operated by the Group will maintain the same level or increase in the future, nor can the Group assure that the revenue and profit of the Group will not be adversely affected.

Corresponding measures

For market risks, the Company will strengthen the communications with the government and the peers, to timely understand road network planning, project construction progress and subsequent planning adjustment, and carry out network research and analysis in advance, so as to accurately keep on track of the traffic trends to ensure accuracy of operation and development strategic decisions of the Company.

Risk of short-term performance impact from Chengwenqiong Expressway Expansion Construction Project and subsequent weaker-than-expected performance

According to the Reply on Matters Relating to the Construction of Chengdu-Wenjiang-Qionglai Expressway Expansion Construction Project (Chuan Ban Han [2023] No. 16) (《關於建設成都經溫江至邛崃高速公路擴容項目有關事宜的覆函》(川辦函[2023]16號)) issued by the People's Government of Sichuan Province on 1 March 2023, Chengwenqiong Expressway will undergo an expansion and renovation project, with a construction period of three years. The total investment of the project is approximately RMB12.652 billion. During the construction period of the Chengwenqiong Expressway expansion and renovation project, it will adversely affect the traffic capacity of the original roads, which could potentially impact the Company's short-term business performance.

Furthermore, after the completion of the expansion and renovation project, the toll policy (including toll rates



DIRECTORS' REPORT

and duration) will be determined by the People's Government of Sichuan Province, taking into account the new investment in the Expansion Construction Project and the remaining revenue of the original roads, based on the statutory toll period. If the toll policy is less than expected, the Company is subject to the risk that the subsequent business performance of Chengwenqiong Expressway will be weaker than expected.

Corresponding measures

The Company will actively carry out various preliminary work for the expansion and renovation, and prepare a traffic organization plan to reduce the impact on short-term business performance due to the expansion and renovation. At the same time, the Company will strengthen the communication with governmental departments and make proper cost budgeting, so as to ensure that the revised toll rates and standards will meet the Company's investment expectations.

Impact of the selling prices of the energy segment

The Group is also engaged in operation of refined oil through Energy Development Company. The maximum retail price of refined oil shall be subject to the Measures for the Administration of Petroleum Prices (《石油價格管理辦法》) issued by National Development and Reform Commission in 2016, that is, domestic retail price of refined oil will be upgraded or downgraded within a certain range based on the changes in global oil prices. Therefore, the Group cannot guarantee an increase or decrease in the retail price of refined oil in future or the positive or negative impact thereof on the Group's revenue and profit.

Corresponding measures

To cope with the price risk of the energy segment, the Group will strengthen communication and coordination with suppliers and strive to purchase refined oil at the most favourable price leveraging the Refined Oil Framework Agreement and bulk procurement, so as to reduce the purchase cost of refined oil and improve profitability of the energy segment.

The Group also actively seeks to increase the number of operating sites of petrol stations in order to expand its scale of operation and improve its operating results.

Financial risks and corresponding measures

For the Company's financial risks and uncertainties, please refer to Note III.29 and Note X.2 to the financial statements in this annual report.

ESG risks and corresponding measures

For the Company's ESG risks and uncertainties, please refer to 2.3, 3.5 and 5.8 as set out in the ESG report included herein.



DIRECTORS' REPORT

SUBSEQUENT EVENTS

Entering into the Supplemental Agreement to Non-competition Agreement

On 9 January 2025, based on the current business conditions and to better cater to future development, the Company entered into the supplemental agreement to the non-competition agreement with its controlling shareholders Chengdu Communications Investment and Communications Investment Construction and Management to revise certain terms contained in the non-competition agreement. Following such amendments, controlling shareholders and their subsidiaries are allowed to gain control over the new business opportunities rejected by the Company. For further details, please refer to the announcements of the Company dated 9 January 2025 and 28 November 2024 as well as the circular dated 5 December 2024.

Appointment of Non-executive Director

On 9 January 2025, upon consideration and approval at the extraordinary general meeting of the Company, Mr. Jiang Xinliang was elected as a non-executive Director for a term commencing from the date of election until expiry of the second session of the Board. For details, please refer to the announcements of the Company dated 9 January 2025 and 18 December 2024.

Resignation of General Manager

On 23 January 2025, due to work arrangement, Mr. Yang Tan, secretary to the Party committee, chairman of the Board, executive Director and general manager of the Company, tendered his resignation to the Board to resign as the general manager of the Company with effect from 23 January 2025. Mr. Yang confirmed that he had no disagreement with the Board, and there were no other matters concerning his resignation as the general manager of the Company that needed to be brought to the attention of the Shareholders and creditors of the Company. Mr. Yang will continue to serve as the secretary to the Party committee, chairman of the Board and executive Director of the Company. On the same date, the Board resolved to appoint Mr. Ding Dapan as the general manager of the Company with effect from 23 January 2025.

CHARITABLE UNDERTAKINGS

The Group actively supports various community welfare activities, including carrying out community condolences, rural revitalization, tree planting activities, assist anti-drug publicity activities and help families in need to reduce the burden of autumn harvest. For details, please refer to "6. Building an Inclusive and Harmonious Community" in the Environmental, Social and Governance Report.



DIRECTORS' REPORT

INDEPENDENT AUDITOR

As the Company aligned in preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises commencing from 2021, the Company resolved at the 2020 annual general meeting held on 10 June 2021 to cease to re-appoint Ernst & Young who provided overseas auditing services as the international auditor of the Company since its listing in 2019 under the International Financial Reporting Standards, and to appoint Ernst & Young Hua Ming LLP as the auditor of the Company for 2021, who also assumed responsibilities of international auditors under the Listing Rules.

Ernst & Young Hua Ming LLP has been re-appointed by the Company as the auditor for 2024. The 2024 financial statements of the Company prepared under the China Accounting Standards for Business Enterprises have been audited by Ernst & Young Hua Ming LLP, who issued an unqualified audit report thereon.

Ernst & Young Hua Ming LLP will retire upon expiry of its term of office and will be eligible for re-appointment at the AGM.

The Company did not change its auditor in the past three years.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an Audit and Risk Management Committee in accordance with the requirements of the Corporate Governance Code to review and oversee the financial reporting, risk management and internal control of the Group. The Audit and Risk Management Committee of the Company has discussed with the management and reviewed the audited financial statements of the Group for the year ended 31 December 2024.

The other sections, reports or notes to this report mentioned above form an integral part of this Directors' Report.

By order of the Board

Yang Tan

Chairman

Chengdu, the PRC, 26 March 2025

REPORT OF THE SUPERVISORY COMMITTEE

In 2024, the supervisory committee of Chengdu Expressway Co., Ltd. (the “Supervisory Committee”) launched earnest study into and implemented the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. In strict accordance with the Company Law, Listing Rules of the Stock Exchange and state-owned assets supervision and administration laws and regulations, taking into account the Articles of Association and the Rules of Procedure of the Supervisory Committee of the Company, and with the core objectives of safeguarding the legitimate rights and interests of the Company and its Shareholders and promoting the high-quality development of the Company, the Supervisory Committee exercised supervision over the compliance with laws and regulations in regular reports, compliance operation, information disclosure, internal control and major events as well as the duty performance of the Directors and senior management of the Company with the support and cooperation of the Board of Directors and senior management of the Company. The work done by the Supervisory Committee in 2024 is hereby presented as follows.

I. WORK OF THE SUPERVISORY COMMITTEE

(I) Composition of the Supervisory Committee

The second session of the Supervisory Committee of the Company consists of five Supervisors, including three shareholder representatives and two employee representatives of the Company.

(II) Meetings of the Supervisory Committee and Consideration of Proposals

During the year, the Supervisory Committee convened a total of 4 meetings. The noticing, convening, holding and voting procedures of the meetings complied with the Articles of Association, the Rules of Procedure of the Supervisory Committee, and a total of 11 proposals approved thereat were truthful, valid and complete and unanimously adopted. Particulars of such meetings are set out below.

1. On 27 March 2024, the first meeting of the Supervisory Committee was convened, at which the following proposals were considered and approved: Proposal on Consideration of the 2023 Final Financial Accounts Report of Chengdu Expressway Co., Ltd., Proposal on Consideration of Profit Distribution and Dividend Payment of Chengdu Expressway Co., Ltd. in 2023, Proposal on Consideration of 2023 Self-assessment Report on Internal Control, Proposal on Consideration of the 2023 Enterprise Risk Management Assessment Report, Proposal on Consideration of the 2023 Annual Results Announcement and 2023 Annual Report of Chengdu Expressway Co., Ltd., Report on the List of Connected Persons under the Hong Kong Listing Rules after the 2023 Update and Proposal on Consideration of the Report of the Supervisory Committee in 2023 of Chengdu Expressway Co., Ltd.



REPORT OF THE SUPERVISORY COMMITTEE

2. On 29 April 2024, the second meeting of the Supervisory Committee was convened, at which the Proposal on Consideration of the 2024 First Quarterly Financial Statements of Chengdu Expressway Co., Ltd. was considered and approved.
3. On 27 August 2024, the third meeting of the Supervisory Committee was convened, at which the following proposals were considered and approved: Proposal on Consideration of 2024 Interim Results Announcement and Interim Report of Chengdu Expressway Co., Ltd. and Proposal on Consideration of Not Declaring 2024 Interim Dividend of Chengdu Expressway Co., Ltd.
4. On 29 October 2024, the fourth meeting of the Supervisory Committee was convened, at which the Proposal on Consideration of the 2024 Third Quarterly Financial Statements of Chengdu Expressway Co., Ltd. was considered and approved.

(III) Attendance of Supervisors at General Meetings and Board Meetings

During the year, the Supervisory Committee attended 2 general meetings and 20 Board meetings as non-voting participant, at which it considered 7 and 80 resolutions, respectively. The Supervisory Committee proactively participated in discussions regarding material decisions of the Company, supervised the compliant operation and scientific decision-making of the Company and safeguarded the ongoing, healthy and steady development of the Company through supervision and inspection of the implementation of the resolutions approved at general meetings and Board meetings, major decision-making procedures and compliance of the operating activities of the Company.

REPORT OF THE SUPERVISORY COMMITTEE

II. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT TASKS OF THE COMPANY

During the year, the Supervisory Committee performed its duties diligently and thoroughly carried out its supervisory functions to ensure that it had a comprehensive and in-depth understanding of the Company's overall operation and kept abreast of the Company's development. The Supervisory Committee hereby presents its opinions on the following aspects.

(I) Compliance Operation of the Company

The Supervisory Committee supervised the operation of the Company during the year and attended general meetings and Board meetings of the Company according to law, thereby imposing strict supervision over the duty performance of the Directors and management members of the Company. The Supervisory Committee is of the opinion that the convening, holding, decision and decision-making procedures of the general meetings and Board meetings complied with the requirements of the Company Law and the Articles of Association, the Board was able to make scientific decisions subject to resolutions passed at general meetings, and correctly required and instructed management members to carry out effective business operations in strict accordance with laws and regulations and within the delegation of the Board. The Company has excelled in fulfilling its various operational and management tasks. In particular, with a steadfast commitment to cost reduction and efficiency enhancement, the Company achieved the targets set for the year, and thus cemented the fundamentals for development. The Company also surmounted hardships and difficulties, proactively accommodated material changes in policies and external environment, made breakthroughs in thorny issues identified in preliminary stage of projects, and endeavoured to press ahead with the preliminary work of Chengwenqiong Expressway Expansion Construction Project. Besides, the Company explored new business channels, and focused on establishment and investment in new expressway platforms and merger and acquisition of expressways in and out of Sichuan Province via pursuing project opportunities, expediting growth and refreshing and broadening pipeline for its principal business. Driven by technological innovation, the Company rendered constant efforts to explore new scenarios, technologies and models of intelligent transportation, and continued to improve the management quality and efficiency of toll collection, operation and maintenance through "four new" technologies including setting up unattended toll stations, launching pilot toll stations equipped with robots and covering the original expressway markings with cold spraying technique. Furthermore, the Company newly established Chuanlutong Company to carry out professional classification of expressways under independent and entrusted operation and located in and out of Chengdu, built up a fresh expressway operation and management platform brand, generated revenue from projects other than those under entrusted operation, and achieved profit for the first year following establishment leveraging concerted efforts. The Company also developed service areas via creative approaches, as evidenced by the establishment of Ande service area as a five-star service area in Chengdu and the title of "Sweet Home" (Class A) for drivers of freight vehicles granted to Xinfan service area by the Department of Transportation of Sichuan Province, thus reaping both social and economic benefits. It establish a flexible coordination mechanism for oil procurement, carried out "non-oil linkage" promotion activities, expanded natural gas retail business and other ways to deal with the traditional oil and gas market competition; further expanded the construction of charging piles and new energy storage facilities and operations based on "low-carbon center" and "roadside charging and storage integration", and strived to provide support for the transformation of urban energy structure.

REPORT OF THE SUPERVISORY COMMITTEE

(II) Financial Condition of the Company

Pursuant to the Accounting Law, the Accounting Standards for Business Enterprises and other laws and regulations, the Supervisory Committee conducted earnest review and supervision over the Company's financial condition and financial management status, and focused on major financial management activities. The Supervisory Committee is of the opinion that the Company maintained a well-established internal control system and sound financial system, and strictly abided by Accounting Standards for Business Enterprises, its financial affairs were managed in a standard manner, it was in sound financial condition and there was no occupation of the Company's assets or capital loss.

(III) Review Opinions on Various Reports of the Company in 2024

During the year, the Supervisory Committee reviewed the Company's final financial accounts report for 2023, the financial report for the first quarter of 2024, the 2024 interim financial report and the financial report for the third quarter of 2024. The Supervisory Committee is of the opinion that the financial reports of the Company in 2024 were prepared in line with the requirements of accounting standards, and gave an objective, true, accurate and complete view of the actual operation condition of the Company in all respects without misrepresentation, misleading statements or material omissions, and safeguarded the legitimate rights and interests of the Shareholders as a whole.

(IV) Internal Control of the Company

During the year, the Supervisory Committee exercised supervision over the internal control of the Company, and after inspection of the construction and operation of the internal control system, it did not identify any material or important deficiency. For certain general deficiencies, the Company has adopted corresponding remedial measures to enhance internal control. The Supervisory Committee is of the opinion that the Company has established a sound internal control system, which complied with national laws and regulations as well as normative requirements of regulatory authorities, and contributed effectively to each operating aspect of the Company in terms of risk prevention and control.

(V) Enterprise Risk Management of the Company

During the year, the Supervisory Committee exercised supervision over the enterprise risk management of the Company, and after inspection of the risk management mechanism and process, it did not identify any major risk during the year. The Supervisory Committee is of the opinion that the Company has forged a well-established enterprise risk management system which operated effectively.

REPORT OF THE SUPERVISORY COMMITTEE

III. WORK PLAN OF THE SUPERVISORY COMMITTEE IN 2025

In 2025, the Supervisory Committee will formulate work plans in strict accordance with the Company Law, Listing Rules of the Stock Exchange and state-owned assets supervision and administration laws and regulations, taking into account the Articles of Association and the Rules of Procedure of the Supervisory Committee.

- (I) The Supervisory Committee will strengthen its supervision function, attend the general meetings and Board meetings as non-voting delegate, continue to review the compliance of matters to be resolved and decision-making processes of the Board, supervise the duty performance of Directors and senior management of compliance management responsibilities, promote the improvement of corporate governance structure, and ensure the standardisation and transparency of the Company's operation.
- (II) The Supervisory Committee will continue to exert its function, act in the overall interests of the Company, maintain independence and objectivity, comprehensively and deeply understand the Company's management, and put forward constructive opinions and suggestions in key areas such as the Company's development strategy and corporate governance to facilitate the healthy development of the Company.
- (III) The Supervisory Committee will bolster risk prevention and control, supervise the operation of the Company's risk management and internal control system, oversee the Company's identification, evaluation and response measures to major risks, ensure the Company's stable operation in a complex and ever-changing market environment, and prevent potential risks.
- (IV) The Supervisory Committee will reinforce communication with the Board and management, identify weaknesses in the Company's development, promote the Company to optimise management processes and systems to improve management efficiency and capacity, remain committed to cost reduction and efficiency enhancement and strengthen the profitability of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

Chengdu Expressway Company Limited (“the Group” or “we” or “us” or “the Company”) published its seventh Environmental, Social and Governance (“ESG”) Report, aiming to report on our principles, strategies, practices and sustainability performance in fulfilling our social responsibilities in 2024 and respond to important issues of concern to our stakeholders.

Basis of Preparation

This report is prepared in strict accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix C2 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report has complied with the “mandatory disclosure requirements” and “comply or explain” provisions and the “materiality”, “quantitative”, “balance” and “consistency” reporting principles as contained in the Guide.

Materiality	We have disclosed the process to identify and the criteria for the selection of material ESG issues, and description of key stakeholders identified, and the process and results of the stakeholder engagement. For details of the materiality assessment process, please refer to the section headed “Analysis of Material ESG Issues” in this report.
Quantitative	The Group discloses the applicable quantitative KPIs ¹ as set out in the Guide. Information on the standards, methodologies, assumptions and/or calculation tools, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) have been disclosed herein.
Balance	This report gives a fair and impartial view of the Group’s performance during the Reporting Period without omissions or the inappropriate use of selections that would influence a decision or judgment by the stakeholders.
Consistency	To the extent practicable, data contained herein are collected using methods consistent with those adopted in previous years. We have disclosed herein any changes or revisions to the methods or KPIs used.

Reporting Scope

This report illustrates the overall ESG performance of the Group during the period from 1 January 2024 to 31 December 2024 (the “Year” or “Reporting Period”). Unless otherwise specified, data on environmental and social aspects as disclosed in this report are entirely derived from businesses under direct control of the Group. For detailed information on the corporate governance of the Group, please refer to the section headed “Corporate Governance Report” in the annual report or the official website of the Group at <http://www.chengdugs.com/>.

¹ Data with decimal places are rounded off in this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Language

This report is prepared in both traditional Chinese and English. In case of any inconsistencies, the former shall prevail.

Approval of the Report

This report has been approved for release by the board of directors of the Group (the “Board”) on 26 March 2025.

Feedback to the Report

If you have any enquiry or suggestion as to this report or the sustainable development policies of the Group, please contact us via e-mail (cggfdb@chengdugs.com). We welcome your suggestions.

2. SUSTAINABLE DEVELOPMENT GOVERNANCE

The Group is principally engaged in the operation, management and development of expressways (including service areas thereunder) located in and around Chengdu, Sichuan Province and retailing of refined oil. Meanwhile, the Group also expands to operation of natural gas. Business operations of the Group are therefore categorised into “expressway” and “energy” two segments. The Group is committed to advancing sustainable development policies and integrating environmental, social and governance considerations into our growth and business expansion processes, demonstrating our dedication to corporate social responsibility.

2.1 Board Statement





The Group is dedicated to advancing structured ESG development, having established a robust ESG framework that integrates ESG principles throughout our day-to-day operations. The Board oversees the sustainability initiatives of the Company while being specifically mandated to deliberate, review and approve the Group’s ESG governance policies, strategic objectives and risk management protocols. We have prioritised material ESG issues through a rigorous assessment process, with the materiality evaluation outcomes validated by the Board. This structured approach informs ongoing refinements to our ESG strategic roadmap and risk mitigation planning mechanisms.

Following formal mandate from the Board, we have instituted an ESG Task Force charged with overseeing and driving the execution of ESG-related initiatives. The Board retains ultimate accountability for ESG strategy formulation and disclosure obligations, exercising governance authority to review and formally endorse sustainability policies and implementation protocols developed by the ESG Task Force.

The Group actively implements the “Dual Carbon” goals (carbon peaking and carbon neutrality), integrating a low-carbon and environmentally sustainable development philosophy into our operational strategies. We have established directional environmental targets, including emissions reduction, waste reduction, energy efficiency, and water consumption efficiency goals, while conducting regular reviews of ESG progress to ensure effective advancement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

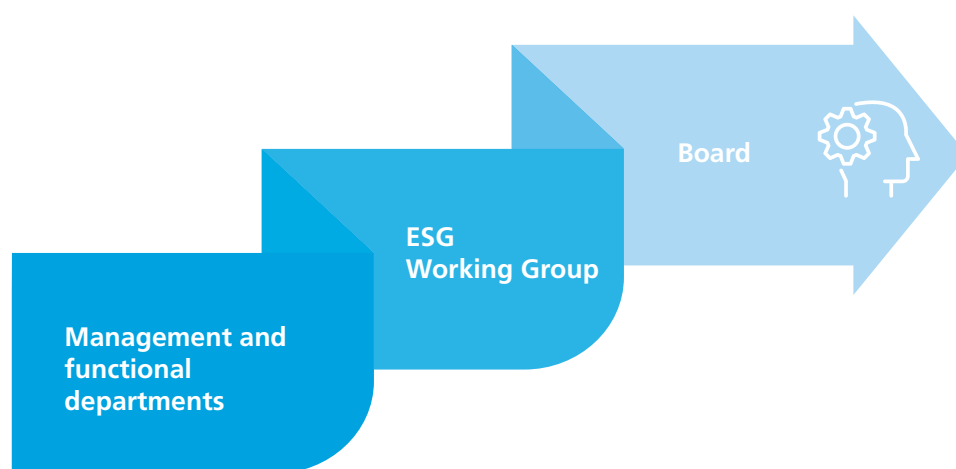
2.2 Recognitions and Awards Received in 2024

Month of Award	Description of Award	Photo of Award
January 2024	Liao Xini, an employee of Operation Company, won the Excellent Award in the fifth Sichuan Provincial Staff Speech Competition.	
January 2024	Ren Yijiao, an employee of Operation Company, was granted the title of "Advanced Individual for Universiade Work of Municipal State-owned Enterprises".	
February 2024	Operation Company was honored as the "Exemplary Expressway" and "Advanced Unit of Audit Work" in Sichuan Province for 2023.	
October 2024	The Group's "Heartwarming Home for Truck Drivers" program was included into the "Top Ten Social Responsibility Cases" of state-owned enterprises in Chengdu for 2023.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.3 ESG System

The Group's ESG system comprises the Board, the ESG working group, the management and various functional departments. The Board is fully responsible for ESG strategy and reporting, assessing and reviewing relevant risks, regularly evaluating the ESG risk management and internal control systems and ensuring their effective operation, and approving annual ESG reports. The ESG working group is responsible for promoting the development of ESG efforts and reporting to the Board. The management and functional departments are responsible for specific implementation of ESG work, to ensure effective fulfillment of the commitment to fully integrating ESG concepts into corporate governance.



ESG System

The ESG working group consists of four Board members and one Secretary to the Board. The group members shall be determined by the Board upon consideration, and the group leader shall be nominated by the chairman of the Board and officially appointed by the Board. The term of the members shall be the same as that of the Board members and the Secretary to the Board. Group members may offer themselves for re-election upon expiry of their terms. The ESG working group held four meetings during the Reporting Period. The responsibilities of the ESG working group include:

- to determine and approve the ESG management policies and strategies, including processes of evaluating, prioritizing and managing material ESG-related matters (including business risks);
- to review and supervise ESG policies and practice, and search material ESG information;



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- to analyze the correlation between ESG risks (including climate change risks) and the overall risk management system, and raise advice on risk control;
- to supervise implementation of ESG policies by each functional department, including quality of working environment, environmental protection, operation practice, community engagement and animal protection;
- to collect and analyze ESG-related key performance indicators on a regular basis and submit to the Board for consideration, so as to inform the Board of the progress towards fulfillment of ESG management performance objectives;
- to join in preparation of the annual ESG report, and submit to the management and the Board for consideration and approval;
- to maintain operation of the corporate social responsibility management system, and enhance employees' awareness of corporate social responsibilities;
- to respond to suggestions on material ESG matters raised by shareholders and key stakeholders;
- to ensure that the Group acts in compliance with relevant laws and regulatory requirements, and monitor and address latest ESG issues; and
- to put forward advice to the Board as and when appropriate to enhance the Group's ESG performance.

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2.4 Communication with Stakeholders

We understand that stakeholders' opinions are crucial for our business management and development and are also beneficial and important for the Group to carry out its ESG efforts. Therefore, the Group maintains effective communication and dialogues with stakeholders on a regular basis to understand their opinions and establish our sustainability policies accordingly. We highly value the opinions of all stakeholders, communicate with different stakeholders, including but not limited to shareholders/investors, customers, employees, business partners, suppliers, regulatory bodies, media, community/non-governmental organizations and peer companies, through various channels to understand their expectations and feedback on the Group's sustainable development, so as to ensure that we promptly understand recommendations and expectations of our stakeholders and improve the Group's ESG-related policies and work.

Stakeholders	Major issues of concern	Communication channel
 Shareholders/Investors	<ul style="list-style-type: none"> • Economic performance • Effective communication • Information transparency • Corporate governance • Compliance operation • Risk management • Business ethics • Environmental compliance • Vehicle emission management 	<ul style="list-style-type: none"> • Annual general meetings and other general meetings • Interim and annual reports • Corporate communications, such as shareholder letters/ circulars and meeting notices • Results announcements • Shareholder visits • Investors' conference • Company website/ information disclosure • Investor relations mailbox to address investors' enquiries in a timely manner
 Customers	<ul style="list-style-type: none"> • Noise management • Greenhouse gas emissions • Climate change mitigation and adaptation • Waste management and energy consumption • Water consumption • Environmental protection • Customer service and communication • Customer information security and privacy • Customer complaint handling • Information security 	<ul style="list-style-type: none"> • Daily operation/ communication • Complaint hotline/ telephone calls • E-mails • Customer satisfaction survey and opinion form • Customer service center • Online service platform







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Stakeholders	Major issues of concern	Communication channel
 Employees	<ul style="list-style-type: none"> • Green energy projects • Employee rights and interests • Diversity and equal opportunities • Employee development and training • Employee compensation and benefits • Occupational health and safety • Prohibition of child and forced labor 	<ul style="list-style-type: none"> • Work performance appraisal and interviews • Employee congress • Channels for employees to express opinions (such as forms, suggestion boxes, intranet, etc.) • Seminars/workshops/lectures • Publications (such as employee communications) • Business briefs • Employee training • Employee activities • Staff communication meeting
 Business partners	<ul style="list-style-type: none"> • Road transportation efficiency • Road quality • Protection of intellectual property rights • Procurement and supply chain management 	<ul style="list-style-type: none"> • Reports • Conferences • Visits • Lectures
 Suppliers	<ul style="list-style-type: none"> • Transparent procurement • Sustainable supply chain 	<ul style="list-style-type: none"> • Supplier management procedures • Supplier/contractor evaluation system • Conferences • Site visits



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Stakeholders	Major issues of concern	Communication channel
 Regulators	<ul style="list-style-type: none"> • Promotion of local employment • Anti-corruption 	<ul style="list-style-type: none"> • Regular inspection • Conferences • Written response to public enquiries • Information disclosure • Compliance reports
 Media	<ul style="list-style-type: none"> • Green energy projects • Compliance operation • Business ethics • Environmental compliance 	<ul style="list-style-type: none"> • Press conference • Press release • Senior management interview • Results announcements • Media gathering
 Community/Non-governmental organizations	<ul style="list-style-type: none"> • Business ethics • Community welfare • Volunteer services 	<ul style="list-style-type: none"> • Welfare activities • Donations • Community investment plans • Community service activities • Seminars/lectures/workshops • Conferences
 Peer companies	<ul style="list-style-type: none"> • Economic performance 	<ul style="list-style-type: none"> • Strategic cooperation projects • Group notices • Communication conferences

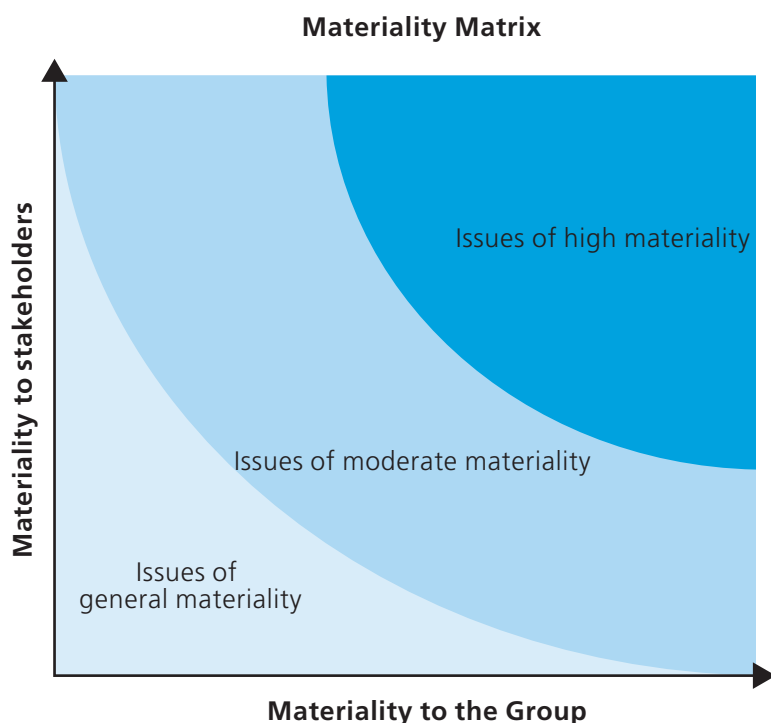


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2.5 Analysis of Material ESG Issues

In order to fully identify and prioritize material ESG issues, the Group had conducted a materiality assessment to ensure that this report can address the material ESG issues raised by stakeholders to the Group. We made reference to the disclosure obligations under the Guide, the Materiality Map issued by the Sustainability Accounting Standards Board (SASB) and the best practice in the industry, and after meticulous analysis, we ultimately identified 28 material issues, including 18 of high materiality, 3 of moderate materiality and 7 of general materiality.

There was no material change in our stakeholders, business and operation environment during the Reporting Period. Therefore, after reviewing the results of the previous ESG materiality assessment and taking into account the actual business development, we confirmed that the results of the materiality matrix are still applicable to the Reporting Period. As a result, the Company continued to use the aforesaid materiality matrix for the Year. Based on the significance of these issues, we determine the direction of material ESG issues for the Year, and make disclosures in subsequent sections of this report. This report will focus on disclosure of these material issues to demonstrate the Group's continued focus on and efforts in ESG.



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Issues of high materiality	Relevant section
Risk management of significant events	3. Adhering to the Principle of Compliant Operation
Sustainable development management system	2. Sustainable Development Governance
Road quality	3. Adhering to the Principle of Compliant Operation
Road transportation efficiency	3. Adhering to the Principle of Compliant Operation
Safety production	3. Adhering to the Principle of Compliant Operation
Anti-corruption	3. Adhering to the Principle of Compliant Operation
Prevention of unfair competition	3. Adhering to the Principle of Compliant Operation
Supply chain management	3. Adhering to the Principle of Compliant Operation
Noise management	5. Implementing the Concept of Green Operation
Promotion of local employment	4. Growing together with employees
Customer service quality	3. Adhering to the Principle of Compliant Operation
Protection of customer privacy	3. Adhering to the Principle of Compliant Operation
Customer complaint handling	3. Adhering to the Principle of Compliant Operation
Employee compensation and benefits	4. Growing together with employees
Occupational safety and health	4. Growing together with employees
Employee training and development	4. Growing together with employees
Talent management	4. Growing together with employees
Prohibition of child and forced labor	4. Growing together with employees

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Issues of moderate materiality	Relevant section
Water consumption and efficiency management	5. Implementing the Concept of Green Operation
Use of land	5. Implementing the Concept of Green Operation
Community charitable undertakings	6. Building an Inclusive and Harmonious Community
Issues of general materiality	Relevant section
Greenhouse gas emission management	5. Implementing the Concept of Green Operation
Wastewater discharge management	5. Implementing the Concept of Green Operation
Energy consumption and efficiency management	5. Implementing the Concept of Green Operation
Air pollutant emission management	5. Implementing the Concept of Green Operation
Waste management	5. Implementing the Concept of Green Operation
Resource utilization and recycling	5. Implementing the Concept of Green Operation
Protection of intellectual property rights	3. Adhering to the Principle of Compliant Operation

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3. ADHERING TO THE PRINCIPLE OF COMPLIANT OPERATION

The Group strictly abides by national and regulatory laws and regulations, and recognizes that legal and responsible operation can effectively safeguard its assets and shareholders' interests. The Group attaches great importance to risk management and internal control, and continuously improves its risk management procedures and system structure to ensure the ability to operate on a going-concern basis, enable its expressway business to meet national and industry standards, optimize the service quality of its expressway and petrol and gas stations, and enhance the efficiency of corporate governance in order to facilitate stable and sustainable corporate development.

3.1 Leading the Way through Party Building

The Group adheres to overall leadership of the Party, taking the Party's political construction as the guiding principle to consolidate its primary-level foundation and resolutely implement deployments and decisions of the Party Central Committee and the provincial and municipal Party Committees. During the Reporting Period, we also formulated the Rules of Procedures of the Party General Branch Committee (《黨總支委員會議事制度》), the Democratic Activity Meeting System for Leading Cadres of Party Members (《黨員領導幹部民主生活會制度》), the Dual Organizational Activity System for Leading Cadres of Party Members (《黨員領導幹部落實雙重組織生活制度》), the Implementation Rules for Ideological (Network Ideological) Work Responsibility System (《意識形態（網絡意識形態）工作責任制實施細則》), the "Thematic Party Day" System for Primary-level Party Organizations (《基層黨組織“主題黨日”制度》), the Performance Evaluation and Assessment System for Party Building Work Led by the Party Organization Secretary (《黨組織書記抓黨建工作述職評議考核制度》), the Democratic Evaluation System for Party Members (《民主評議黨員制度》), and the Implementation Measures for Friendship between Leading Cadres of Party Members and Non-Party Persons (《黨員領導幹部與黨外人士聯誼交友實施辦法》), to provide clear guidance for the Group to implement the requirements on comprehensive and strict governance of the Party.

At the beginning of each year, the Group reviews rectifications to the problems identified in the performance evaluation for last year, and proposes key points of the Party building work plan for this year. At the end of each year, the Group develops an annual performance evaluation and assessment plan for Party building work led by the Party organization secretary, and holds a conference to implement such evaluation and assessment. We hold a themed Party Day activity every month, which could be voluntary services, special commemorative activities, focus education programs, etc. By strengthening daily education and management on Party members, we give full play to the role primary-level Party organizations at all levels as battle fortresses.

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During the Reporting Period, we continued to strengthen Party spirit education in the form of Party Committee theory learning groups, relying on our study on Party disciplines and relevant education and combining group-wide work style construction, competency improvement and other special efforts to further enhance the awareness of professional integrity, enforce work disciplines, and strengthen duty performance. To effectively carry out Party discipline learning and education work, we conscientiously studied General Secretary Xi Jinping's important speeches and conducted special discussions and exchanges by topic. Party organization secretaries at all levels completed the lectures on the "July 1st Party Course on Disciplines", to advance Party discipline learning and education and corporate development continuously. The Group formulated the Rules of Procedure for Discipline Inspection Committee Meetings (2024 revised) (《紀委會議事規則(2024修訂版)》) and the Implementation Measures for Supervision Work by Discipline Inspection and Supervisory Cadres (Trial) (《紀檢監察幹部監督工作實施辦法（試行）》), to strengthen and regulate supervisory efforts of our discipline inspection cadres; and by strictly investigating into illegal behaviors and disciplinary offences, handed over the suspected criminal cases to judicial organs for legal actions.

The Group also formulated the Assistance System for Party Members Facing Difficulties (《生活困難黨員幫扶制度》) for Party members in need, including those whose average monthly household income per capita is lower than the standard on needy employees of a given year, or who are seriously ill, or severely disabled, and incur significant amount of medical expenses or suffer from various disasters, or whose families are obviously in need, or encounter difficulties due to other reasons, aspiring to extend a helping hand to needy Party members in the Company. The assistance system involves regular visits to understand the specific challenges faced by the Party members in need and implementing effective measures to provide support and solutions.

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3.2 Ensuring Road Safety

The Group is principally engaged in operation, management and development of expressways, and maintaining road safety is a top priority. Therefore, to improve the quality of road infrastructure, engineering and services and further guarantee transportation safety of expressways, we proactively introduce brand-new expressway maintenance technologies, seeking to enhance road quality and safety. Meanwhile, the Group is also engaged in refined oil and natural gas operations, for which we maintain a safety information platform, exercise daily safety supervision, and employ advanced safety supervision mechanism, to deliver the best services to our customers.

Tianfu Airport Expressway, Chengwenqiong Expressway, Chengpeng Expressway and Chengguan Expressway operated by the Group were among the top four in the safety and service quality evaluation of 106 expressway projects in Sichuan Province in 2024, and Qiongming Expressway also won the eighth place. The review involves evaluation on road surface conditions, emergency management, information technology level, and maintenance of pedestrian bridges and tunnels, and is recognized as an authoritative quality review in the industry.

附件
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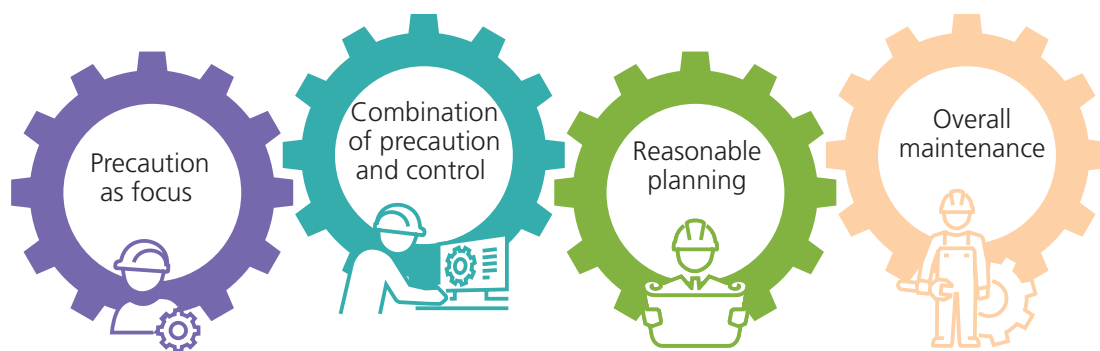
2024 年度高速公路安全和服务质量考评结果汇总表

序号	路段名称	公司名称	月度得分	年终得分	加分	年度得分	备注
1	S3 天府机场高速	天府机场高速公司	100	0.4	2	101.6	
2	S8 成名高速成温邛段	成高运营公司	99.4		2	101.4	
3	S1 成万高速成彭段	成高运营公司	99.6		1.8	101.4	
4	G4217 蓉昌高速成灌段	成高运营公司	99.4		1.8	101.2	
5	G4215 蓉遵高速成仁段	成仁分公司	98.2		1	99.2	
6	C5 京昆高速成雅段	成雅分公司	97.5		1.5	99	
7	G26 厦蓉高速成渝段	成渝分公司	98.6	0.1	0.5	99	
8	S8 成名高速邛名段	成名公司	97.6	0.2	1.5	98.9	
9	G0512 成乐高速	成乐公司	98.7	2	1.5	98.2	
10	S56 内大高速	大内公司	96.9		1	97.9	

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During the Year, we effectively carried out expressway maintenance management in strict compliance with laws and regulations such as the Civil Code of the PRC (《中華人民共和國民法典》), the Highway Law of the PRC (《中華人民共和國公路法》), the Production Safety Law of the PRC (《中華人民共和國安全生產法》), the Law of the PRC on Road Traffic Safety (《中華人民共和國道路交通安全法》), the Regulations on the Administration of Toll Roads (《收費公路管理條例》), the Highway Safety Protection Regulations (《公路安全保護條例》), Sichuan Expressway Regulations (《四川省高速公路條例》), and the industry standards such as Chengdu Civilized Construction Technical Standard (《成都市建設工程文明施工標準化技術標準》), the Highway Engineering Quality Inspection and Evaluation Standard (《公路工程質量檢驗評定標準》), the Special Equipment Safety Law of the PRC (《中華人民共和國特種設備安全法》), the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) and the Code for Design and Construction of Automobile Petrol and Gas Stations (《汽車加油加氣站設計與施工規範》).

Road and Energy Safety Management Principle



The Group developed the Safety Production Responsibility List (《安全生產責任清單》), which outlines the safety responsibilities of each functional department and post, to ensure that each employee understands their responsibilities and scope of authority. We formulated the Maintenance Management Department Work Management Rules (《養護管理部工作管理辦法》), which stipulates that the Maintenance Management Department is responsible for coordinating the maintenance work of the expressways under the Group, and the related duties include formulating the maintenance management rules, standards and quality assessment system in line with the actual situation of the expressways under management of Operation Company, and formulating the Company's annual maintenance plan. Maintenance work should be carried out with the objective of maintaining road integrity and ensuring expressway safety. We also formulated the Compilation of Safety Operating Procedures (《安全操作規程彙編》), which sets out respective safety operating procedures for different business positions such as toll stations, office areas and monitoring centers.

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In order to facilitate compliant and standardized operation of routine road and bridge maintenance inspections, we formulated rules including the Management Measures for Routine Maintenance Work (《日常養護工作管理辦法》), the Management Measures for Maintenance Vehicles (《養護作業車輛管理辦法》), the Management System for Bridge Maintenance (《橋樑養護管理工作制度》), and the Management Measures for Expressway Maintenance Works (《高速公路養護工程管理辦法》), to strengthen and standardize safety management on road-related construction and maintenance operations. We also formulated the rules on preparation and submission of annual plans and budgets for routine maintenance, which set out the scope of routine maintenance inspection and the contents of inspection, such as road surface conditions and inspection of drainage facilities, with a view to enhancing service quality and improving road conditions, and specify procurement procedures for maintenance materials, inventory procedures, managerial and waste material disposal procedures to ensure that all materials are used properly.

During the Reporting Period, we formulated the Routine Maintenance Plan for 2024 (《2024年度日常養護計劃》), setting out special work arrangements for road maintenance, greening, road surface sanitation and drainage facilities throughout the year. During the Reporting Period, the Group also formulated the Safety Production Inspection System (《安全生產檢查制度》) to strengthen management on its safety inspection efforts, which defines content, form and rectification procedures for safety inspection, including the establishment of various thresholds and requirements for respective safety inspection forms, with a view to timely eliminating potential safety hazards, preventing and reducing accidents.

We formulated the Expressway Maintenance Management Rules (《高速公路養護管理辦法》) with the objective of building “high-quality, beautiful, uninterrupted, green and safe” expressways; and developed the following principles for expressway maintenance management, in order to improve quality and service standards of expressway maintenance, and ensure safe, fast, comfortable and uninterrupted road traffic:

- Adhere to the principles of government supervision, market participation, scientific decision-making, standardized management, green and low-carbon practices, high quality and efficiency and safe and smooth traffic, and implement the concept of preventive and life-cycle maintenance.
- Strictly comply with existing national, provincial, and industry laws, regulations, rules, provisions, norms, procedures, standards and requirements.
- Fully utilize modern information technology to achieve information-based management in routine inspections, detection results, design materials, progress planning, quality and safety, design changes, and payment measurement.

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To improve expressway service quality and ensure vehicle traffic safety, Operation Company, a subsidiary of the Group, cooperated with China Merchants Chongqing Transportation Research and Design Institute Co., Ltd. ("CM Transportation Technology") to adopt for the first time the "overlay marking" road marking coating technology of CM Transportation Technology. Compared with traditional hot-melt marking technology, the technology requires lower costs and can reduce maintenance and repair frequency while accelerating the working speed. We will continue to observe subsequent effect of the technology, and keep improving our road maintenance management level in the future.

Pursuant to the Law of the PRC on Work Safety (《中華人民共和國安全生產法》), the Law of the PRC on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) and other relevant laws, the Group formulated the Safety Production Responsibility System (《安全生產責任制度》) and the Compilation of Standardized Management Rules for Safety Production (《安全生產標準化管理制度彙編》), which contain the terms of reference for safety production management, and set out regulations for emergency management of the Company to promptly and effectively tackle production safety accidents, maximize control on and mitigate losses caused by production safety accidents, and maintain the Company's social image and operation stability. We also formulated the Compilation of Safety Management Rules (《安全管理制度彙編》) to standardize objectives of safety production, define the Company's safety production policy and promote the completion of safety production objectives and tasks. We established the Safety Production Committee (the "Safety Committee"), which is responsible for overall management of our safety production efforts, strengthening guidance and supervision on safety production, holding regular safety production work meetings, and issuing annual safety production special assessment targets.

Meanwhile, the Group implemented emergency management, and promoted the Accident Emergency Rescue Management System (《事故應急救援管理制度》), the Production Safety Accident Emergency Plan (《生產安全事故應急預案》) and the Emergency Plan Regular Review Management System (《應急預案定期評審管理制度》) to standardize preparation, implementation and revision of emergency plans and enhance the Group's ability in handling accidents, thus ensuring rapid and orderly handling of various accidents, and minimizing the losses of life and property of our employees and the public. The Group formulated special plans to prevent production safety accidents for important production facilities, major hazard sources and activities, which detail the emergency response measures formulated for specific premises, devices or facilities as well as the terms of reference of relevant departments.

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Regarding investigation of potential safety hazards, the Group also formulated the Safety Inspection System (《安全檢查制度》), the Management System for Investigation and Remediation of Potential Safety Hazards (《安全隱患排查整治管理制度》), the Double Reporting System for Investigation and Management of Major Potential Hazards (《重大隱患排查治理“雙報告”制度》), the Management System for Investigation and Governance of Potential Safety Hazards (《安全隱患排查治理管理制度》), the Maintenance Operation Safety Management System (《養護作業安全管理制度》) and the Management Measures for Information Reporting, Investigation and Handling of Emergencies and Safety Accidents (《突發事件、安全事故信息報告及調查處理管理辦法》), improved inspection on potential safety hazards in petrol stations, gas stations, construction projects, accident-prone sites (sections) on expressways, overpasses, service areas, idle areas and other key areas, examined the development and implementation of safety rules and regulations of its subsidiaries, and made immediate reports of safety hazards identified during the inspections in order to urge relevant entities to implement corrective actions, minimize the occurrence of safety accidents, and enhance safety awareness of the Group's employees.

The Group formulated the Production Safety Management Procedures (《安全生產管理程序》), the Emergency Management Procedures (《應急管理程序》), the Accident and Incident Management Procedures (《事故、事件管理程序》), the Accident and Incident Reporting and Investigation Management Regulations (《事故、事件報告及調查管理規定》) and other rules, so as to strictly implement the responsibility system for safety production in various departments and posts, standardize management over safety production targets, prevent safety production accidents such as work-related accidents, occupational hazards, fire accidents and economic losses, and strengthen the response capabilities for safety accidents.

To further strengthen and standardize reporting, emergency response and investigation of emergencies, the Group formulated the Emergency Incident Reporting and Investigation Management Rules (《突發事件報告和調查處理管理制度》), which set out the procedures for handling emergencies and the terms of reference.

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Safety inspection activities

Yang Tan, Chairman of the Group, led a team to inspect safety management on leased assets in Ande Service Area. Together with other senior executives, they inspected the multiple-use building and petrol station in Ande Service Area, focusing on the safety of leased assets and fire-fighting facilities in use, so as to ensure the implementation of various safety tasks through enhanced inspection efforts.



Making every effort to ensure safe and uninterrupted road traffic in flood season

Certain sections of Pudu Expressway operated by the Group experienced rainstorm in July 2024, when the rainfall reached 130-180 mm, with a rainstorm yellow warning issued by Chengdu Meteorological Observatory. To effectively take flood prevention and control initiatives to prevent and defuse potential disaster risks, the Group strictly executed a 24-hour duty shift system, sorted out emergency supplies, and implemented flood control measures strictly and meticulously to make every effort in building a strong safety defense line. We took measures such as introducing a 24-hour duty shift system, sorting out emergency supplies, drawing upon the “One Road, Three Parties” integrated logistics and joint-action mechanism to ensure uninterrupted information flow, and strengthening pavement inspections to ensure personal safety of citizens in using roads.



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Investigating potential fire safety hazards

To reinforce the defense line of safety production, the Group adheres to the principle of “no small matter in safe production” to effectively conduct safety production work. We carried out a potential fire safety hazard investigation on the expressways operated by the Group in 2024, through measures such as checking whether fire-fighting facilities of the expressways meet the standards, inspecting and clearing flammable and explosive materials on roadsides and strengthening fire safety publicity and education to ensure the safety of people’s lives and property.



3.3 Improving Service Quality

The Group aims to improve the driving and refueling experience of customers and enable them to enjoy the beautiful scenery along the road. Our monitoring center and road administration brigade deal with emergencies and provide timely support for road users. Meanwhile, we also proactively introduce intelligent transportation systems, and set up ETC lanes at all expressway toll stations to improve traveling efficiency. The Company also provides all-round online services, including online registration, application, fee deduction, offline verification, installation and activation, which help to realize non-cash toll payment.

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We actively fulfill the concept of technology-enabled safety, adopting a “monitoring + road patrol” two-wheeled model to achieve information sharing and synchronization. The model allows us to strengthen monitoring and analysis of road management information, keep informed of real-time road conditions accurately, and implement more granular traffic control for key time periods and road sections, so as to ensure safe and uninterrupted road traffic in all aspects. In addition, we actively introduce new technologies to improve the Group’s work quality and efficiency. For example, Expressway Operation Management Center under the Group introduced “asphalt hot recycling” multifunctional maintenance vehicles during the Reporting Period for recycling and reuse of waste asphalt pavement, solving the issue in processing old asphalt pavement, which not only improved construction quality effectively but also enhanced work efficiency significantly. Operation Company, a subsidiary of the Group, also won the first prize in the 2024 Sichuan Youth Vocational Skills Competition for its “AI Toll Terminal Server System Project”, reflecting our achievements in the application of science and technology.

The Group requires frontline toll collectors to attend training courses on service etiquette, complaint handling and on-post makeup, thereby enhancing customer satisfaction. The Group also formulated the Measures for Handling Complaints (《投訴處理辦法》), which set out in detail the complaint management work and the procedures for handling relevant complaints, as well as the terms of reference of relevant departments. Customers may report offense or feedback through e-mails, telephone calls, surveys or visits to the complaint center. Complaints will be categorized and forwarded to the relevant department for investigation, and response will be furnished to the complainant within prescribed period, the process of which will be kept strictly confidential and we will not disclose any information on the complaint to any third party. If the relevant complaint cannot be resolved within the prescribed period, we will promptly explain to the complainant and continue to process the complaint, or even report the situation to the higher level of authority until it is resolved. We formulated the Toll Service Complaint and Reporting Management System (《收費服務投訴與舉報管理制度》), which set out the procedures for handling complaints about toll roads and the terms of reference. The Toll Management Department is also required to closely cooperate with investigations after receiving complaints. During the Reporting Period, the Group received a total of 1,594 complaints, all of which had been properly handled.

In response to the high volume of road traffic during the Spring Festival travel rush, the Group formulated the 2024 Spring Festival Work Plan (《2024年度春運工作方案》), established the 2024 Spring Festival work leadership group, and introduced a 24-hour duty shift system for managers, while analyzing travel dynamics during the Spring Festival travel rush in advance according to actual conditions of our expressways. We also held special meetings for ensuring uninterrupted traffic and service guarantee during the Spring Festival in 2024, formulated a work plan for ensuring the large and uninterrupted traffic volume during the Spring Festival, and refined our work flows to conscientiously ensure smooth operation during the Spring Festival travel rush. In addition, the Group actively created a safe, uninterrupted, warm and harmonious atmosphere for expressway traffic by distributing traffic safety leaflets, strengthening inspections, and establishing service teams of Party members.

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Special rectification campaign

During the Reporting Period, Operation Company under the Group carried out a special rectification campaign against pedestrians and motorcycles illegally entering expressway, through measures such as increasing patrol density to ensure timely detection and prevention of various illegal behaviors, which helped to effectively prevent pedestrians and motorcycles from illegally entering expressway through toll stations of Chengpeng Expressway, thus ensuring safety and smooth operations of the expressway.



Training on monitoring and audit operations

To further enhance monitoring and audit capabilities of our expressway operation management centers (offices), effectively strengthen audit proficiency and skills of business specialists, and ensure normal toll service, we provided a monitoring and audit training session with approximately 50 participations on 20 March 2024.

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The training session not only helped to improve audit skills and data analysis capabilities of relevant business specialists, but also deepened their awareness and understanding of toll evasion behaviors. Participants in the training indicated that they can integrate the knowledge learned into actual work, thus contributing more to the Company's high-quality development.



Inspection on toll collection operations

To further enhance toll collection management capability and skills of relevant personnel in each road section and ensure accomplishment of the Group's toll collection target for 2024, we carried out inspection on toll collection operations in the first quarter. In particular, the Toll Management Department conducted a comprehensive inspection on toll policies, toll data storage, well-mannered service standards, and the implementation of monitoring policies on over-limit or overloading vehicles at each operation center, laying a sound foundation for orderly implementation of the follow-on work. Looking ahead, the Group will strictly abide by relevant requirements, conduct inspections and make rectifications timely, and guide its departments to further improve toll collection related work, to ensure stable and efficient toll collection operations for its expressways in the long run.



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3.4 Strengthening Information Security

The Group strictly abides by the laws and regulations on information security such as the Law of the PRC on Guarding State Secrets (《中華人民共和國保守國家秘密法》), the Regulations on the Implementation of the Law of the PRC on Guarding State Secrets (《中華人民共和國保守國家秘密法實施條例》), the Data Security Law of the PRC (《中華人民共和國數據安全法》) and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), and have formulated the Confidentiality Work System (《保密工作制度》) and the File Management System (《檔案管理制度》) to standardize collection, collation, storage, use, filing and archive of data. We clearly define the confidentiality requirements for each post, and have installed genuine operating system and office software, set up IP addresses and established account passwords to restrict access to our system at different levels, and change passwords on a regular basis, in order to effectively protect information security for customers and our business.

Organizing a training session on “Data Asset Management and Accounting”

To enhance its data asset management, the Group organized a training session on “Practical Path and Innovative Application for Data Asset Management and Accounting” during the Reporting Period. Employees from each department of the Company participated in the training.

For the training, we invited the head partner of audit and assurance services for west China from Deloitte China and a data asset expert, to give lectures on data policy interpretation, data resource valuation, data asset accounting, expressway data resource accounting methods and innovations. In addition, financial analysis was conducted based on data resource accounting practices of the Company for the first quarter. The training session also introduced the value and significance of data accounting in a clear and concise manner, where the employees present had in-depth discussions and exchanges on the training content.



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Regarding advertising and intellectual property rights, we strictly abide by the laws and regulations on product liability and intellectual property such as the Advertising Law of the PRC (《中華人民共和國廣告法》), the Patent Law of the PRC (《中華人民共和國專利法》), the Rules for Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), the Trademark Law of the PRC (《中華人民共和國商標法》) and the Trademark Law of the PRC (《中華人民共和國著作權法》) to ensure that all our external communications and advertising materials provide clear, transparent, truthful and fair information and contain accurate and true information, regulate our business information to avoid infringement of intellectual property rights, and prevent deception with false and misleading promotion.

Publicity activities for the Intellectual Property Awareness Week

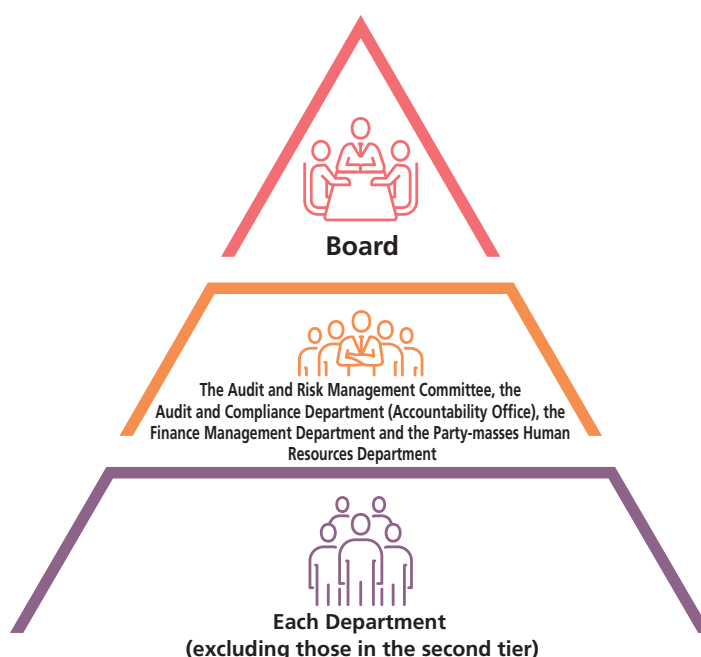
During the Reporting Period, a number of subsidiaries of the Group carried out publicity activities for the Intellectual Property Awareness Week, which helped to strengthen employees' awareness of intellectual property protection and application by watching intellectual property related videos, posting posters of the Intellectual Property Awareness Week at offices and toll stations, and publicizing intellectual property information through WeChat work groups.



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3.5 Strengthening the Integrity Campaign

The Group maintains zero tolerance for all acts of corruption, bribery, extortion and fraud, and advocate members to abide by the Oversight Law of the PRC (《中華人民共和國監察法》), the Company Law of the PRC (《中華人民共和國公司法》), the Criminal Law of the PRC (《中華人民共和國刑法》) and the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》) and other laws and regulations related to clean operation, to ensure that the Group adheres to the core values of honesty, integrity and fairness in its business operations.



To specify the management processes ranging from risk data collection, risk evaluation to risk response, the Group formulated the Risk Management System (《風險管理制度》) and the Measures for Compliance Management (《合規管理辦法》), and established a sound internal control and risk management system with responsibilities to facilitate in balancing risk and reward in daily operations. Our risk management system comprises three tiers, in which each department, excluding those in the second tier, acts as the first tier, and the Audit and Compliance Department (Accountability Office), the Finance Management Department, the Party-masses Human Resources Department and the Audit and Risk Management Committee act as the second tier. The Audit and Compliance Department (Accountability Office) follows up and inspects risk management from aspects of internal control assessment, risk management evaluation and internal audit, and the Finance Management Department and Party-masses Human Resources Department conduct centralized management over special risks in finance management and human resources management. The Audit and Compliance Department (Accountability Office) plays a dominant role among the three departments, and the Board acts as the third tier.

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The Group also formulated the Anti-Money Laundering Administration Measures (《反洗錢管理辦法》) and the Anti-Fraud Administration Measures (《反舞弊工作管理辦法》) to ensure that each staff member strictly performs his/her duties and maintains professional conduct, and to prevent favoritism and fraud. We also formulated the Measures for the Administration of Fund Payment (《資金支付管理辦法》), which specify that funds inflow and outflow should be handled in accordance with the principles of “evidence-based, legal compliance, complete procedures, and standardization and orderliness” to ensure fund security.

Meanwhile, we formulated the Interview System for Party Style and Integrity (《黨風廉政建設約談制度》) and the Publicity and Education System for Party Style and Integrity (《黨風廉政建設宣傳教育工作制度》), instructing management members to take responsibility for interpreting the implementation measures for integrity, departments, affiliated centers and Party branches to implement the supervision responsibility for Party style and integrity, and the Discipline Inspection Committee to establish the interview system for Party integrity, and conduct integrity publicity and education, so as to raise awareness of integrity among employees. The Group also formulated individual management practices and measures for internal control and prevention of bribery and corruption, such as the Measures for Governing Micro-corruption (《治理“微腐敗”工作辦法》), which sets out the measures for controlling micro-corruption.

We also encourage parties who have business dealings with the Group to report possible fraud within the Group through customized channels such as telephone calls, e-mails and letters, and the Group keeps confidential the identity of the whistleblower so as to maintain a clean and fair corporate culture. Employees can report to the Discipline Inspection Committee any illegal or non-compliant activities related to the operation and management of the Group in accordance with the Compliance Management Measures (《合規管理辦法》). The Discipline Inspection Committee will investigate the reports, and all departments are required to cooperate with the investigation. For substantiated violations identified through the investigation, strict actions will be taken in accordance with the relevant regulations of the Group. Any acts involving illegal activities will be promptly handed over to law enforcement agencies for further processing.

In order to strengthen awareness and knowledge of the Directors and employees on integrity, the Group provided multiple anti-corruption training programs for the Directors and employees during the Year, such as activities promoting anti-corruption based on family values and training sessions against illegal fundraising, to foster a culture of integrity within the organization.

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Integrity education activities

The Group carried out integrity education activities under the theme of “Escorted by Party Disciplines • Integrity in Youths”, targeting young employees to deepen the construction of a clean state-owned enterprise. Our young employees also deepened their understanding of integrity risks, re-recognized their post responsibilities, and enhanced their integrity awareness through songs, drawings and role playing games.



Publicity activities against illegal fundraising before and after the Spring Festival

In order to enhance financial literacy and risk awareness of the public, the Group carried out publicity activities against illegal fundraising, which were attended by relevant personnel from departments and subsidiaries of the Group. As emphasized at the meeting, all subsidiaries should conscientiously carry out the publicity and education work against illegal fundraising before and after the Spring Festival. The efforts include leveraging the foot traffic near the Spring Festival to publicize anti-illegal fundraising through bulletin boards at service areas, electronic bulletin board, etc., effectively explaining policies and providing psychological counseling to help the public, especially certain groups such as the elderly, to enhance their awareness and ability to guard against illegal fundraising.



During the Reporting Period, we did not receive any lawsuits against the Group or our employees or any cases of corruption, bribery, extortion, fraud and money laundering.

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3.6 Promoting Compliant Operation

The Group's compliance management covers corporate governance, investment management, property rights management, capital operation, overseas investment and financing, contract management, construction projects, gifts and hospitality, and social donations and sponsorships, which shall be carried out in strict accordance with the Group's relevant rules in order to effectively prevent compliance risks.

In order to comprehensively enhance the compliance management system and capability, we formulated the Measures for Compliance Management (《合規管理辦法》), which stipulate that the Group's operation and management activities and the behaviors of its employees shall be in compliance with the national laws, regulations, rules and other normative documents and the Supervisory Committee shall supervise the compliance management work and the compliance management efforts of the Directors (Accountability Office) and senior management, and define the terms of reference of the Audit and Compliance Department and other departments, to effectively prevent and control the risk of non-compliance. We also formulated the Management Measures for Audit and Rectification Work (Trial) (《審計整改工作管理辦法(試行)》) to further strengthen our standardized and systematic audit and rectification work, and maintain a well-established mechanism for implementing and following up and supervising our audit and rectification efforts. The Group formulated the Measures for Investigating Accountability for Irregular Operations and Investments (《違規經營投資責任追究辦法》) to safeguard state-owned assets, protect rights and interests of owners, and further improve the supervision and management system for state-owned assets.

Special training on the revised Company Law of the PRC

The revised Company Law of the PRC (the "Company Law") came into force on 1 July 2024. To understand new movements in corporate governance accurately, the Group invited lawyer He Jun from Tahota Law Firm to provide a special training course on the revised Company Law on 21 May. The training focused on the interpretation of key amendments to the revised Company Law, by comparing the existing and revised articles with reference to case analysis to illustrate key provisions of the revised Company Law such as perfecting the company establishment and withdrawal mechanisms, optimizing corporate governance, strengthening the protection of shareholders' rights, and strengthening responsibilities of controlling shareholders, de facto controllers, directors, supervisors and senior officers. In addition, in-depth analysis of compliance priorities that need to be observed was provided based on actual conditions of the Company.



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Special training on laws, regulations and policies

In order to enhance the effectiveness of enterprise management and duty performance ability of the staff at all levels, Operation Company, a subsidiary of the Group, carried out a special training program on the Notice on Issuing the “Special Governance Action Plan for International Standard Container Vehicles on Expressways in Sichuan Province in 2024” as issued by the Expressway Management Bureau of the Department of Transportation. During the training, the Toll Management Department circulated implementation results of the differentiated preferential policies for container vehicles by operations centers in July 2024, as well as the implementation of monitoring policies on over-limit or overloading vehicles. We analyzed relevant inspection cases, proposed the standardized requirements on inspection evidence, and put forward the improvement measures for container vehicle inspection and data uploading processes.



Education activities on the secrecy law

During the Reporting Period, the Group actively carried out educational activities with the theme of “Implementing the secrecy law by every one of us” through various means. For example, Operation Company under the Group organized employees to study the newly revised the Law of the PRC on Guarding State Secrets (《中華人民共和國保守國家秘密法》) in batches through special meetings, and organized them to watch publicity videos covering secrecy laws, regulations and knowledge to help them learn about the secrecy related knowledge.



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3.7 Practicing Responsible Procurement

The Group is committed to extending the concept of sustainability to its entire supply chain and practicing responsible procurement. Accordingly, we strictly abide by the Law of the PRC on Bid Invitation and Bidding (《中華人民共和國招標投標法》), the Regulations on the Implementation of the Law of the PRC on Bid Invitation and Bidding (《中華人民共和國招標投標法實施條例》) and other laws and regulations, and have formulated the Contract Management Rules (《合同管理制度》), the Management Rules for Procurement Bid Invitations (《招標採購管理制度》), the Bid Invitation Processes Required by Law (《依法必須招標流程》), the Bid Invitation Processes Not Required by Law (《非依法招標流程》) and the Cost Management System (《造價管理制度》), to standardize the principles and procedures of bidding and bid selection as well as contract management and procurement management policies.

The business units of the Group are responsible for preparing bid invitation and procurement plans for projects within their scope of responsibilities. The Contract Management Department is responsible for reviewing project documents, while the Finance Management Department is responsible for reviewing the budget for bid invitation and procurement projects. The office of discipline inspection commission is responsible for supervising the entire bid invitation and procurement process and promptly addressing any disciplinary or non-compliance issues that arise during the process.

The Group has formulated the Bid Invitation and Bidding Management System (《招投標管理制度》), and determines the appropriate supplier selection method, such as bid invitation, comparison, quotation, negotiation or direct appointment, based on project amount. The evaluation methods for bid invitation and procurement projects will be determined in accordance with relevant laws and regulations, departmental requirements of the relevant business unit, and project requirements in terms of technology, quality and schedule. At the same time, measures will be taken to prevent environmental and social risks related to the supply chain. We require suppliers to sign an Integrity Contract (《廉政合同》), requiring both parties to comply with the regulations on integrity, supervise and seriously investigate illegal behaviors and disciplinary offences. For a large-value construction project, the relevant business unit is required to develop a bid invitation and procurement plan, which shall include project details, investment amount, scope of bid, bid invitation and procurement method, and categories of evaluation methods, subject to review by the Finance Management Department. The bid invitation and procurement process involves documents such as bid invitation documents, quotation documents, and notices of successful bidding. The departments involved in bid invitation and procurement shall submit relevant documents to the Contract Management Department on a monthly basis, and the Contract Management Department will conduct spot checks on a quarterly basis.

For construction related bid invitation projects, the Group formulated the Bid Invitation Management System for Construction Projects Required to be Tendered According to Law (《依法必須招標的工程建設項目招標管理制度》) and the Bid Invitation Management System for Construction Projects Not Required to be Tendered According to Law (《非依法必須招標的工程建設項目招標管理制度》), which set out the bid invitation procedures for different amounts, and specify the bidding, bid opening and evaluation procedures. We also established a fulfillment supervision mechanism to ensure strict implementation of bid invitation projects. In addition, we formulated the Cost Management System (《造價管理制度》) to ensure project quality and exercise effective control over project progress and cost.

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For our energy segment, we have formulated supply chain management measures such as the Measures for Management of Refined Oil Procurement and Suppliers (《成品油採購與供應商管理辦法》), the Measures for Management of Commodity Procurement and Suppliers (Trial) (《商品採購與供應商管理辦法（試行）》), and the Rules for Bid Invitation and Bidding Management (《招投標管理規定》), to standardize the procurement process of refined oil and other commodities, strengthen supplier management, and clearly define management responsibilities, so as to ensure an efficient and transparent procurement process.

We actively incorporate the concept of sustainable development into the daily management of our suppliers and strictly implement the principle of “green procurement”. Procurement of products and services must comply with rules, regulations and requirements concerning environmental protection, in an endeavor to mitigate impact on the environment during procurement, protect nature resources, and protect the environment by actively practicing local procurement, reducing environmental impact from transportation and packaging processes, and avoiding purchase of disposable items. In response to misconduct and non-compliance, such as abuse of authority, abuse of power for personal gain, collusion, and significant losses resulting from the failure to fulfill responsibilities during the bid invitation and procurement process, strict disciplinary actions will be taken in accordance with relevant regulations. Individuals suspected of illegal activities will be handed over to judicial or regulatory authorities for further investigation and appropriate actions.

During the Year, a total of 661 suppliers were involved in the Group’s business operations, all of whom are subject to the supplier policy and measures described above, and primarily fall into sectors of service, engineering, procurement, leasing, borrowing, transferring, and others. Distribution of suppliers by region is set out below:

Region	Number of suppliers
Sichuan	592
Beijing	14
Hong Kong	10
Shanxi	4
Hebei	2
Henan	4
Chongqing	7
Shanghai	2
Fujian	2
Yunnan	1
Shaanxi	2
Guangdong	9
Jiangsu	5
Heilongjiang	1
Zhejiang	2
Shandong	3
Guangzhou	1

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4. GROWING TOGETHER WITH EMPLOYEES

The Group highly values talent management. As such, we constantly search for and cultivate potential talents in the expressway operation and development field, are committed to fostering an equal, diverse and safe workplace, strive to improve the employee compensation and welfare system and create a healthy and safe working environment for employees, and provide comprehensive trainings for them to build a competitive and elite workforce. We also place great importance on physical and mental well-being of our employees, and strive to create a diverse work environment while adhering to the labor standards formulated by the state, so as to strengthen the Company's overall reputation and cohesion at all levels as part of our key priorities. As at 31 December 2024, the Group had 2,375 employees.

4.1 Safeguarding the Rights and Interests of Employers

During the Reporting Period, we strictly complied with the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Regulations on the Implementation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》), the Law of the PRC on the Protection of Minors (《中華人民共和國未成年人保護法》), and other applicable laws and regulations and international practices on employment, to fully safeguard fair and legitimate rights and interests of the Group's employees and effectively implement human resource management.

With respect to employment, we formulated the Management Measures for Recruitment (《招聘管理辦法》), which set out division of duties in recruitment, recruitment conditions, process and mechanism and arrangements for probation period, how to develop the recruitment targets of a given year based on the Company's prevailing conditions and needs, and recruitment methods including internal post competition and external recruitment, as well as arrangements for probation period. In addition, the Group also implemented the Management Measures for Internal Post Competition (《內部競聘管理辦法》), and engaged employees in strict accordance with the employment principles of openness, fairness, impartiality, competition and merit-based selection to meet human resources needs of Operation Company. The Group will prioritize internal promotions before considering external hiring, to provide adequate opportunities to the existing employees. Meanwhile, the Group has established the Measures for the Selection of Excellent Employees (《優秀員工評選辦法》). We hold an employee selection process after the year-end performance evaluation, to select excellent employees based on their performance and incentivize those with an active work performance through certificates or bonuses. We ensure that employees are not subject to discrimination due to ethnicity, race, gender, or religious beliefs, and are committed to sustaining a sound working environment.

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Under the Administrative Measures for Labor Contracts (《勞動合同管理辦法》) established by the Group, we follow the system of standard working hours, safeguarded legitimate rights and interests of both the Group and employees, ensure that written labor contracts are entered into between the Group and employees on the basis of negotiation under which each party shall fulfill the agreed-upon responsibilities and obligations, and prohibit any form of forced labor for employees. In case of forced labor, employees may terminate their labor contracts in order to protect their rights and interests. The Group encourages employees to complete their work within regular working hours and does not promote overtime work. We have established the Attendance and Leave Management Rules (《考勤及請銷假制度》) to standardize attendance and leave management, which outlines the requirement for department heads to fill out an Overtime Application Form (《加班申請表》) and submit it to the Human Resources Department for record before any overtime work is conducted, to avoid unnecessary overtime. In cases where overtime work is necessary, we will comply with national regulations and provide overtime compensation as calculated based on the Overtime Approval Forms (《加班審批表》) submitted by each department. We strictly abide by the labor laws and regulations in the place where we operate and constantly improve employment management, specify the remedial measures in case of child or forced labor, and strive to avoid violations. If any violation of labor standards is identified, we will take relevant legal actions based on legitimate interests of employees.

With respect to departure of employees, we strictly adhere to the relevant provisions of the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》). We follow the Employee Reward and Punishment Management Rules (Trial) (《員工獎懲管理制度(試行)》) and the Labor Employment Management Rules (《勞動用工管理制度》) established by the Group for dismissals, which set out the conditions for dismissal such as failing to fulfill safety production duties due to personal reasons; and ensure that employees are treated fairly and reasonably in accordance with the Labor Law of the PRC and the Labor Contract Law of the PRC. Both the Group and employees shall follow the prescribed departure process to safeguard the rights and interests of both parties.

For in-service employees, the Group employs a clear reward and punishment system to assess their work efficiency. The assessment process primarily focuses on job responsibilities, and the assessment results serve as the basis for promotions or rewards. The Group formulated the Administrative Measures for Performance of Management (《管理人員績效管理辦法》) and the Measures for Performance Appraisal of Frontline Employees (《一線員工績效考核辦法》), to regulate performance management of the Company, and evaluate the achievement of performance targets by employees and fulfillment of their post responsibilities in a scientific, objective and impartial manner, thereby improving work performance of employees and overall business performance of the Company, and effectively promoting the accomplishment of the Company's strategies and development goals. We conduct assessment in accordance with the principles of fairness, impartiality and openness, inform employees of the performance objectives of departments and individuals, and the contents, procedures, methods and results of performance assessment, aiming to enhance the transparency of assessment.

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We also formulated the Performance Management System (《績效管理制度》) to standardize the Company's performance management, and regulate performance management with four assessment principles, including fairness, justice and openness, alignment with the Company's development goals, targeting at improving the performance of departments and employees, and combining qualitative and quantitative assessment. We employ a comprehensive incentive and accountability mechanism, along with standardized performance management practices, to assess employees in performing their job responsibilities through an objective and fair approach based on the comprehensive scores given by their department heads, aiming to enhance employees' work motivation and performance, and ultimately improve the overall business performance of the Company, thereby enabling the achievement of strategic and development objectives of the Company. During the Reporting Period, the Group formulated the Employee Reward and Punishment Management Rules (Trial) (《員工獎懲管理制度 (試行)》), to reward employees who have made significant contributions to the Company, achieved excellent results or rankings in competitions organized by the Company or its superiors, received recognition from the Company or its superiors, and received praises in recognition of their righteous acts and good deeds.

4.2 Offering Equal Opportunities

We are committed to promoting equal opportunities, and have a zero-tolerance policy towards any form of discrimination, to ensure that recruitment or employment will not be affected by gender, age, race, disability, family background, nationality, or religious belief. This principle applies to all aspects of our employee activities and human resources management, including recruitment, promotion, transfer, rewards, and training.

The Group conducts qualification examination, competency test and interview for applicants, and when employees join the Group, we check their personal information and confirm that they are of legal working age. In particular, we select candidates based on various factors including academic structure, morality, work experience, professional skills and comprehensive quality. We will verify the accuracy and truthfulness of the information provided by applicants before they join the Company, and strictly check their identity cards in all processes and stages of recruitment to eliminate child labor. We will strictly verify an applicant's age through work experience and identity card, and confirm that the recruitment requirements are met before proceeding with the onboarding procedures. In addition, we will not prejudice any candidate due to their gender, age, race, family background, nationality and religious belief.

During the Reporting Period, the Group did not violate any laws and regulations relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and entitlements, nor did it employ child or forced labor.

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4.3 Improving Employee Welfare and Benefits

The Group pays employees in a legal, reasonable and impartial manner in strict accordance with relevant laws and regulations of the national and regional governments. We make adjustments to total remunerations based on the level of salary changes, consumer price index and enterprise salary guidelines. In addition, performance-based salaries are adjusted based on the results of annual performance assessment, among other factors. We formulated management measures such as the Position, Compensation and Performance Management Rules (《職位、薪酬及績效管理制度》), the Compensation Management Measures for Frontline Employees (《一線人員薪酬管理辦法》) and the Compensation Management Measures for Management Members (《管理人員薪酬管理辦法》), which ensure that employees receive fair, reasonable and competitive salaries, incentives and benefits, effectively safeguarding their legitimate rights and interests and fueling high-quality development of the Group. Salaries are mainly comprised of post salary, performance-based salary, allowances and subsidies such as educational allowance, vocational qualification allowance, transportation and communication subsidies, etc.

In addition to remunerations, we also provide employees with various employee welfare and benefits, to earnestly safeguard legitimate rights and interests of employees. We formulated the Administrative Measures for Welfare Expenses (《福利費管理辦法》) to standardize the budget, expenditure and supervision and management of employee welfare expenses, covering various cash subsidies and non-monetary collective benefits provided to or paid for employees. Such measures also outline the specific welfare items, including heatstroke prevention and heating subsidies, health checkup expenses, accident insurance and hospitalization expenses, free meals, birthday gift certificates, book coupons, movie coupons, funeral and bereavement compensation and financial subsidies, demonstrating the care and protection extended to employees in multiple aspects.

We also provide various protections to our employees. The Group contributes to the employee pension scheme and housing provident fund managed or organized by governmental departments, purchases different insurances for eligible employees, including pension, medical care, unemployment, work injury and maternity insurance as well as housing provident fund, and provides corporate annuities in accordance with relevant national policies and rules.

We formulated the Welfare Management Measures (《福利管理辦法》) and the Attendance and Leave Management Rules (Trial) (《考勤及請銷假制度(試行)》), which specify that in addition to statutory holidays, the Group grants employees various welfare leaves such as sick leave, personal leave, marriage leave, funeral leave, maternity leave, paternity leave, annual leave, breast-feeding leave and parental leave, so as to encourage employees to take rest timely while working hard.

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4.4 Safe Working Environment

Adhering to protection of safety and physical and mental health of employees, the Group is committed to creating a healthy, safe and amicable workplace environment. We strictly abide by the laws and regulations such as the Law of the PRC on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》), the Law of the PRC on Work Safety (《中華人民共和國安全生產法》), the Fire Control Law of the PRC (《中華人民共和國消防法》), the Law of the PRC on Special Equipment Safety (《中華人民共和國特種設備安全法》), the Provisions on the Administration of Occupational Health at Workplaces (《工作場所職業衛生管理規定》), the Special Provisions on Labor Protection of Female Workers (《女職工勞動保護特別規定》), the Regulations on Work-Related Injury Insurances (《工傷保險條例》) and the Regulations on Work Injury Insurance of Sichuan Province (《四川省工傷保險條例》) to standardize the workplace safety management, and provide safety protection measures for employees in risky positions. The Group upholds the principle of acting according to law, and provides employees with a safe working environment as required under laws and regulations to protect them from occupational injuries. Leveraging our dedicated efforts, we did not record any case of work-related casualties in the past three years (including the Year).

During the Reporting Period, we formulated the Management and Assessment System for Safety Production Objectives (《安全生產目標管理和考核制度》), to define the Group's safety production policy and promote the formulation and completion of safety production objectives. The Group has maintained in place different safety accident prevention measures. With respect to fire or explosion, the Group carries out regular safety inspections, fire emergency drills, investigates potential safety hazards, and takes appropriate measures to prevent potential safety accidents. Meanwhile, we carry out safety education for employees on a regular basis, provide fire control knowledge trainings for them and organize fire drills to enhance self-protection awareness of employees.

We strictly follow the Safety Production Responsibility System (《安全生產責任制度》), the Safety Production Investment Guarantee System (《安全生產投入保障制度》), the Occupational Health Management System (《職業健康管理制度》), the Expressway Operation Management Center Production Safety Management System (《高速運管中心安全生產管理制度》) and other rules formulated by the Group, which set out in detail the safety production management responsibilities of management members and functional departments at all levels, and implement the management system of "Company supervision, department accountability and hierarchical management". According to the Occupational Health Management System (《職業健康管理制度》) and the Hidden Danger Investigation and Management System (《事故隱患排查治理管理制度》), our production safety leading group is responsible for coordinating the overall management of occupational health management and hidden danger investigation and management, and the occupational health management departments and personnel have been specified with clear assignment of responsibilities for occupational disease prevention and control at all levels. Our production safety leading group office is responsible for incorporating the implementation of occupational health management and the investigation and management of hidden dangers in various departments and units into daily safety supervision, inspection and assessment, and establishing accounts and files for the investigation and management of hidden dangers to ensure the health and safety of employees. We have safety, fire and hygiene requirements for the dormitory and cafeteria environments of our expressway operation management centers, and each expressway operation management center monitors the safety management and rectifies any non-compliance with the regulations, thus establishing a safe workplace for employees.

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We formulated the Safety Production Investment Guarantee System (《安全生產投入保障制度》) to establish a robust internal and external supervision mechanism for the appropriation and utilization of funds related to production safety expenses, ensure the effective implementation of the primary responsibility for production safety investment in accordance with the law and guarantee the proper utilization of production safety funds. We also formulated the Fire Safety Management System (《消防安全管理制度》) to implement the fire safety accountability system, formulate fire safety regulations, operational procedures, fire extinguishment and emergency evacuation plans within the Company, aiming to prevent fires and minimize their impact. We formulated the Management Measures for Labor Protection Supplies (《勞動防護用品管理辦法》) to ensure that employees wear appropriate protective gears during work, thus reducing the risk and probability of accidents and occupational diseases.

To enhance safety knowledge of road users and ensure safe and uninterrupted operation of expressways, we carried out the 2024 “Safety Production Month” campaign during the Reporting Period. The campaign included activities such as knowledge competitions, lectures on road safety information, setting up traffic safety consultation booths, and playing safety slogans on LED displays to promote the implementation of safety production responsibilities.



The 2024 “Safety Production Month” campaign

We formulated the Safety Education and Training System (《安全教育培訓制度》) and the Safety Education and Training Management System (《安全教育培訓管理制度》) to incorporate safety training into the Company’s annual training plan. The Safety Management Department and various departments (sections, teams) and groups are required to provide training to new employees at respective levels, who are required to fill in the Three-level Safety Education Record Card and pass an examination before starting work officially. We require employees to possess knowledge of production safety, be familiar with relevant safety regulations and operating procedures, master safety operation skills related to their positions, understand emergency response measures for accidents, and be aware of their rights and responsibilities in terms of production safety.

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Training on safety production laws and regulations

To implement safety production education and training effectively, the Group provided a training session on safety production laws and regulations on April 13, 2024, to further strengthening safety awareness of all employees and improve the safety management level. The activity included warning education and training on safety production, explanations on safety production related laws and regulations as well as safety production regulations in Sichuan Province, analysis of safety production accident cases, and education on the safety production management system of the Company.



Holding a safety education training meeting

The Group held a safety education training meeting on 13 August 2024, with approximately 60 employees present. We invited industry experts in emergency management, who referred to recent emergencies such as a bridge collapse due to flood on an expressway in Shangluo City, Shaanxi Province and a bridge collapse due to natural disaster on an expressway in Yakang, Sichuan Province, to explain the knowledge with a focus on key points of emergency plan, emergency management system for emergencies, emergency rescue and disposal, as well as prevention and control of occupational diseases among employees according to the heatstroke prevention and cooling requirements in current high-temperature weather.

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The training effectively enhanced the participants' risk prevention awareness, emergency management skills and occupational health knowledge. The Company will continue to strengthen such education and training in the future, to further enhance its emergency response system.



Fire emergency knowledge training and drills in 2024

To enhance fire safety knowledge of employees, Operation Company under the Group worked with firefighters from the 10th Brigade of the First Branch of the Expressway Public Security Bureau of Sichuan Provincial Public Security Department, as well as the Kongque Village Committee of Xinxing Sub-district in Tianfu New Area, to carry out fire emergency knowledge training and drills for the Tianfu Airport Expressway.

This training referred to typical cases to explain and publicize common knowledge on safe use of electricity and gas through video, graphics and text, illustrate the use of fire-fighting equipment, answer various fire safety questions, and emphasize precautions such as fire prevention, fire disposal, and identification of hidden dangers. Regarding fire emergency drills, we effectively inspected fire-fighting supplies and facilities, and improved emergency response, personnel evacuation, cooperation and coordination and other response plans.



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A successful joint emergency drill for tunnel emergencies on the Tianfu Airport Expressway in 2024

During the Reporting Period, in order to strengthen its ability to respond to tunnel emergencies, the Group and Tianfu Airport Expressway Company worked with the 10th Brigade of the Expressway First Division of Traffic Police Corps under Sichuan Provincial Public Security Department and the First Brigade of the First Division of Sichuan Provincial Transportation Comprehensive Administrative Enforcement Corps to hold a joint emergency drill for tunnel emergencies on the Tianfu Airport Expressway in 2024.

Approximately 100 persons participated in the joint emergency drill, which was observed by relevant personnel onsite from the Group's subsidiaries including Chuanlutong Company, Operation Company and Zhenxing Company.



Fire drills at expressway operation management centers

Echoing the national call to strengthen fire safety management and guided by the principle of “everyone abides by fire regulations and maintains fire safety together”, Operation Company under the Group organized its expressway operation management centers to carry out fire training and emergency evacuation drills, to further enhance fire safety awareness of employees, strengthen fire response capabilities, and take winter fire safety efforts earnestly.





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We formulated the Safety Production and Occupational Health Policies and Objectives for 2024 (《安全生產和職業衛生方針、目標》), which set out our safety production objectives and occupational health objectives.


Safety production objectives:
<ul style="list-style-type: none"> No production safety accident at common or above level occurs; Urge relevant business units to effectively curb the occurrence of production safety accidents.
Occupational health objectives:
<ul style="list-style-type: none"> Zero acute occupational poisoning accident; Incidence rate of occupational diseases < 1%; Detection rate of occupational hazards reaches 100%; Notification rate of occupational hazards reaches 100%.

4.5 Supporting Employees to Grow

The Group is committed to enhancing competencies of employees while sustaining our competitiveness. To this end, we established three career development systems for employees, including internal training, external training and continuing education, and formulated the Training Management Measures (《培訓管理辦法》) to standardize and regulate training methods, and define the talent standards and post requirements for talent evaluation. The Company's training approaches mainly include internal training, external training and continuing education.

Training approach	Contents
 <p>Internal training</p>	<ul style="list-style-type: none"> Including pre-employment education for new employees and on-the-job training on job-related skills. Pre-employment education for new employees primarily involves introduction to the Company's profile, job responsibilities and other basic information, and education on various management rules within the Company and safety education On-the-job training on job-related skills mainly refers to knowledge acquisition and skill development specific to their roles. This may include specialized training courses, lectures, and designated self-study materials
 <p>External training</p>	<ul style="list-style-type: none"> Employees are selected to participate in various training programs, site visits and other activities organized by the group company, the Company, relevant departments (units) at higher levels, and external training institutions

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Training approach	Contents
 <p>Continuing education</p>	<ul style="list-style-type: none"> Employees can voluntarily participate in educational activities aimed at improving their professional knowledge and skills, such as pursuing higher academic qualifications and degrees. They can also take part in national standardized professional certification examinations or evaluations, as well as professional qualification examinations and continuing education programs for specialized technical positions



Addressing the changing economic and business environment, we actively strengthen talent development and promote talent exchange. Taking into account factors such as employees' educational background, age, experience, and work style, the Company selects outstanding employees from various departments and centers for job rotation and exchange, aiming to cultivate a group of versatile talents who are skilled in management, proficient in their respective fields, and capable of taking on important responsibilities. During the Reporting Period, the Group formulated the Measures for the Selection and Appointment of Middle-level Management (《中層管理人員選拔任用辦法》) and the Measures for the Selection and Appointment of Frontline Management (《一線管理人員選拔任用辦法》), established a rational and standardized system for the selection and appointment of middle-level and frontline management, and fostered a talent selection and appointment mechanism for outstanding talents to distinguish themselves, including qualifications, internal selection and external recruitment processes and provisions. We formulated the Staffing Management Measures (Trial) (《人員編製管理辦法(試行)》) and the Talent Reserve Management Measures (Trial) (《後備人才庫管理辦法(試行)》) to strengthen staffing management, optimize human resource allocation, accelerate talent echelon construction, improve work efficiency, reasonably control human resource costs, and provide important access to talent pool under the Company's development strategy. We also formulated the Implementation Measures for Exchange of Management Positions (《管理人員崗位交流實施辦法》), to strengthen communication and exchange between departments, and improve talent cultivation and reserve.

During the Reporting Period, we organized various types of training, including safety education, technical training, internal control, and risk management training. The training participants covered frontline personnel and even management, and employees at all levels received corresponding training, demonstrating comprehensive improvements in their professional knowledge and capabilities in performing duties which are conducive to enhancing productivity and competitiveness of the Group. During the Reporting Period, we also developed the 2024 Safety Education and Training Plan (《2024年安全教育培訓計劃》) and the 2024 Emergency Rescue Drill Plan (《2024年應急救援演練計劃》), which set out training programs on safety production, electrical operations, prevention of occupational diseases, fire control and emergency response, to further increasing employees' awareness of safety production and their ability to handle emergencies.

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Professional knowledge competition for individuals of the second Employee Vocational Skills Competition

During the Reporting Period, in order to improve technical competency of employees, the Group held a professional knowledge competition for individuals of the second Employee Vocational Skills Competition with approximately 1,800 participants, including employees from the Group's subsidiaries including Operation Company and Chuanlutong Company. The knowledge competition was conducted in a new form of "cloud competition", covering a wide range of contents ranging from policies, regulations, work protocols to professional technologies across our business segments such as road asset management and maintenance, mechanical and electrical maintenance, toll collection, and monitoring operations. Through two days of intense competition, the comprehensive technical competency of our employees was improved effectively.



Special training session on competency enhancement

Operation Company under the Group held a special training session on publicity with a theme of "strengthening skills and enhancing competency". Designed to enhance communication of corporate information, the training focused on illustration based on the photos and articles published by the Group's departments to identify problems and improvement methods, allowing the participating employees to increase their confidence and capability to effectively complete publicity tasks in a relaxed and pleasant atmosphere.



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Carry out business training

Chuanlutong Company, a subsidiary of the Group, conducted a four-day business training during the Reporting Period, covering the charging policy and the main points of audit, both in theory and practice. Management and key employees shared their experiences and conducted training in the mode of “video playback+practical exercise” to strengthen the details of employees’ services and improve their service quality and business ability.



For the training of new employees, we formulated the New Employee Training Measures (Trial) (《新員工培訓辦法（試行）》). In light of the overall guideline of the Group’s Party committee on “work style transformation, capability enhancement, effective implementation, and strict management”, we seek to create a loyal, clean and responsible workforce, helping new employees to understand the Company’s situation, departments and job requirements and assisting them in improving work skills.

4.6 Employee Care Activities

To strengthen employee cohesion and the sense of belonging, we actively engaged in various employee activities, including making rice dumplings during the Dragon Boat Festival, football games, cooking competitions, reading activities, Lantern Festival activities, Spring Festival activities, “Staff Vegetable Farm” activities, etc., to enhance the sense of belonging of employees, create a positive atmosphere, and foster emotional communication among colleagues. These activities showcased a harmonious, friendly and delightful corporate culture, thereby building a more energetic and outstanding team of talented individuals, demonstrating our focus on sound performance of employee relationship management.



Staff football match

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Organizing group activities

To enhance cohesion and solidarity of workforce and establish a harmonious and positive corporate culture, the labor union of the Group organized all staff to carry out a group activity with the theme of “Going together for a romantic spring”. The labor union thoughtfully held a variety of fun activities such as “Throwing into Pot”, “Best Photo-shooting” and “Guessing Song Names”, and organized a hiking to the Bamboo Sea in western Sichuan to enjoy the natural scenery. The activities helped our employees to relax with an enhanced sense of belonging, contributing to high-quality development of the Company.



The 2024 “Ankang Cup” speech competition

To promote safety production education and enhance safety awareness of employees, Chuanlutong Company under the Group held the 2024 “Ankang Cup” speech competition, with more than 70 participants including the Company’s management members, department heads, management office heads and employee representatives. Sticking to the theme of “Everyone concerned about safety and adept in emergency response – Focusing on improving primary-level emergency response capabilities”, the finalists elaborated on topics such as risk identification and control, hidden danger investigation and management, duty shift and patrol inspection, flood prevention and control, which are closely aligned with practical work needs, creating a strong atmosphere of safety production within the Company.



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In addition, on 8 November 2024, the Group organized the third Tianfu Greenway Cycling Event under the theme of “Empowering a Fantastic Happy Cycling”. The event aimed to encourage employees to adopt a healthy and positive lifestyle, attracted more than 500 participants, and created a positive corporate atmosphere, allowing employees to enjoy the fun of sports.



The third Tianfu Greenway Cycling Event

To build up corporate culture and enrich sports and cultural life of employees, the labor union of the Group held the first employee fun sports game with the theme of “Advancing in the New Era · Moving towards the Future” on 30 May 2024, with approximately 400 participants including our management members and employees. The sports game consisted of 5 events, where 19 teams gave full play to the athletic spirit of unity, teamwork and tenacious striving, and shared the joy of sports.



First Fun Sports Activities

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The Group and its subsidiaries held a range of themed activities to celebrate the International Women's Day on 8 March 2024, such as African drum painting, ukulele graffiti, eternal flower photo frame making, bamboo art making, etc. The activities promoted communication among each other and enhanced the sense of belonging and cohesion of employees.



Themed activities for the International Women's Day

5. IMPLEMENTING THE CONCEPT OF GREEN OPERATION

The Group actively undertakes corporate social responsibility and adheres to the concept of sustainable development, in order to minimize the impact of its business activities on the environment and properly manage pollution control efforts. The Group operates in compliance with laws and regulations, and requires all its employees to abide by the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Law of the PRC on Water and Soil Conservation (《中華人民共和國水土保持法》), the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), the Interim Provisions on the Prevention and Control of Urban Dust Pollution in Chengdu (《成都市城市揚塵污染防治管理暫行規定》) and the Regulations on Comprehensive Management of Urban and Rural Environment in Sichuan Province (《四川省城鄉環境綜合治理條例》). The Group also formulated internal policies such as the Air Pollution Prevention and Control Management Regulations (《大氣污染防治管理規定》), the Solid Waste Pollution Prevention and Control Management Regulations (《固體廢物污染防治管理規定》), the Environmental Protection Management Procedures (《環境保護管理程序》) and the Water Pollution Prevention and Control Management Regulations (《水污染防治管理規定》), which set out the Group's management requirements, operation management and terms of reference in respect of air pollution prevention and control, solid waste, environmental protection and water pollution.

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During the Reporting Period, the Group did not violate any laws on environmental protection or result in major accidents with an impact on the environment and natural resources, nor did it receive any punishment and litigation notice related to the environment.

In our business activities, the impact on environment is primarily derived from consumption of energy, office consumables, domestic water and the generation of office and domestic garbage. As a leading enterprise in the industry, we are ready to shoulder the social responsibilities of environmental protection, and carry out standardized prevention and management of pollution such as waste gas, sewage, waste and noise, strive to mitigate the impact of the Group's business operation on the environment, and ensure that we are able to strike a balance between our business development and environmental protection. We also proactively strengthen employees' environmental protection awareness through systematic training. The Group implements the above environmental protection measures to live up to the concept and philosophy of green operation.

The Group formulated the Administrative Measures for Comprehensive Management of Urban and Rural Environment (《城鄉環境綜合治理管理辦法》). Based on the principle of "prevention first, combination of prevention and treatment", we regulate and manage the appearance, environmental sanitation, facilities construction, public services and greening ecology along the expressways under management, and around office areas, service areas and petrol stations, and handle environmental protection complaints related to dust, noise and sewage.

5.1 Standardizing the Use of Official Vehicles

Major air emissions of the Group are exhaust from official vehicles. To strictly abide by the Interim Provisions on the Prevention and Control of Urban Dust Pollution in Chengdu (《成都市城市揚塵污染防治管理暫行規定》), we are committed to reducing exhaust emissions, and formulated the Implementation Plan for the Reform of Official Vehicle System (《公務用車制度改革實施方案》), to strictly regulate the purchase, lease, operation management and disposal of official vehicles. We use cleaner and more environmentally-friendly gasoline, and will choose vehicles that meet the sixth stage of China's national emission standards for motor vehicles in vehicle replacement to eliminate inefficient vehicles and further reduce the emission of air pollutants and greenhouse gas. We will provide maintenance services for company vehicles, including regular inspections and tire inflation, and make sure to shut down engine while the vehicle is not running. We will also conduct timely maintenance on vehicles to improve fuel efficiency, and make sure to shut down engine while the vehicle is not running, so as to further reduce exhaust emissions.

Meanwhile, we encourage green travel within our operations and at our customer level, and have taken concrete actions. We strive to use video conferencing whenever possible to replace unnecessary in-person meetings. We also organize events in easily accessible locations to encourage participants to use public transportation, thereby reducing our environmental impact. Meanwhile, the Group accelerated the promotion of electronic toll collection (ETC) systems, and launched the Energy-saving Awareness Week activity to popularize the concepts and knowledge of ecological civilization and green development, and encouraged the public to choose green traveling methods.

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In addition, greenhouse gas emissions from business operations are also monitored. The Group conducts greenhouse gas inventory with reference to the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development and ISO14064-1 formulated by the International Organization for Standardization. During the Reporting Period, the Group's greenhouse gas emissions were as follows:

Greenhouse gas emission performance		Unit	2024
Greenhouse gas emissions			
Scope 1	Direct greenhouse gas emissions	tonnes of CO ₂ equivalent	1,013.29
Scope 2	Indirect greenhouse gas emissions	tonnes of CO ₂ equivalent	4,419.60
Scope 1 and scope 2	Total greenhouse gas emissions	tonnes of CO ₂ equivalent	5,432.90
Scope 1 and scope 2	Greenhouse gas emission intensity	tonnes of CO ₂ equivalent/million of revenue in RMB	1.86



Scope 1: representing direct greenhouse gas emissions and removals (greenhouse gas removals from trees planted by the Company) from resources owned and controlled by the Group.

Scope 2: representing indirect greenhouse gas emissions from power generation, heat supply and cooling process or steam purchased by the Group from external sources.

During the Reporting Period, the total amount of greenhouse gas emissions of the Group was 5,432.90 tonnes of carbon dioxide equivalent; and the greenhouse gas emission intensity was 1.86 tonnes of carbon dioxide equivalent per million of revenue in RMB, representing a decrease of approximately 7.00% from last year, indicating sound progress in achievement of our goals for the Year. We have set directional goals for greenhouse gas emissions. During the Year, we reviewed and examined the progress in achieving such goals and implementation of environmental protection measures, and confirmed that the environment-related goals remained applicable for the Year, and we will continue to establish environmental policies in upcoming years. The Group will proactively implement the measures to reduce greenhouse gas emissions with an aim to maintain or gradually reduce greenhouse gas emission intensity (scope 1 and scope 2) while maintaining comparable operations in the future.

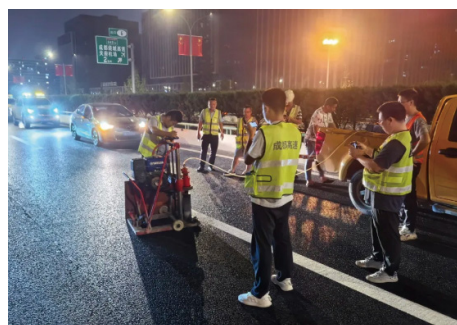
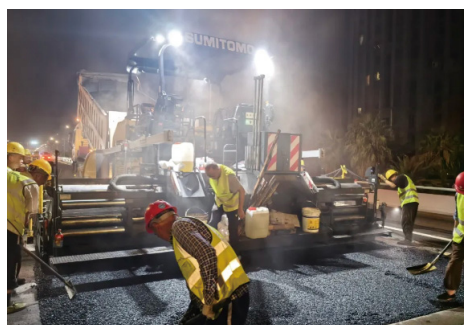
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5.2 Noise Mitigation Management

Traffic noise on expressways is a topic of great concern to the Group. To reduce the traffic noise caused to nearby residents along our expressways, we engaged the Highway Planning, Survey, Design and Research Institute of Department of Transportation of Sichuan Province of China to complete the noise barrier design in accordance with relevant technical specifications such as the Design Specifications of Highway Environmental Protection (《公路環境保護設計規範》), the Norm on Acoustical Design and Measurement of Noise Barriers (《聲屏障聲學設計和測量規範》) and the Unified Standard for Reliability Design of Highway Engineering Structures (《公路工程結構可靠性設計統一標準》). Meanwhile, we monitor the traffic on a dynamic basis, predict the noise-polluted sections of expressways, and set up different measures to reduce noise pollution, including setting up green belts and planting tall trees along the roadside, erecting sound barriers on both sides of the road, and installing double-layer hollow sound-proof glass windows for households alongside. In addition, we have regularly maintained the pavement of expressways through repair of the potholes, so as to minimize the noise caused while driving. In future, we will continue to install no-whistling signs on some road sections according to the situation to effectively reduce the noise caused by vehicle whistling.

Successfully completing the noise reduction project for Chengdu Airport Expressway

During the Reporting Period, in order to solve the road noise problem of Chengdu Airport Expressway, we officially launched the drainage and noise reduction pavement project for Chengdu Airport Expressway in early July of the Year, which has been successfully completed. During the implementation of the project, around 150 employees worked closely together in construction, design, supervision, technical services and other related aspects, ultimately completing the drainage and noise reduction pavement project two days ahead of schedule.



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5.3 Strengthening Electricity Consumption Management

During the Reporting Period, we actively implemented systematic energy-saving measures to reduce electricity consumption and improve energy efficiency. Firstly, the Group divides the office premises into different lighting areas, installs independently controlled lighting switches in different areas, reduces the number of electric lights in specific places, causes the lights to be turned off when idle, uses natural lighting as much as possible, reduces the number of electric lights in places where the brightness exceeds the required level, uses energy-efficient lighting fixtures such as T5 fluorescent tubes and LED lights, and ensures the cleanliness and energy efficiency of the lighting fixtures.

The Group adopts a central control and monitoring system for most of its air conditioners. We regularly clean the filter screens and coil fans, and install sealing on doors and windows to prevent the escape of conditioned air. In addition, the Group's computers are also set to enter the sleep mode when idle. We also allow employees not to wear ties in hot weather and wear casual clothes to work every Friday, aiming at reducing the use of air conditioners. During non-working hours, on rest days and before holidays, electronic equipment will be automatically turned off to save energy. We utilize virtual computer hardware to reduce power consumption and the need for hardware installation. We collect power consumption data on a monthly basis to review our electricity consumption habits and make improvements.

During the Year, the Group's total power consumption during operation was 8,236.31 MWh, and the power consumption intensity was 2.83 MWh per million of revenue in RMB. We have set directional goals for power consumption. We have reviewed and examined the progress in achieving such goals and implementation of environmental protection measures, and confirmed that the environment-related goals remained applicable for the Year, and we will continue to establish environmental policies and implement the energy conservation measures in the coming years. We aim to maintain or gradually reduce power consumption intensity while maintaining comparable operations in the future.

We put forward different strategic positioning for each business segment under the Group's "14th Five-year Plan". The expressway segment is designated with a strategic positioning to build an urban low-carbon transportation energy service provider, establish a comprehensive energy infrastructure network of "oil, gas, electricity, hydrogen and energy storage", and foster a complete urban green traveling and smart energy storage network. For the low-carbon city segment, the Group expects to build itself into an integrated service provider for green city construction and become an integrated service provider for urban energy planning, construction and operation, so as to improve the efficiency of urban energy management in all aspects and facilitate urban zero carbon development. The strategic positioning of the energy segment of the Company is to build an innovative ecology of "industry-university-research integration" and expedite industrial upgrading based on transportation energy and urban energy, representing an important pillar for the Company to explore the opportunistic businesses and playing a supporting role to the two business segments.

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5.4 Water Conservation Practices

To avoid waste of water resources, we put up water conservation signs in the bathrooms to remind employees to turn off water taps after washing hands, and encourage them to reduce waste of water resources. In addition, we purchase faucets with infrared sensor to replace manual faucets and avoid waste of running water for a long period. In case of faucet leaks, we will immediately notify the property management unit to repair. Based on the nature of our operations, we are not categorized in a high water-consumption industry. Our office water mainly comes from the municipal water supply system, so we do not face difficulties in sourcing water.

During the Reporting Period, the Group consumed 97,406.27 cubic meters of water in operation, and the water consumption intensity was 33.41 cubic meters per million of revenue in RMB, representing a year-on-year decrease of approximately 9.46%. We did not encounter any problems in searching for water fit for purpose. In addition, we have set directional goals for water consumption. During the Year, we reviewed and examined the progress in achieving such goals and implementation of environmental protection measures, and confirmed that the environment-related goals remained applicable for the Year, and we will continue to establish environmental policies in upcoming years. The Group will proactively implement the water resource management measures with an aim to maintain or gradually reduce water consumption intensity while maintaining comparable operations in the future.

5.5 Advancing Green Office

The Group actively promotes the concept integrating green office practices into daily operations. In terms of paper consumption, the Group requires double-side printing for documents and promotes the use of electronic communication technologies to minimize paper consumption. The Company suggests using thinner fonts and smaller line spacing for informal documents, and encourages reuse of waste paper for printing to save paper. We use electronic communication and electronic office systems to replace paper and use waste paper to keep notes. In addition, we default computers and printers to double-sided and ink-saving printing modes. We also installed an electronic system on mobile phones to reduce the use of paper. During the Reporting Period, the total amount of paper consumed by the Group was 10,415.27 kg, and the paper consumption intensity was 3.57 kg per million of revenue in RMB. In the future, we will continue to monitor and control the consumption of paper and other materials to fulfill the responsibilities as a responsible enterprise, minimizing the environmental impact of our office operations and striking a balance between business development and environmental protection.

To reduce wastage, we also encourage reusing stationery such as envelopes and binders, and reusing pens by replacing refills, so as to reduce the consumption of disposable and non-recyclable products. We also regularly evaluate the consumption of materials to avoid excessive inventory, and place green plants in office areas. We utilize various media such as email, poster and internal network to promote and educate employees about emission reduction measures, thereby enhancing their environmental awareness.

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5.6 Reducing Environmental Pollution

The Group takes the prevention and control of environmental pollution as the top priority, and sets up a leading group for environmental pollution prevention and green development with the general manager as the team leader. We clarified the promotion of special projects such as ecological traffic water control, ecological traffic gas control, ecological traffic solid waste treatment, and green traffic environmental protection construction, promoted special projects such as energy conservation and emission reduction, and ecological environment protection, required proper implementation of information submission, sorted out the sensitive points of environmental pollution, investigated the existing environmental pollution problems, established work ledgers, specified the disposal measures, responsible persons and rectification time limit, and required the inclusion of the work progress in the annual safety target assessment, in order to effectively manage and reduce emissions of exhaust and greenhouse gases, discharges to water and land, and the generation of hazardous and non-hazardous waste.

The Group strictly abides by the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境保護法》) and other laws to treat wastes in business operations. We strictly regulate the handling of waste disposal to prevent environmental pollution, and have stringent guidelines in place for waste disposal to prevent environmental pollution. In terms of kitchen waste, we entered into a contract for the removal of kitchen waste with a disposal agency upon mutual negotiation during the Reporting Period, and required the parties concerned to properly remove, recycle and dispose of the kitchen waste generated in the canteen. Meanwhile, the Company also engaged agents to recycle the potentially hazardous wastes in our operations in a centralized manner, mainly including used ink cartridges and toner cartridges, which will be recycled and reused by the agents. We recycle old computers or other electronic waste for reuse and encourage employees to use recycling bins or other appropriate facilities to separate and recycle paper, metal, and plastic waste.

During the Reporting Period, the total amount of non-hazardous waste generated by the Group was 324.18 tonnes, and the non-hazardous waste generation intensity was 0.11 tonnes per million of revenue in RMB, representing a year-on-year decrease of approximately 8.33%. The total amount of hazardous waste generated was 139.50 kg, including waste ink cartridges, waste toner cartridges, waste batteries and waste computers, and the hazardous waste generation intensity was 0.05 kg per million of revenue in RMB, representing a year-on-year decrease of approximately 87.50%, indicating sound progress in achievement of our goals for the Year. In the future, we will continue to monitor the amount of non-hazardous and hazardous waste. We will adhere to the principle of material conservation and waste classification, and implement various pollution prevention and recycling measures.

We have set directional goals for waste management. During the Year, we reviewed and examined the progress in achieving such goals and implementation of environmental protection measures, and confirmed that the environment-related goals remained applicable for the Year, and we will continue to establish environmental policies in upcoming years. The Group proactively implements materials conservation and waste classification measures, and will maintain or gradually reduce the waste generation intensity while maintaining comparable operations in the future.

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Garbage classification publicity campaign

To promote a healthy and environmentally friendly lifestyle, Chuanlutong Company under the Group worked with the Party committee of Jinjiang District Comprehensive Administrative Enforcement Bureau to carry out a garbage classification publicity campaign during the Reporting Period. The event was held at the Oak Forest Store of Carbon Collection Hut in Jinjiang District. Volunteers publicized garbage classification knowledge to community residents through prize-winning quiz games, effectively increasing residents' participation and the publicity effect.



Arbor Day activities

During the Reporting Period, the Group carried out the Arbor Day activities. People from Operation Company, Zhenxing Company and Expressway Operation Management Center worked closely at their respective sites to carry out the Arbor Day activities. The volunteers cleaned up garbage and stones in the station areas. Through our efforts, the seedlings grew smoothly, greatly improving road quality and the environment.



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5.7 Exploitation of Idle Land

The Group attaches importance to the development and utilization of idle land. During the Reporting Period, we launched research into the idle land held by the Company and put forward targeted revitalization plan. This opens up opportunities for generating economic income for us in the future while also improving land utilization rates.

5.8 Address Climate Change

We continue to comprehensively improve our climate change management level and enhance the performance of climate risk management at all levels, and keep a close eye on the impact from climate change on the Group's operations. To effectively address climate-related risks and opportunities, we regularly identify climate risks that affect our business and implement relevant mitigation measures. We aim to have comprehensive control over the potential impact of climate change on our operations. For example, during the Year, Chengdu Energy Development Co., Ltd., a subsidiary of the Group, formulated the 14th Five-year Plan. Based on the achievements of the 13th Five-year Plan, Chengdu Energy Development Co., Ltd. drew up the environmental analysis during the 14th five-year period, and will continue to promote the business development of the energy segment, explore new energy sources, follow the new direction specified in the national 14th Five-year Plan, strive to expedite scientific and technological innovation, seek new breakthroughs in the energy industry, and move towards the urban energy new pattern underpinned by "carbon neutrality".

Regarding the response to extreme weather events, our business is greatly affected during the flood season. Therefore, we fully recognize the importance, severity and complexity of the current flood control and disaster relief work. We always maintain a state of readiness, improve the emergency response plan for the flood season, and carry out flood control, disaster mitigation and relief work with high standards, strict requirements and strong efforts. We make arrangements for flood season safety work, clarify job responsibilities, conduct regular or occasional inspections and management of safety hazards during flood season, and strengthen information reporting. The flood control work leadership group, comprising department managers, made careful arrangements for all aspects of flood season safety, ensuring the smooth advancement of all tasks.

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Climate risk	Potential impact	Countermeasures for climate risk
Acute climate risk	Different extreme weather conditions caused by climate change, such as super typhoon and heavy rain, may cause landslides, flooding and reduced visibility, posing potential risks and threats to the safety of road users and employees	<ul style="list-style-type: none"> We formulated policies such as the Accident Emergency Rescue Management System (《事故應急救援管理制度》) and the Emergency Plan Regular Review Management System (《應急預案定期審查管理制度》) to regulate the preparation, implementation, and revision of emergency plans, thereby enhancing the Group's ability to handle accidents
Chronic climate risk	Extreme hot weather conditions will increase the chance of employees working outdoors to suffer from heatstroke and in turn the risk of work-related injuries	<ul style="list-style-type: none"> Formulate measures and plans to guarantee the safety of employees, including the Safety Production Responsibility System (《安全生產責任制度》), the Safety Production Investment Guarantee System (《安全生產投入保障制度》) and the Occupational Health Management System (《職業健康管理制度》), which stipulate that employees should suspend outdoor work under extremely high temperatures (over 38 degrees Celsius)
Policy and regulatory risk	Unable to adapt to stricter national climate-related policies and regulations will have an impact on business operations	<ul style="list-style-type: none"> The Audit and Compliance Department (Accountability Office) will closely monitor the latest relevant laws and regulations in the market, and adjust various energy-saving and emission-reduction measures as and when appropriate and implement green transformation policies to meet the requirements of updated laws

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6. BUILDING AN INCLUSIVE AND HARMONIOUS COMMUNITY

The Group has been paying close attention to the needs of sustainable development of China and local communities. Committed to serving the people wholeheartedly and doing practical things for the public, the Group has been proactively supporting public welfare activities in different communities over the years along its development path. These efforts include community consolation, rural revitalization, tree planting, assisting in anti-narcotics publicity activities, and helping families in need to relieve the burden of autumn harvest, aiming to share our development achievements with the community.

During the Reporting Period, we formulated the Compliance Management Manual (《合規管理手冊》), pursuant to which the Company shall strictly abide by the Public Welfare Donation Law of the PRC (《中華人民共和國公益事業捐贈法》), the Administrative Measures for Outward Donations of State-owned Enterprises in Chengdu (《成都市屬國有企業對外捐贈事項管理辦法》) and other relevant laws and regulations to establish expenditure limit and approval authority for its outward donations, implement the reporting, approval and filing procedures, ensure that the outward donations are legal and compliant, and avoid violation of fair competition and negative public opinions due to improper donations and sponsorships. Set out below are the major public welfare activities launched by the Group during the Year, demonstrating our commitment to serving the country and the people, actively participating in national events, and improving the lives of the public through practical actions.

“Heartwarming Home” program

During the Reporting Period, the Group launched the “Heartwarming Home for Truck Drivers” program at Xinfan Service Area of Chengpeng Expressway. The facility has a site area of 437.6 square meters, including 3 bedrooms, 3 public shower rooms, 2 washrooms, 1 shared kitchen, 1 laundry room, and 1 Party-masses service center to providing convenient living facilities and amenities for truck drivers.



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Community consolation activities

On 16 August 2024, Yang Tan, Chairman of the Group, led a consolation team to visit Fengba Village, Sichuan Province. At Fengba Village, Yang Tan and the team paid a visit to the villagers living in difficult conditions, learned about their recent life and physical conditions, and provided them with daily necessities and living allowances. Later, they took a field survey on the construction and development of Fengba Village, and gained an in-depth understanding of the village's demographic structure, industrial structure and streetlight installation.



Service activities with a theme of "Protect environment, love our home"

In view of the upcoming World Health Day and in order to foster good hygiene habits and healthy lifestyles and improve environmental quality, the Group launched the service activities with a theme of "Protect environment, love our home". Our volunteers carefully studied knowledge on the World Health Day, environmental sanitation and health, cleaned facilities, equipment, lanes and underground passages inside and outside toll booths in the station areas, disinfected and cleaned up public facilities in the surrounding areas of roads, and cleared up roadside obstacles, weeds in green belts and other garbage.



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“Public Anti-narcotics Awareness Month” campaign

To enhance anti-narcotics awareness of the public, the Group’s subsidiaries actively carried out anti-narcotics publicity activities in various forms during the Reporting Period, including organizing all employees of the Operation Company and Chuanlutong Company to watch anti-narcotics education videos and warning cases, as well as organizing employees to distribute anti-narcotics leaflets to drivers and residents nearby.

In addition, the Group organized employees to visit the Anti-narcotics 6.26 Service Center. The guide explained to employees in detail about types and harm of narcotics, and methods to resist narcotics. After the event, our employees indicated that they benefited greatly from the activity and understood the importance of resolutely resisting narcotics.



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APPENDIX I: SUSTAINABILITY DATA SUMMARY

The following includes the sustainability data in the environmental subject area of all the offices, all sections of expressways, station buildings, toll stations and petrol stations of the Group during business operations for the Year:

Environmental KPIs	Unit	2024
Emissions²		
Nitrogen oxides	kg	3,744.15
Sulfur oxides	kg	5.18
Particulate matter	kg	341.77
Greenhouse gas (GHG) emissions		
Direct GHG emissions (Scope 1) ³	tonnes of CO ₂ e	1,013.29
Indirect GHG emissions (Scope 2) ⁴	tonnes of CO ₂ e	4,419.60
Total GHG emissions (Scope 1 and 2)	tonnes of CO ₂ e	5,432.90
Intensity of GHG emissions (Scope 1 and 2)	tonnes of CO ₂ e/per million revenue in RMB	1.86

² Emissions represent exhaust gases from official vehicles, which were calculated based on the emission coefficient contained in Appendix II Reporting Guidance on Environmental KPIs issued by the Stock Exchange.

³ Direct emissions (Scope 1) include carbon dioxide, methane and nitrous oxide. The calculation method of direct emissions (Scope 1) and the related emission factors are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC), the Greenhouse Gas Protocol and the ESG Reporting Guide.

⁴ Indirect emissions (Scope 2) calculation methodology and related emission factors refer to the Announcement on Issuing 2022 Electricity CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China on 26 December 2024.

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Environmental KPIs	Unit	2024
Energy consumption⁵		
Natural gas consumption	cubic metre	49,072.00
Intensity of natural gas consumption	cubic metre/per million revenue in RMB	16.83
Petrol consumption	litre	54,135.40
Intensity of petrol consumption	litre/per million revenue in RMB	18.57
Diesel consumption	litre	276,666.69
Intensity of diesel consumption	litre/per million revenue in RMB	94.90
Power consumption	MWh	8,236.31
Intensity of power consumption	MWh/per million revenue in RMB	2.83
Total energy consumption	MWh	12,077.03
Intensity of energy consumption	MWh/per million revenue in RMB	4.14
Water consumption		
Total water consumption	cubic metre	97,406.27
Water consumption intensity	cubic metre/per million revenue in RMB	33.41
Paper consumption		
Total paper consumption	kg	10,415.27
Paper consumption intensity	kg/per million revenue in RMB	3.57
Waste generation		
Total non-hazardous waste	tonnes	324.18
Non-hazardous waste intensity	tonnes/per million revenue in RMB	0.11
Total hazardous waste	kg	139.50
Hazardous waste intensity	kg/per million revenue in RMB	0.05



⁵ The conversion to MWh is based on the conversion factors set out in the Energy Statistics Manual of the International Energy Agency.

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Social KPIs	Unit	2024
Total number of employees	Number	2,375
Number of employees by gender		
Female	Number	1,384
Male	Number	991
Number of employees by age group		
Under 30	Number	604
Between 30 and 50	Number	1,610
Above 50	Number	161
Number of employees by geographical region		
Sichuan Province, China	Number	2,311
Others (including Hong Kong, Macau and Taiwan)	Number	64
Number of employees by category		
Frontline employees	Number	1,997
Junior employees	Number	291
Mid-level management	Number	53
Senior management	Number	34

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Social KPIs	Unit	2024
Turnover rate⁶		
Total turnover rate of employees	%	7.96
Turnover rate of employees by gender⁶		
Female	%	6.50
Male	%	9.99
Turnover rate of employees by age group⁶		
Under 30	%	7.28
Between 30 and 50	%	7.76
Above 50	%	12.42
Turnover rate of employees by geographical region⁶		
Sichuan Province, China	%	8.22
Others (including Hong Kong, Macau and Taiwan)	%	0.00
Trainings⁷		
Percentage of employees trained	%	100
Percentage of employees trained by gender⁷		
Female	%	100
Male	%	100
Percentage of employees trained by category⁷		
Frontline employees	%	100
Junior employees	%	100
Mid-level management	%	100
Senior management	%	100

⁶ Turnover rate is arrived at by dividing the number of employees by category lost by the number of employees by category as at the end of the year and multiplied by 100%.

⁷ Method of calculation: employees trained of a given category divided by the number of employees of a given category as at the end of the year and multiplied by 100%.

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Social KPIs	Unit	2024
Average training hours per employee by gender⁸		
Female	hour	200.11
Male	hour	129.79
Average training hours per employee by category⁸		
Frontline employees	hour	195.74
Junior employees	hour	40.97
Mid-level management	hour	32.92
Senior management	hour	29.93
Occupational health and safety performance		
Work-related casualties in 2024	person	0
Percentage of work-related casualties in 2024	%	0
Work-related casualties in 2023	person	0
Percentage of work-related casualties in 2023	%	0
Work-related casualties in 2022	person	0
Percentage of work-related casualties in 2022	%	0
Work days lost due to work-related injury	day	763

⁸ Method of calculation: total training hours of employees in the category divided by the number of employees in the category.

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APPENDIX II: HKEX ESG REPORTING GUIDE CONTENT INDEX

Indicator		Chapter
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	2. Sustainable Development Governance
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	1. About the Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1. About the Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator		Chapter
A. Environmental Aspect		
A1:	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5. Implementing the Concept of Green Operation
A1.1	The types of emissions and respective emissions data.	Appendix I: Sustainability Data Summary
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.1 Standardizing the Use of Official Vehicles Appendix I: Sustainability Data Summary
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.6 Reducing Environmental Pollution Appendix I: Sustainability Data Summary
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.6 Reducing Environmental Pollution Appendix I: Sustainability Data Summary
A1.5	Description of emission target(s) set and steps taken to achieve them.	5.1 Standardizing the Use of Official Vehicles
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.6 Reducing Environmental Pollution

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator		Chapter
A2:	Use of Resources	
General Disclosure	Policies on efficient use of resources including energy, water, and other raw materials.	5. Implementing the Concept of Green Operation Appendix I: Sustainability Data Summary
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Sustainability Data Summary
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.4 Water Conservation Practices Appendix I: Sustainability Data Summary
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.3 Strengthening Electricity Consumption Management Appendix I: Sustainability Data Summary
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.4 Water Conservation Practices Appendix I: Sustainability Data Summary
A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable as the Group's business does not involve any packaging materials
A3:	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5. Implementing the Concept of Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	5. Implementing the Concept of Green Operation
A4:	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5.8 Address Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	5.8 Address Climate Change



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator		Chapter
B. Social Aspect		
B1:	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4. Growing Together with Employees
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Appendix I: Sustainability Data Summary
B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainability Data Summary
B2:	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.4 Safe Working Environment
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: Sustainability Data Summary
B2.2	Lost days due to work injury.	Appendix I: Sustainability Data Summary
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.4 Safe Working Environment
B3:	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.5 Supporting Employees to Grow
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.5 Supporting Employees to Grow
B3.2	The average training hours completed per employee by gender and employee category.	4.5 Supporting Employees to Grow

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator		Chapter
B4:	Labour Standards	
B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Safeguarding the Rights and Interests of Employers
B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Safeguarding the Rights and Interests of Employers
B4.2	Description of steps taken to eliminate non-compliance when discovered.	4.1 Safeguarding the Rights and Interests of Employers
B5:	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.7 Practicing Responsible Procurement
B5.1	Number of suppliers by geographical region.	3.7 Practicing Responsible Procurement
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	3.7 Practicing Responsible Procurement
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.7 Practicing Responsible Procurement
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.7 Practicing Responsible Procurement

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Indicator		Chapter
B6:	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Ensuring Road Safety 3.3 Improving Service Quality 3.4 Strengthening Information Security
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group's business does not involve any products sold or shipped
B6.2	Number of products and service related complaints received and how they are dealt with.	3.3 Improving Service Quality
B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.4 Strengthening Information Security
B6.4	Description of quality assurance process and recall procedures.	3.2 Ensuring Road Safety
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.4 Strengthening Information Security
B7:	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.	3.5 Strengthening the Integrity Campaign
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	3.5 Strengthening the Integrity Campaign
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.5 Strengthening the Integrity Campaign
B7.3	Description of anti-corruption training provided to directors and staff.	3.1 Leading the Way through Party Building 3.5 Strengthening the Integrity Campaign

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator		Chapter
B8:	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests.	6. Building an Inclusive and Harmonious Community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. Building an Inclusive and Harmonious Community
B8.2	Resources contributed to the focus area.	6. Building an Inclusive and Harmonious Community



INDEPENDENT AUDITOR'S REPORT



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Ernst & Young Hua Ming (2025) Shen Zi No. 70022206_D01
Chengdu Expressway Co., Ltd.

To the shareholders of Chengdu Expressway Co., Ltd.,

I. OPINION

We have audited the financial statements of Chengdu Expressway Co., Ltd., which comprise the consolidated and company's balance sheets as at 31 December 2024, and the consolidated and company's income statements, the statements of changes in equity and the statements of cash flows for 2024, and notes to the financial statements.

In our opinion, the accompanying financial statements of Chengdu Expressway Co., Ltd. present fairly, in all material respects, the consolidated and company's financial position of Chengdu Expressway Co., Ltd. as at 31 December 2024, and the consolidated and company's financial performance and cash flows for 2024 in accordance with Accounting Standards for Business Enterprises.

II. BASIS OF OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Chengdu Expressway Co., Ltd. and we have fulfilled our other ethical responsibilities in accordance with China Code of Ethics for Certified Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young Hua Ming (2025) Shen Zi No. 70022206_D01
Chengdu Expressway Co., Ltd.

III. KEY AUDIT MATTERS *(continued)*

Key audit matter:	How our audit addressed the key audit matter:
<i>Amortisation of service concession rights</i>	
<p>As the service concession rights of the five expressways operated by Chengdu Expressway Co., Ltd. and its subsidiaries represent its core assets, the amortisation thereof has a material impact on cost of sales. In 2024, amortisation of service concession rights amounted to RMB294,217,984 and RMB43,954,875 in the consolidated financial statements and the Company's financial statements, respectively.</p> <p>The amortisation of service concession rights is provided based on the traffic flow method, and calculated according to the share of actual traffic volume in a particular period over the sum of actual traffic volume in a particular period and total projected traffic volume throughout the remaining service concession period. The projection of the total traffic volume involves significant judgement and estimates by the management of Chengdu Expressway Co., Ltd., including the expected gross domestic product (the "GDP") growth rate and the impact of other road networks within the same area.</p>	<p>We performed the following tasks in our audit procedures:</p> <ol style="list-style-type: none">1) We interviewed the management and understood the internal control associated with the review of the projected traffic volume against actual traffic volume;2) We reviewed the estimated projected total traffic volume of the each expressway and assessed whether these estimates were reliable and reasonable;3) We focused our analysis on management's key assumptions used in the estimates of the traffic volume such as the GDP growth rate, the impact of other road networks within the same area, the historical accuracy of management's estimates and assessed the consistency of the assumptions across expressways;

INDEPENDENT AUDITOR'S REPORT



Ernst & Young Hua Ming (2025) Shen Zi No. 70022206_D01
Chengdu Expressway Co., Ltd.

III. KEY AUDIT MATTERS *(continued)*

Key audit matter:	How our audit addressed the key audit matter:
<i>Amortisation of service concession rights</i>	
<p>The management engaged independent professional traffic research institutions to assess the projected total traffic volume on each expressway during the service concession period. In follow-up periods, the management reviews the projected total traffic volume on a regular basis, and in case of any significant discrepancy and such discrepancy to persist, the management will entrust professional institutions to perform independent and professional traffic researches to make appropriate adjustments.</p> <p>The accounting policies and disclosures in relation to amortisation of service concession rights are included in Note III.16, Note III.29 and Note V.13.</p>	4) We validated the accuracy of the data on actual traffic volume employed by the management in calculating the amortisation of service concession rights, and justified the reasonableness of the calculation process; and recalculated the amortisation of the service concession rights;
	5) We considered whether the amortisation methodology adopted by the management represented the way in which estimated economic benefits from the expressway service rights will be depleted; and
	6) We validated relevant disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young Hua Ming (2025) Shen Zi No. 70022206_D01
Chengdu Expressway Co., Ltd.

IV. OTHER INFORMATION

The management of Chengdu Expressway Co., Ltd. is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of Chengdu Expressway Co., Ltd. is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Chengdu Expressway Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate Chengdu Expressway Co., Ltd. or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Chengdu Expressway Co., Ltd.'s financial reporting process.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young Hua Ming (2025) Shen Zi No. 70022206_D01
Chengdu Expressway Co., Ltd.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Chengdu Expressway Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express our non-unqualified opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Chengdu Expressway Co., Ltd. to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young Hua Ming (2025) Shen Zi No. 70022206_D01
Chengdu Expressway Co., Ltd.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Chengdu Expressway Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Ai Wei
(Engagement partner)

Chinese Certified Public Accountant: Yuan Shuhong

Beijing, PRC

26 March 2025

CONSOLIDATED BALANCE SHEET

31 December 2024 Unit: RMB

ASSETS	Note V	31 December 2024	31 December 2023
Current assets			
Currency funds	1	1,909,458,289	2,260,931,042
Accounts receivable	2	365,586,224	226,215,503
Prepayments	3	33,140,843	66,526,433
Other receivables	4	51,507,918	77,256,512
Inventories	5	26,982,613	20,670,025
Contract assets	6	5,802,087	—
Other current assets	7	12,454,979	20,905,188
Total current assets		2,404,932,953	2,672,504,703
Non-current assets			
Long-term equity investments	8	506,488,324	522,560,337
Other non-current financial assets	9	88,790,000	85,822,000
Fixed assets	10	463,860,815	418,222,189
Construction in progress	11	46,663,629	19,201,784
Right-of-use assets	12	71,334,572	53,643,925
Intangible assets	13	5,076,862,228	5,347,248,968
Goodwill	14	75,650,620	75,650,620
Long-term prepaid expenses	15	1,255,386	1,725,002
Deferred tax assets	16	26,606,238	31,569,305
Other non-current assets	17	279,503,046	26,598,143
Total non-current assets		6,637,014,858	6,582,242,273
Total assets		9,041,947,811	9,254,746,976

The accompanying notes to financial statements form an integral part of these financial statements

CONSOLIDATED BALANCE SHEET

31 December 2024 Unit: RMB

LIABILITIES AND EQUITY	Note V	31 December 2024	31 December 2023
Current liabilities			
Accounts payable	19	187,802,733	521,675,639
Receipts in advance	20	1,556,505	1,348,951
Contract liabilities	21	8,322,450	8,285,026
Employee benefits payable	22	51,768,699	39,884,414
Taxes and surcharges payable	23	63,934,929	57,464,219
Other payables	24	253,672,903	219,321,536
Non-current liabilities due within one year	25	334,195,375	248,194,146
Other current liabilities	26	1,592,624	507,660
Total current liabilities		902,846,218	1,096,681,591
Non-current liabilities			
Long-term borrowings	27	1,876,781,765	2,175,781,765
Debentures payable	28	300,000,000	300,000,000
Lease liabilities	29	57,770,794	44,243,371
Deferred tax liabilities	16	192,113,097	195,371,779
Provisions	30	2,607,611	7,756,746
Other non-current liabilities	31	117,890,842	132,587,577
Total non-current liabilities		2,547,164,109	2,855,741,238
Total liabilities		3,450,010,327	3,952,422,829
Equity			
Share capital	32	1,656,102,000	1,656,102,000
Capital reserves	33	571,650,501	571,650,501
Specialised reserves	34	15,602,782	15,828,556
Surplus reserves	35	350,430,841	319,663,669
Unappropriated profit	36	1,995,925,523	1,785,400,193
Total equity attributable to shareholders of the Company		4,589,711,647	4,348,644,919
Non-controlling interests		1,002,225,837	953,679,228
Total equity		5,591,937,484	5,302,324,147
Total liabilities and equity		9,041,947,811	9,254,746,976

The financial statements have been signed by:

Legal representative:

Financial controller:

Accounting supervisor:

The accompanying notes to financial statements form an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT

2024 Unit: RMB

	Note V	2024	2023
Revenue	37	2,915,386,143	2,894,040,981
Less: Cost of sales	37	1,834,741,112	1,851,990,580
Taxes and surcharges	38	17,428,773	12,075,116
Selling expenses	39	68,923,990	59,658,596
Administrative expenses	40	161,734,717	136,802,593
R&D expenses		1,332,612	—
Finance expenses	41	66,625,284	79,671,353
Including: Interest expenses	41	101,603,305	114,352,584
Interest income	41	37,969,657	39,837,629
Add: Other income		20,525	101,101
Investment income	42	31,725,978	26,694,326
Including: Income from investments			
in associates and joint ventures	42	28,925,978	26,012,826
Credit impairment loss	43	(1,646,423)	12,658,769
Gains from disposal of assets	44	(179,338)	3,793,973
Fair value gain	45	2,968,000	4,532,000
Operating profit		797,488,397	801,622,912
Add: Non-operating income	46	18,682,464	13,551,631
Less: Non-operating expenses	47	30,189,080	8,307,866
Total profit		785,981,781	806,866,677
Less: Income tax expenses	49	216,327,386	144,690,288
Net profit		569,654,395	662,176,389
Classified by continuity of operations			
Net profit from continuing operations		569,654,395	662,176,389
Classified by ownership			
Net profit attributable to shareholders of the Company		519,517,638	618,766,312
Net profit attributable to non-controlling interests		50,136,757	43,410,077
Total comprehensive income		569,654,395	662,176,389
Including:			
Total comprehensive income attributable to shareholders of the Company		519,517,638	618,766,312
Total comprehensive income attributable to non-controlling interests		50,136,757	43,410,077
Earnings per share (RMB/share)	50		
Basic and diluted earnings per share		0.31	0.37

The accompanying notes to financial statements form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2024 Unit: RMB

2024

	Attributable to shareholders of the Company					Subtotal	Non-controlling interests	Total equity
	Share capital	Capital reserves	Specialised reserves	Surplus reserves	Unappropriated profit			
I. Closing balances of the previous year and opening balances for the year	1,656,102,000	571,650,501	15,828,556	319,663,669	1,785,400,193	4,348,644,919	953,679,228	5,302,324,147
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	519,517,638	519,517,638	50,136,757	569,654,395
(II) Shareholder contribution and capital reduction								
1. Business combination not under common control	-	-	-	-	-	-	47,841,598	47,841,598
(III) Profit distribution								
1. Appropriation of surplus reserves	-	-	-	30,767,172	(30,767,172)	-	-	-
2. Distribution to shareholders	-	-	-	-	(278,225,136)	(278,225,136)	(48,426,027)	(326,651,163)
(IV) Specialised reserves								
1. Appropriation during the year	-	-	1,129,459	-	-	1,129,459	386,948	1,516,407
2. Utilisation during the year	-	-	(1,762,413)	-	-	(1,762,413)	(1,416,411)	(3,178,824)
3. Net changes in specialised reserves of joint ventures entitled to on a pro-rata basis	-	-	407,180	-	-	407,180	23,744	430,924
III. Closing balances for the year	1,656,102,000	571,650,501	15,602,782	350,430,841	1,995,925,523	4,589,711,647	1,002,225,837	5,591,937,484

The accompanying notes to financial statements form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2024 Unit: RMB

2023

	Attributable to shareholders of the Company						Non-controlling interests	Total equity
	Share capital	Capital reserves	Specialised reserves	Surplus reserves	Unappropriated profit	Subtotal		
I. Closing balances of the preceding year	1,656,102,000	516,284,901	15,903,593	268,218,423	1,527,160,528	3,983,669,445	934,324,041	4,917,993,486
Add: Correction to accounting errors	-	55,365,600	-	-	(14,295,245)	41,070,355	554,355	41,624,710
II. Opening balances for the year	1,656,102,000	571,650,501	15,903,593	268,218,423	1,512,865,283	4,024,739,800	934,878,396	4,959,618,196
III. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	618,766,312	618,766,312	43,410,077	662,176,389
(II) Shareholder contribution and capital reduction								
1. Capital increase from non-controlling interests	-	-	-	-	-	-	38,628,223	38,628,223
(III) Profit distribution								
1. Appropriation of surplus reserves	-	-	-	51,445,246	(51,445,246)	-	-	-
2. Distribution to shareholders	-	-	-	-	(294,786,156)	(294,786,156)	(61,077,302)	(355,863,458)
(IV) Specialised reserves								
1. Appropriation during the year	-	-	565,542	-	-	565,542	32,978	598,520
2. Utilisation during the year	-	-	(2,313,071)	-	-	(2,313,071)	(2,290,672)	(4,603,743)
3. Net changes in specialised reserves of joint ventures entitled to on a pro-rata basis	-	-	1,672,492	-	-	1,672,492	97,528	1,770,020
IV. Closing balances for the year	1,656,102,000	571,650,501	15,828,556	319,663,669	1,785,400,193	4,348,644,919	953,679,228	5,302,324,147

The accompanying notes to financial statements form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

2024 Unit: RMB

	Note V	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		2,676,408,988	2,737,349,588
Refund of taxes and surcharges		4,441,874	101,101
Other cash received relating to operating activities		154,359,795	160,562,812
Subtotal of cash inflows from operating activities		2,835,210,657	2,898,013,501
Cash paid for purchase of goods and receipt of services		1,068,901,234	1,118,411,196
Cash paid to and on behalf of employees		388,258,738	360,433,425
Payments of taxes and surcharges		301,716,521	215,754,059
Other cash paid relating to operating activities		270,326,509	88,825,329
Subtotal of cash outflows from operating activities		2,029,203,002	1,783,424,009
Net cash flows from operating activities	52	806,007,655	1,114,589,492
II. Cash flows used in investing activities:			
Cash received from disposal of investments		1,850,000,000	1,520,000,000
Cash received from investment gains		30,623,329	39,675,613
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		58,433	26,888
Other cash received relating to investing activities		28,241,721	—
Subtotal of cash inflows from investing activities		1,908,923,483	1,559,702,501
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		502,233,529	126,929,725
Cash paid to acquire investments		1,870,000,000	1,508,000,000
Subtotal of cash outflows from investing activities		2,372,233,529	1,634,929,725
Net cash flows used in investing activities		(463,310,046)	(75,227,224)

The accompanying notes to financial statements form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

2024 Unit: RMB

	Note V	2024	2023
III. Cash flows used in financing activities:			
Cash received from absorption of investments		—	38,628,223
Including: Cash received by subsidiaries from investment of non-controlling shareholders		—	38,628,223
Cash received from borrowings		—	664,781,765
Subtotal of cash inflows from financing activities		—	703,409,988
Cash paid for repayment of debts		218,000,000	799,400,000
Cash paid for distribution of dividends, profits or repayment of interests		469,749,478	480,765,507
Including: Dividends and profits paid to non-controlling interests by subsidiaries		48,426,027	70,141,933
Other cash paid relating to financing activities		12,225,863	15,746,667
Subtotal of cash outflows from financing activities		699,975,341	1,295,912,174
Net cash flows used in financing activities	51	(699,975,341)	(592,502,186)
IV. Net (decrease)/increase in cash and cash equivalents	52	(357,277,732)	446,860,082
Add: Balance of cash and cash equivalents at the beginning of the year		2,260,931,042	1,814,070,960
V. Balance of cash and cash equivalents at the end of the year	52	1,903,653,310	2,260,931,042

The accompanying notes to financial statements form an integral part of these financial statements

BALANCE SHEET OF THE COMPANY

31 December 2024 Unit: RMB

ASSETS	Note XV	31 December 2024	31 December 2023
Current assets			
Currency funds		903,952,871	1,747,851,398
Accounts receivable	1	7,391,315	9,610,306
Prepayments		2,069,933	2,475,461
Other receivables	2	482,807,763	113,565,670
Other current assets		2,379,326	11,413,862
Total current assets		1,398,601,208	1,884,916,697
Non-current assets			
Long-term equity investments	3	3,414,202,495	3,181,702,155
Other non-current financial assets		88,281,259	85,495,077
Fixed assets		60,891,444	57,938,176
Construction in progress		53,934	74,668
Right-of-use assets		10,641,874	13,759,179
Intangible assets		375,881,190	420,376,297
Deferred tax assets		8,688,644	9,631,592
Other non-current assets		10,000,000	10,000,000
Total non-current assets		3,968,640,840	3,778,977,144
Total assets		5,367,242,048	5,663,893,841

The accompanying notes to financial statements form an integral part of these financial statements

BALANCE SHEET OF THE COMPANY

31 December 2024 Unit: RMB

LIABILITIES AND EQUITY	Note XV	31 December 2024	31 December 2023
Current liabilities			
Accounts payable		28,882,574	30,815,814
Receipts in advance		140,505	99,694
Employee benefits payable		9,152,782	9,015,148
Taxes and surcharges payable		8,551,135	15,971,109
Other payables		784,169,713	978,530,670
Non-current liabilities due within one year		132,412,011	129,217,062
Total current liabilities		963,308,720	1,163,649,497
Non-current liabilities			
Long-term borrowings		—	114,000,000
Debentures payable		300,000,000	300,000,000
Lease liabilities		7,206,417	10,907,959
Other non-current liabilities		47,778,302	55,834,356
Total non-current liabilities		354,984,719	480,742,315
Total liabilities		1,318,293,439	1,644,391,812
Equity			
Share capital		1,656,102,000	1,656,102,000
Capital reserves		729,032,527	729,032,527
Surplus reserves		350,430,841	319,663,669
Unappropriated profit		1,313,383,241	1,314,703,833
Total equity		4,048,948,609	4,019,502,029
Total liabilities and equity		5,367,242,048	5,663,893,841

The accompanying notes to financial statements form an integral part of these financial statements

INCOME STATEMENT OF THE COMPANY

2024 Unit: RMB

	Note XV	2024	2023
Revenue	4	517,288,860	509,696,967
Less: Cost of sales	4	198,132,328	203,920,412
Taxes and surcharges		2,496,955	1,838,476
Administrative expenses		55,169,063	48,288,863
Finance expenses		(1,629,626)	6,165,545
Including: Interest expenses		30,036,156	41,482,264
Interest income		(33,066,174)	38,838,665
Add: Other income		2,480	53,580
Investment income	5	165,600,276	293,023,712
Including: Income from investments in associates		19,285,886	14,027,766
Gains from disposal of assets		(8,252)	—
Fair value gain		2,786,182	4,705,077
Operating profit		431,500,826	547,266,040
Add: Non-operating income		10,709,203	5,839,531
Less: Non-operating expenses		18,273,603	26,287
Total profit		423,936,426	553,079,284
Less: Income tax expenses		116,264,710	38,626,820
Net profit		307,671,716	514,452,464
Including: Net profit from continuing operations		307,671,716	514,452,464
Total comprehensive income		307,671,716	514,452,464

The accompanying notes to financial statements form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

2024 Unit: RMB

2024

	Share capital	Capital reserves	Surplus reserves	Unappropriated profit	Total equity
I. Closing balances of the previous year and opening balances for the year	1,656,102,000	729,032,527	319,663,669	1,314,703,833	4,019,502,029
II. Changes in the current year					
(I) Total comprehensive income	–	–	–	307,671,716	307,671,716
(II) Profit distribution					
1. Appropriation of surplus reserves	–	–	30,767,172	(30,767,172)	–
2. Distribution to shareholders	–	–	–	(278,225,136)	(278,225,136)
III. Closing balances for the year	1,656,102,000	729,032,527	350,430,841	1,313,383,241	4,048,948,609

2023

	Share capital	Capital reserves	Surplus reserves	Unappropriated profit	Total equity
I. Closing balances of the preceding year	1,656,102,000	670,065,375	268,218,423	1,163,061,424	3,757,447,222
Add: Correction to accounting errors	–	58,967,152	–	(16,578,653)	42,388,499
II. Opening balances for the year	1,656,102,000	729,032,527	268,218,423	1,146,482,771	3,799,835,721
III. Changes in the current year					
(I) Total comprehensive income	–	–	–	514,452,464	514,452,464
(II) Profit distribution					
1. Appropriation of surplus reserves	–	–	51,445,246	(51,445,246)	–
2. Distribution to shareholders	–	–	–	(294,786,156)	(294,786,156)
IV. Closing balances for the year	1,656,102,000	729,032,527	319,663,669	1,314,703,833	4,019,502,029

The accompanying notes to financial statements form an integral part of these financial statements

STATEMENT OF CASH FLOWS OF THE COMPANY

2024 Unit: RMB

	2024	2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	510,906,771	490,111,144
Refund of taxes and surcharges	2,480	53,580
Other cash received relating to operating activities	93,905,528	75,837,965
Subtotal of cash inflows from operating activities	604,814,779	566,002,689
Cash paid for purchase of goods and receipt of services	95,149,427	85,763,005
Cash paid to and on behalf of employees	84,589,158	70,307,457
Payments of taxes and surcharges	138,480,828	51,579,530
Other cash paid relating to operating activities	29,342,536	52,158,520
Subtotal of cash outflows from operating activities	347,561,949	259,808,512
Net cash flows from operating activities	257,252,830	306,194,177
II. Cash flows (used in) from investing activities:		
Cash received from disposal of investments	1,650,000,000	1,220,000,000
Cash received from investment gains	163,153,505	314,783,006
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,300	6,391
Other cash received relating to investing activities	2,142,632	180,471,657
Subtotal of cash inflows from investing activities	1,815,297,437	1,715,261,054
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	5,665,973	34,398,835
Cash paid to acquire investments	1,875,708,686	1,382,047,277
Other cash paid relating to investing activities	400,000,000	—
Subtotal of cash outflows from investing activities	2,281,374,659	1,416,446,112
Net cash flows (used in) from investing activities	(466,077,222)	298,814,942

The accompanying notes to financial statements form an integral part of these financial statements

STATEMENT OF CASH FLOWS OF THE COMPANY

2024 Unit: RMB

	2024	2023
III. Cash flows used in financing activities:		
Cash received from borrowings	–	600,000,000
Other cash received relating to financing activities	–	297,310,479
Subtotal of cash inflows from financing activities	–	897,310,479
Cash paid for repayment of debts	112,000,000	707,000,000
Cash paid for distribution of dividends, profits or repayment of interests	309,459,875	336,021,064
Other cash paid relating to financing activities	213,614,260	7,010,555
Subtotal of cash outflows from financing activities	635,074,135	1,050,031,619
Net cash flows used in financing activities	(635,074,135)	(152,721,140)
IV. Net (decrease)/increase in cash and cash equivalents	(843,898,527)	452,287,979
Add: Balance of cash and cash equivalents at the beginning of the year	1,747,851,398	1,295,563,419
V. Balance of cash and cash equivalents at the end of the year	903,952,871	1,747,851,398

The accompanying notes to financial statements form an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

I. BASIC INFORMATION

Chengdu Expressway Co., Ltd. (the “Company”) is a company with limited liability registered in Sichuan, the People’s Republic of China and was established on 25 August 1998 with perpetual term of operation. On 21 December 2016, the Company completed reorganisation as a joint stock company with limited liability and changed its name to Chengdu Expressway Co., Ltd. The Company issued an aggregate of 456,102,000 ordinary H shares with a nominal value of RMB1 each on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) in January 2019 and February 2019. The headquarters of the Company is located at 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan.

As of 31 December 2024, the Company issued an aggregate of 1,656,102,000 shares, representing total share capital of RMB1,656,102,000.

The Company and its subsidiaries (the “Group”) are principally engaged in the operation, management and development of expressways (including ancillary service areas) located in and around Chengdu, Sichuan Province, as well as retail of refined oil.

The parent company and the ultimate controller of the Group is Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (formerly known as Chengdu Expressway Construction and Development Co., Ltd. (“Communications Investment Construction and Management”)) which is incorporated in the People’s Republic of China and State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government (the “Chengdu SASAC”), respectively.

These financial statements were approved for issuance pursuant to the Board resolution passed on 26 March 2025.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements were prepared under the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance, and the specific accounting standards, interpretation and other relevant stipulations issued and revised in subsequent periods (collectively, the “Accounting Standards for Business Enterprises”).

These financial statements have been prepared on a going concern basis.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The Group formulated accounting policies and estimates specific to actual operations, which were primarily characterised by provision of expected credit loss on receivables, amortisation of intangible assets and recognition of deferred tax.

1. Statement of compliance with the Accounting Standards for Business Enterprises

These financial statements comply with the Accounting Standards for Business Enterprises, and give a true and complete view of the financial position of the Company and the Group as at 31 December 2024 and their financial performance and cash flows for 2024.

2. Accounting period

The accounting year of the Group is a calendar year, i.e., from 1 January to 31 December of each year.

3. Operating period

The Group adopts a 12-month period as its operating period and uses it as the basis for classifying the liquidity of its assets and liabilities.

4. Functional currency

The Company's functional and presentation currency is Renminbi ("RMB"). The currency unit is RMB Yuan unless otherwise stated.

5. Business combinations

Business combinations comprise business combinations involving entities under common control and business combinations involving entities not under common control.

A business combination under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties before and after the combination, and that control is not transitory. The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital premium under capital reserves. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

5. Business combinations *(continued)*

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination involving entities not under common control shall be measured at their fair values on the acquisition date. Goodwill is measured at the excess of cost of acquisition over the acquirer's interest in the fair value of the acquiree's net identifiable net assets, and subsequently measured at cost less accumulated impairment losses. If the cost of acquisition is lower than the acquirer's interest in the fair value of the acquiree's net identifiable net assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and cost of acquisition, recognised in profit or loss for the current period.

6. Consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company). An investor is able to control an investee when, and only when, the investor meets the following three requirements: the investor has power over the investee; a variable return as a result of its participation in the investee's relevant activities; and the ability to use its power over the investee to affect the amount of its return.

If the accounting policies or accounting periods used by the subsidiaries are not consistent with those used by the Company, necessary adjustments are made to the financial statements of the subsidiaries in accordance with the Company's accounting policies and accounting periods in the preparation of the consolidated financial statements. All intra-group assets, liabilities, equities, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full of consolidation.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against non-controlling interests.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

6. Consolidated financial statements *(continued)*

For a subsidiary that is acquired in a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the date on which the Group obtains control, until the Group ceases its control. In the preparation of the consolidated financial statements, the financial statements of the subsidiaries shall be adjusted based on the fair values of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any change in facts and circumstances indicate that there are changes to one or more of elements of the three elements of control.

A change in the non-controlling interests, without a loss of control, is accounted for as an equity transaction.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

7. Joint arrangement and joint operations

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term highly liquid investments held by the Group that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate prevailing on the transaction dates. Monetary items denominated in foreign currencies are translated at the spot exchange rates rolling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss in, with the exception for those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

Foreign currency cash flows are translated using the spot exchange rate prevailing on the date on which the cash flows occur. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- (1) the rights to receive cash flows from the financial asset have expired;
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets according to the terms of contract that require delivery based on the time arrangement generally established by regulation or convention in the marketplace. The trade date is the date that the Group committed to purchase or sell a financial asset.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

10. Financial instruments *(continued)*

Classification and measurement of financial assets

The financial assets of the Group are classified upon the initial recognition based on the business model of the Group's management of financial assets and the characteristics of the financial assets' contractual cash flows: financial assets measured at amortised cost, and financial assets measured at fair value through profit or loss. All affected financial assets would be reclassified if and only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value at initial recognition. However, if the accounts receivable or bills receivable arising from the sale of goods or the provision of services do not contain significant financing components or do not consider financing components not exceeding one year, the financial assets shall be initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, the related transaction costs are directly recognised in profit or loss for the period. Transaction costs of other types of financial assets are included in the value initially recognised.

Subsequent measurement of financial assets depends on their classification:

Debt instrument investments measured at amortised cost

Financial assets are classified as financial assets measured at amortised cost if they meet the following conditions: the business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets stipulate that cash flows on a specific date are solely for the payments of the principals and interest incurred from the outstanding principal amount. Such financial assets are recognised as interest income using the effective interest rate method. The gains or losses arising from derecognition, modification or impairment are recognised in profit or loss for the period.

Financial assets measured at fair value through profit or loss

Financial assets other than the financial assets measured at amortised cost are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss for the period.

At initial recognition, the Group designated the investment in non-trading equity instruments as financial assets at fair value through profit or loss, and presented as other non-current financial assets. Upon designation, such category of financial assets cannot be reclassified as other category of financial assets; nor can other financial assets be re-designated as financial assets at fair value through profit or loss after initial recognition.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

10. Financial instruments *(continued)*

Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities measured at amortised cost, and the related transaction costs are included in the initial recognition amounts.

Such financial liabilities are subsequently measured at amortised cost using the effective interest method.

Impairment of financial instruments

Based on the expected credit losses ("ECLs"), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost and contract assets.

For trade receivables that do not contain a significant financing component and contract assets, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above, the Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate.

The Group assesses whether the credit risk on the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. On the basis of a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments. If the credit risk of financial instruments is low at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

For the disclosure of the criteria for judging significant increase in credit risk and the definition of credit-impaired assets, please refer to Note IX.1.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

10. Financial instruments *(continued)*

Impairment of financial instruments (continued)

The Group considers the following factors when measuring expected credit loss: the un-biased probability-weighted average amount determined by evaluating a range of possible outcomes, the time value of the currency, and the reasonable and well-founded information about past events, current conditions and projections of future economic conditions that can be obtained at the balance sheet date without unnecessary additional accosts or efforts.

When there are one or more events that have adverse effects on the expected future cash flows of a financial asset, the financial asset is credit-impaired. When the Group no longer reasonably expects to collect all or part of the contractual cash flows of the financial asset, the Group directly writes down the carrying amount of the financial assets.

Financial guarantee contracts

A financial guarantee contract is a contract by which the issuer pays a specified amount to a contract holder who has suffered a loss when the specific debtor fails to pay the debt when due in accordance with terms of the debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. Except for the financial guarantee contracts that are designated as financial liabilities at fair value through profit and loss, the other financial guarantee contracts are subsequently measured after initial recognition according to the amount of expected credit loss allowance determined on the balance sheet date and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle, whichever is higher.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

11. Inventories

Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase. The actual cost of inventories transferred out is assigned by using weighted average method.

Inventories are accounted for using the perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the cost of inventories is higher than the net realisable value, a provision for decline in value of inventories is recognised in profit or loss. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. The provision for decline in value of inventories is made on a category basis.

12. Long-term equity investments

Long-term equity investments consist of equity investments in subsidiaries, a joint venture and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a long-term equity investment acquired through business combination involving entities under common control, the initial investment cost of the long-term equity investment is the carrying amount of the absorbing party's share of the owner's equity of the party being absorbed on the consolidated financial statements of the ultimate controller. The difference between the initial investment cost and the carrying amount of the consideration paid for the combination shall be adjusted against capital reserve (where the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings). For a long-term equity investment acquired through business combination not involving enterprises under common control, the combination cost is taken as the initial investment cost. In addition to the long-term equity investments acquired by the long-term investment formed by business combination, the initial investment cost is determined according to the following methods: if acquired by cash payment, the actual purchase price and the expenses, taxes and other required expenditures directly related to the long-term equity investment will be taken as the initial investment cost; if acquired through issuing equity securities, the fair value of the issued equity instruments will be taken as the initial investment cost.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

12. Long-term equity investments *(continued)*

For a long-term equity investment where the Company can exercise control over the investee, the long-term equity investment is accounted for using the cost method in the Company's separate financial statements. Control refers to having the power over the investee, the entitlement to variable returns through the participation in the relevant activities of the investee, and the ability to affect the amount of returns by using its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. If investment is increased or withdrawn, the cost of long-term equity investment shall be adjusted. Cash dividends or profit distributions declared by the investee are recognised as investment income for the current period.

The equity method is adopted when the Group holds joint control, or exercises significant influence on the investee. Joint control is the relevant agreed sharing of control over an arrangement, and relevant activities of such arrangement shall be decided upon the unanimous consent of the parties sharing control. Significant influence is the power to participate in decision making of the financial and operating policies of the investee, but without the power to control or jointly control with other parties the formulation of those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, long-term equity investment is measured at the initial investment cost. Where the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises, upon acquisition of the long-term equity investment, its share of the net profits or losses and other comprehensive income made by the investee as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's net profits or losses after making appropriate adjustments to the investee's net profits or losses, except for those from dispensing or selling businesses constituted by assets, based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its associates and joint ventures, attributable to the investing party according to its entitled ratio (but asset impairment losses arising from internal transactions shall be recognised in full). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has incurred obligations to assume additional losses. The Group adjusts the carrying amount of the long-term equity investment for any changes in shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit distributions) and includes the corresponding adjustments in the shareholders' equity.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

13. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in the current period's profit or loss or capitalised into the cost of related assets based on the beneficiaries when incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation of fixed assets, except for those formed by the use of appropriated safety production costs, is calculated using the straight-line method. The useful lives, estimated net residual value rates and annual depreciation rates of each category of fixed assets are as follows:

	Useful life	Estimated net residual rate	Annual depreciation rate
Buildings	10-40 years	5%	2.38%-9.50%
Security facilities	5-15 years	5%	6.33%-19.00%
Supervising equipment and others	5-15 years	5%	6.33%-19.00%
Toll collection facilities	3-10 years	5%	9.50%-31.67%
Petrol and gas station facilities	3-12 years	5%	7.92%-31.67%
Motor vehicles	5-10 years	5%	9.50%-19.00%

The Group reviews the useful life, estimated net residual value of a fixed asset, and the depreciation method applied at least at each year end, and makes adjustments if necessary.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

14. Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that should be capitalised before the construction is ready for its intended use and other relevant expenses.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use with the criteria as follows:

Criteria for transferring to fixed assets	
Buildings	Completion of acceptance inspection
Petrol and gas station facilities	Completion of acceptance inspection
Toll collection facilities	Completion of installation and commissioning
Supervising equipment and others	Completion of installation and commissioning

15. Borrowing costs

All the borrowing costs that are directly attributable to construction of all qualifying assets are capitalised and other borrowing costs are recognised as an expense in profit or loss.

Capitalisation of borrowing costs begins when capital expenditures and borrowing costs have been incurred and the acquisition and construction or production activities necessary to bring the asset to its intended use or marketable condition have begun.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired or constructed gets ready for its intended use. Any borrowing costs subsequently incurred are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

15. Borrowing costs *(continued)*

Within the capitalisation period, the amounts of capitalised borrowing costs for each accounting period are determined by the following methods: for specific borrowings, the borrowing costs eligible for capitalisation are the actual interest expenses incurred during the current period after deducting any temporary interest or investment income; for general borrowings, the borrowing costs eligible for capitalisation are determined by multiplying the weighted average of capital expenditure that exceeds the specific borrowings and weighted average interest rate of the general borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use, and when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition or construction is resumed.

16. Intangible assets

Concession rights are amortized over the concession period using the traffic flow method and other intangible assets are amortized using the straight-line method over their useful lives, which are set out below:

	Useful life	Basis of determination
Land use rights	40 years	Land use right certificate
Service concession rights	25.5-30 years	Concession period
Software	5 years	Expected useful life

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

16. Intangible assets *(continued)*

Particulars of the expressways under the Group as of 31 December 2024 are as follows:

Toll expressway	Origin/destination	Length (km)	Service concession period	Term of the service concession rights
Chengguan Expressway	Chengdu Hi-Tech Zone/ Dujiangyan	40.44	July 2000 – July 2030	30 years
Chengpeng Expressway	Xindu District, Chengdu/ Pengzhou	21.32	November 2004 – October 2033	29 years
Chengwenqiong Expressway	Qingyang District, Chengdu/Qionglai	65.60	January 2005 – January 2035	30 years
Chengdu Airport Expressway	Chengdu South Railway Station Viaduct/ Chengdu Shuangliu Airport Terminal T1	11.98	July 1999 – December 2024	25.5 years
Qiongming Expressway	Qionglai/Mingshan	52.68	November 2010 – November 2038	28 years

Service concession rights of expressways represent the rights granted by the government to the Group to participate in expressway construction, and to provide follow-up business services and charge the public for certain periods. Upon maturity of service concession rights, the initial construction cost of the roads and fixtures and related land use rights required to be returned to the government by the Group is accounted for as the cost of the service concession rights. The amortisation method of service concession rights of expressways is the traffic flow method, that is, the amortisation is calculated according to the ratio of the actual traffic flow in a specific period to the sum of actual traffic flow in a specific period and predicted total traffic flow within the remaining period of expressways. Expenses incurred by the service concession rights in subsequent periods that are qualified to be recognised as intangible assets will be capitalised as the incremental cost of service concession rights.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

17. Impairment of assets

For asset impairments excluding inventory, contract assets, deferred tax and financial assets, the impairment shall be determined using the following methodology: The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and intangible assets not yet ready for intended use is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill is allocated from the acquisition date on a reasonable basis, to each of the related asset groups or sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or set of asset group that is able to benefit from the synergies of the business combination and shall not be larger than an operating segment determined by the Group.

The carrying amount of the related asset group or set of asset groups to which goodwill has been allocated is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss shall firstly charge against the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then charge against the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, on a pro rata basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in the subsequent accounting periods.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

18. Research and development expenses

The Group classifies the expenses for internal research and development as research costs and development costs. Research costs are charged to the current profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and use or sell the asset, how the asset will generate economic benefits (including demonstration that the product derived from the intangible asset or the intangible asset itself will be marketable or, in the case of internal use, the usefulness of the intangible asset as such), the availability of technical and financial resources to complete the project and the ability to use or sell the intangible asset, and the ability to measure reliably the expenditure attributable to development. Product development expenditure which does not meet these criteria is expensed in current profit or loss when incurred.

19. Long-term prepaid expenses

Long-term prepaid expenses are amortised using the straight-line method over the following periods:

	Amortisation period
Improvements of right-of-use assets	2.5-5 years
Others	3-8 years

20. Employee benefits

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term employee benefits, post-employment benefits and termination benefits.

Short-term benefits

In the accounting period in which services are rendered by employees, the actual amount of short-term benefits incurred is recognised as liabilities and charged to profit or loss for the current period or cost of underlying assets.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

20. Employee benefits *(continued)*

Post-employment benefits (defined contribution plan)

Employees of the Group participate in the endowment insurance and unemployment insurance plans managed by local governments as well as enterprise annuity, and the relevant expenditure is recognised, when incurred, in the cost of relevant asset or profit or loss for the current period.

Termination benefits

If the Group provides termination benefits to the employees, the Group will recognize a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognizes costs or expenses for a restructuring that involves the payment of termination benefits.

21. Provisions

Except for contingent consideration transferred and contingent liability assumed in business combinations not involving entities under common control, the Group recognises an obligation related to a contingency as a provision when the obligation is a present obligation of the Group, it is probable that an outflow of economic benefits from the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed on the balance sheet date and adjusted appropriately to the current best estimate.

During the concession period, the Group is required to provide maintenance and resurfacing services according to the requirements of the grantor of concession rights, while the standards and specific time of maintenance and resurfacing shall be determined by the grantor of concession rights based on the actual urban economic development and changes in subsequent laws and regulations. In actual practice, the Group needs to provide further services according to the changes of subsequent laws and regulations and the maintenance plans and standards approved by the government. Therefore, it is impossible to reasonably estimate the cost of providing maintenance and resurfacing services in the future at the initial stage of obtaining the concession rights, and the above expenses are included in the cost of principal business for the current period when they are actually incurred.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

22. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

- (1) The Group's toll income from the operations of expressways is recognised at the amount received or receivable incurred upon pass-through;
- (2) The Group's income from energy segment mainly includes the sales of refined oil products at gas stations and income from convenience stores, and the income is recognised when the Group's performance obligations have been completed and the control of corresponding commodities has been transferred to customers;
- (3) The Group's construction revenue includes construction income related to service concession rights and revenue generated from charging pile construction projects. The Group takes it as the performance obligations fulfilled within a certain period and recognizes the revenue according to performance schedule, except that the performance schedule cannot be reasonably determined. The Group determines the performance schedule of the service it provides in accordance with the input method and the costs occurred. Where the performance schedule cannot be reasonably determined and the costs incurred to the Group are expected to be recovered, the revenue arising therefrom is recognized according to the amount of costs incurred until the performance schedule can be reasonably determined;
- (4) To derive income from operation and management services, the Group shall fulfill its performance obligations in the period of providing operation and management services, and revenue is recognised by stage during such period;
- (5) The Group recognises revenue for its maintenance business when it fulfills its performance obligations and the economic benefits arising from the transactions can flow into the Group;
- (6) Revenue from the Group's operation of charging pile projects is recognised upon completion of charging services at the amount of service fees charged and chargeable.

Variable consideration

There exist performance assessment arrangements under certain contracts between the Group and its customers, which results in a variable consideration. The Group determines the best estimate amount of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration does not exceed the amount that the accumulated and recognised revenue is likely not to be significantly reversed when the relevant uncertainty is eliminated.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

22. Revenue from contracts with customers *(continued)*

Principal/agent

The Group determines whether the Group is a principal or an agent when engaging in a transaction based on whether it has control over the goods or services before transferring them to the customer. If the Group has the right to independently determine the prices at which the goods or services are transacted, that is, the Group is able to control the goods or services before transferring them to the customer, the Group is the principal and recognises revenue based on the total consideration received or receivable; otherwise, the Group is the agent and recognises revenue based on the amount of the commission or fee it expects to be entitled to receive, which should be determined as the net amount of the total consideration received or receivable less amounts payable to other related parties, or based on the pre-determined amount or proportion of the commission. The Group recognises electricity charges collected from charging pile operations on a net basis.

23. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities in the balance sheet determined by the timing of fulfilling performance obligations versus customer payments. Contract assets and liabilities arising under the same contract are offset against each other and presented as a net amount.

Contract assets

A contract asset is recognised when the Group has transferred goods or services to a customer and obtains an enforceable right to consideration before the customer has actually paid the contractual consideration or such consideration becomes due, provided the right is conditional on factors other than the passage of time. This asset is subsequently reclassified as accounts receivable upon obtaining an unconditional right to payment.

For details of the Group's determination and accounting treatment of expected credit losses from contract assets, please refer to Note III.10.

Contract liabilities

The obligation to pass products or services to customers in connection with customer consideration received or the unconditional right to receive able is recognised as contract liabilities before such passing of products or services to customers.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

24. Government grants

Government grant is recognised when the Group can comply with the conditions attached to it and it can be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are to form long-term assets through construction or other method. Otherwise, the government grants should be income-related.

Government grants relating to income which are used to compensate relevant costs, expenses or losses in subsequent periods are recognised as deferred income and are offset against the related costs or expenses in the current period where relevant costs, expenses or losses are recognised; those used to compensate relevant costs, expenses or losses in the current period are directly offset against the related costs or expenses.

A government grant related to an asset shall offset the carrying amounts of relevant assets.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

25. Deferred tax

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the carrying amounts and the tax bases of items, the tax bases of which can be determined according to related tax laws for tax purposes but which have not been recognised as assets and liabilities, deferred taxes are provided using the balance sheet liability method.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) Where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a single transaction which contains the following characteristics: the transaction is not a business combination; at the time of the transaction, it affects neither accounting profit nor taxable profit or deductible loss; and the initial recognition of assets and liabilities does not result in the creation of taxable temporary differences and deductible temporary differences of equal amount;
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred tax asset is recognised in respect of all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference will be utilised except those arising from the initial recognition of an asset or liability in a transaction which:

- (1) is not a business combination, at the time of the transaction, affects neither accounting profit nor deductible losses, and does not result in the creation of taxable temporary differences and deductible temporary differences of equal amount from initial recognition of assets and liabilities; and
- (2) as to deductible temporary differences associated with subsidiaries, joint ventures and associates, it is probable that the temporary difference will reverse in the foreseeable future, and taxable profit will be available against which the temporary difference can be utilised.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects at the balance sheet date, to recover the assets or settle the liabilities.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

25. Deferred tax *(continued)*

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

26. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or multiple identified asset for a period of time in exchange for consideration.

As lessee

Save for short-term lease and low-value asset lease, the Group recognises right-of-use assets and lease liabilities for leases.

The Group's right-of-use assets primarily consist of buildings and land use rights obtained by way of lease. On the commencement date of the lease term, the Group recognises its right to use the leased asset over the lease term as the right-of-use asset which is initially measured at cost, including: the initial measurement amount of the lease liability; the payment on or before the commencement date of the lease term (deducting the relevant amount of the lease incentives already enjoyed); the initial direct expenses incurred by the lessee; the cost expected to be incurred by the lessee to dismantle and remove the leased assets, restore the site where the leased assets are located at or recover the leased assets to the status as agreed in the lease terms. The Group adjusts the carrying amount of the right-of-use assets accordingly when re-measuring the lease liabilities as a result of the change in the amount of lease payment. The Group's subsequent years of averaging method is used to depreciate the right-of-use assets. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the Group will depreciate the remaining useful life of the leased asset. If it is not reasonable to determine that the leasehold asset can be acquired at the expiration of the lease term, the Group depreciates during the shorter period between the lease term and the remaining useful life of the leased asset.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

26. Leases *(continued)*

As lessee (continued)

At the inception of the lease period, the Group recognised the present value of outstanding lease payments as lease liabilities, other than short-term leases and low-value asset lease. Lease payment amounts include fixed payments and the amount of substantial fixed payments less rental incentives, variable lease payment amounts depending on indices or ratios, estimated amounts payable based on the remaining value of guarantees, as well as amounts payable for the exercise price of buying option or termination of lease renewal option, provided that the Group reasonably ascertains that the option will be exercised or the lease period reflects that the Group will terminate the renewal option.

Variable lease payments not included in lease liabilities are charged to current profit or loss as and when incurred, other than those otherwise required to be included in relevant asset cost.

Where there are changes in the substantial fixed payment amount, changes in amounts payable expected of the remaining value of guarantees, changes in the index or ratio used to determine lease payment amounts, and changes in the assessment outcome relating to or actual exercise of the call option, renewal option and termination option, the Group re-measures the lease liabilities based on present value of the modified lease payment.

The Group classifies leases as short-term leases if, at the commencement date, the lease term does not exceed 12 months and contains no purchase options. Leases of individual assets that are low-value when new are classified as low-value asset leases. For short-term building leases and low-value leases such as horticultural equipment rentals, the Group elects not to recognise right-of-use assets or lease liabilities. Lease payments are recognised on a straight-line basis over the lease term in either relevant asset costs or current period profit or loss.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

26. Leases *(continued)*

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. The initial direct costs are capitalised and amortised over the lease term on the same basis as rental income is recognised, and recognised in profit or loss in the current period.

27. Safety production funds

Safety production funds provided according to the regulations are included in costs of related products or profit or loss, and credited to the specialised reserves. They are treated differently when being utilised: the specialised reserves are offset against for those attributable to the expense nature; the cumulative expenditures are recognised as a fixed asset for those attributable to the fixed asset nature when the working condition for the intended use is reached, and at the same time, specialised reserves are offset against the full depreciation of the fixed asset, at the same amount.

28. Fair value measurement

For the assets and liabilities measured or disclosed at fair value in the financial statements, the lowest level input that is significantly meaningful to the entire fair value measurement will be used to confirm the fair value hierarchy level: Level 1 input value is the quoted price (unadjusted) obtained in an active market for the same asset or liability on the measurement date. Level 2 input value is the direct or indirect observable input value for the relevant asset or liability other than the Level 1 input value. Level 3 input value is the unobservable input value for the relevant asset or liability.

For assets or liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation on each balance sheet date.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

29. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on the historical repayment data in combination with economic policies, macroeconomic indicators, and industry risks. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's-length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES *(continued)*

29. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty (continued)

Impairment of goodwill

The Group carries out tests for impairment of goodwill on an annual basis, which entails estimation of the present value of future cash flows of the asset groups or sets of asset groups to which goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flows generated by the future asset groups or sets of asset groups, and select the appropriate discount rate to determine the present value of future cash flows. For details, please refer to Note V.14.

Amortisation of service concession rights

The amortisation of service concession rights is calculated under the traffic flow method, whereby the amortisation is provided based on the share of actual traffic volume in a particular period over the sum of the actual traffic volume and projected total traffic volume throughout the remaining periods for which the Group is granted to operate those service concession rights. The projected total traffic volume over the remaining concession periods could change significantly. The Group reviews regularly the projected total traffic volume throughout the operating periods of the respective service concession rights. In case of significant differences and such differences to subsist, the Group will engage professional institutions to perform independent professional traffic studies and make appropriate adjustments.

Deferred tax assets

Deferred tax assets are recognised for all unused deductible tax losses to the extent that it is probable that taxable profit will be available against which the deductible tax losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of unlisted equity investment

The Group determines the fair value of unlisted equity investments using market method. This requires the Group to identify comparable listed companies, select market multiples and estimate liquidity discounts and is therefore uncertain. For evaluation of fair values of unlisted equity investment, please refer to Note X.2.

Incremental borrowing rate of lessee

For leases where the implicit interest rate in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. In determining the incremental borrowing rate, the Group uses observable interest rates as a reference for determining the incremental borrowing rate based on the economic environment in which it operates. On this basis, the reference rate is adjusted to calculate the applicable incremental borrowing rate based on the specific circumstances of the leasing business, including its own circumstances, the subject assets, the lease term and the amount of the lease liabilities.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IV. TAXES

1. Major taxes and respective tax rates

	Basis of calculation of tax	Tax rate
Value-added tax (VAT)	Sales and output tax calculated at the applicable tax rate, after deducting the deductible input tax	Simplified rate of 3% for toll income and traffic volume compensation for operation suspension at a toll station, 13% for income from sales of oil products and goods in convenience stores and trading, service fee income of charging piles and gas refueling income, 6% for operation and management services, 9% or 5% for other income such as maintenance and rental income, forward traffic volume compensation and construction revenue; and 3% for small-sized taxpayers
City maintenance and construction tax	Actual turnover tax paid	7%
Corporate income tax	Taxable income	25%, 20%, 15%

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IV. TAXES (continued)

1. Major taxes and respective tax rates (continued)

The taxable entities implementing different enterprise income tax rates and the corresponding income tax rates are as follows:

	Income tax rate
The Company	15%
Chengdu Chengwenqiong Expressway Co., Ltd. ("Chengwenqiong Expressway Company")	15%
Chengdu Airport Expressway Co., Ltd. ("Chengdu Airport Expressway Company")	15%
Sichuan Chengming Expressway Co., Ltd. ("Chengming Expressway Company")	15%
Chengdu Expressway Operation Management Co., Ltd. ("Operation Company")	15%
Chengdu Chengpeng Expressway Co., Ltd. ("Chengpeng Expressway Company")	15%
Chengdu Expressway Chuanlutong Operation Management Co., Ltd. ("Chuanlutong Company")	15%
Chengdu Expressway Zhenxing Development Co., Ltd. ("Zhenxing Company")	25%
Chengdu Xinyuanli Energy Management Co., Ltd. ("Xinyuanli Energy")	25%
Chengdu Communications Investment Energy Development Co., Ltd. ("Communications Investment Energy")	25%
Chengdu Energy Development Co., Ltd. ("Energy Development Company")	25%
Chengdu Zhongyou Energy Co., Ltd. ("Zhongyou Energy")	25%
Chengdu Jinniu Xinyuanli Energy Management Co., Ltd. ("Jinniu Xinyuanli")	25%
Ganzi Chengjiao New Energy Development Co., Ltd. ("Ganzi New Energy")	20%
Chengdu Communications Investment New Energy Industrial Development Co., Ltd. ("New Energy Company")	25%
Chengdu Communications Investment Xinneng Electric Power Construction Co., Ltd. ("Electric Power Construction")	15%

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IV. TAXES (continued)

2. Tax concessions

According to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (circular of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission [2020] No. 23), from 1 January 2021 to 31 December 2030, enterprises located in western China that are engaged in encouraged industries shall be subject to a reduced enterprise income tax at a tax rate of 15%. The enterprises in the encouraged industries shall mainly engage in the industries set out in the Catalog of Encouraged Industries in Western China, and the revenue from the main business of such enterprises shall exceed 60% of the total revenue.

In 2024, the Company, Chuanlutong Company and Electric Power Construction qualify for the Western Development Strategies Preferential Tax Rate. Chengwenqiong Expressway Company, Chengdu Airport Expressway Company, Chengpeng Expressway Company, Chengming Expressway Company and Operation Company are eligible for the Western Development Strategies Preferential Tax Rate in both 2023 and 2024, and were entitled to an applicable enterprise income tax rate of 15%.

Pursuant to the Announcement No. 13 of 2022 issued by the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Corporate Income Tax Policies for Small and Low-Profit Enterprises, for the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million, 25% of such portion is included in taxable income and subject to enterprise income tax at a reduced rate of 20%.

Ganzi New Energy Company qualifies for the preferential tax rate policy applicable to small and low-profit enterprises in 2024, with an applicable enterprise income tax rate of 20%.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Currency funds

	31 December 2024	31 December 2023
Cash on hand	81,100	81,100
Bank deposits	1,902,685,666	2,260,034,758
Other currency funds	6,691,523	815,184
Total	1,909,458,289	2,260,931,042
Including: Total amount of funds placed overseas	13,499,089	13,824,644

2. Accounts receivable

An ageing analysis of accounts receivable based on the invoice dates is as follows:

	31 December 2024	31 December 2023
Within 1 year	287,323,970	215,641,673
1 to 2 years	82,311,225	12,675,582
2 to 3 years	186,031	—
	369,821,226	228,317,255
Less: Provision for bad debts of accounts receivable	4,235,002	2,101,752
Total	365,586,224	226,215,503

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Accounts receivable (continued)

As at 31 December 2024, RMB316,461,013 (31 December 2023: RMB195,398,696) out of the Group's accounts receivable represented toll batch payment receivable by Chengwenqiong Expressway Company from district or county-level governments along the Chengwenqiong Expressway. In 2017, Chengwenqiong Expressway Company entered into the Agreement on Toll Batch Payment of Chengdu-registered Vehicles Travelling Through Chengwenqiong Expressway (the "Batch Payment Agreement") with Wenjiang District People's Government, Chongzhou Municipal People's Government, Dayi County People's Government and Qionglai Municipal People's Government, pursuant to which, commencing from 1 July 2017, toll batch payment shall be settled by the above district or county-level governments to Chengwenqiong Expressway Company for Chengdu-registered vehicles (excluding freight vehicles) travelling through Chengwenqiong Expressway. Monthly toll batch payment shall be subject to the actual traffic volume of Chengdu-registered vehicles of a given month and 70% of toll collection standards for each vehicle.

2024

	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision made on an individual basis	49,125,211	13.28	–	–	49,125,211
Provision made on a collective basis using portfolios with similar credit risk features	320,696,015	86.72	4,235,002	1.32	316,461,013
Total	369,821,226	100.00	4,235,002		365,586,224

2023

	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision made on an individual basis	30,816,807	13.50	–	–	30,816,807
Provision made on a collective basis using portfolios with similar credit risk features	197,500,448	86.50	2,101,752	1.06	195,398,696
Total	228,317,255	100.00	2,101,752		226,215,503

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Accounts receivable (continued)

As at 31 December 2024, accounts receivable with provision made on an individual basis are set out below:

	Book balance	Bad debt provision	Provision ratio (%)
Sichuan Intelligent Transportation Systems Management Co., Ltd. (四川智能交通系統管理有限責任公司) (“Sichuan Intelligent”)	19,225,487	—	—
Sichuan Chengmian Cangba Expressway Co., Ltd. (四川成綿蒼巴高速公路有限責任公司) (“Chengmian Cangba Expressway”)	17,026,332	—	—
Chengdu Bus Asset Management Co., Ltd. (成都公交資產經營管理有限公司) (“Bus Asset Management”)	4,495,156	—	—
Chengdu Liancheng Station Construction Industry Co., Ltd. (成都市聯程場站建設實業有限責任公司)	3,052,256	—	—
Others	5,325,980	—	—
Total	49,125,211	—	

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Accounts receivable (continued)

As at 31 December 2023, accounts receivable with provision made on an individual basis are set out below:

	Book balance	Bad debt provision	Provision ratio (%)
Sichuan Intelligent	27,094,680	—	—
Chengdu Xinyuanli Huamin Petrol Station Co., Ltd. (成都新源里華民加油站有限責任公司) (“Huamin Petrol Station”)	2,086,054	—	—
Chengdu Xinyuanli Chengluo Petrol Station Co., Ltd. (成都新源里成洛加油站有限責任公司) (“Chengluo Petrol Station”)	903,349	—	—
Chengdu Xinyuanli Xinhua Petrol Station Co., Ltd. (成都新源里新華加油站有限責任公司) (“Xinhua Petrol Station”)	188,429	—	—
Others	544,295	—	—
Total	30,816,807	—	

Accounts receivable with provision made on an individual basis are reasonable and well-founded information (including forward-looking information) related to the other company that the Group considers available. It is estimated that the expected credit loss risk of the above accounts receivable is low, and no provision for bad debts is made.

As at 31 December 2024, accounts receivable with provision made on a collective basis are set out below:

	Book balance	Provision for impairment	Provision ratio (%)
Within 1 year	241,316,745	2,056,086	0.85
1 to 2 years	79,379,270	2,178,916	2.74
Total	320,696,015	4,235,002	

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Accounts receivable (continued)

As at 31 December 2023, accounts receivable with provision made on a collective basis are set out below:

	Book balance	Provision for impairment	Provision ratio (%)
Within 1 year	184,825,564	1,848,255	1.00
1 to 2 years	12,674,884	253,497	2.00
Total	197,500,448	2,101,752	

Movements in bad debt provision of accounts receivable are as follows:

	Opening balance	Provision during the year	Reversal during the year	Written off during the year	Closing balance
2024	2,101,752	2,133,250	–	–	4,235,002
2023	3,681,344	–	(11,579,592)	10,000,000	2,101,752

3. Prepayments

An ageing analysis of prepayments is set out below:

	31 December 2024	31 December 2023
Within 1 year	31,495,348	65,232,775
1 to 2 years	647,912	1,293,658
2 to 3 years	997,583	–
Total	33,140,843	66,526,433

As at the balance sheet date, the management of the Group considered that there was no impairment risk for prepayments.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Other receivables

	31 December 2024	31 December 2023
Interest receivable	15,250,522	14,038,076
Other receivables	36,257,396	63,218,436
Total	51,507,918	77,256,512

Other receivables

An ageing analysis of other receivables is set out below:

	31 December 2024	31 December 2023
Within 1 year (inclusive)	7,929,282	58,211,657
1 to 2 years (inclusive of 2 years)	25,690,552	1,086,089
2 to 3 years (inclusive of 3 years)	870,259	1,819,518
Over 3 years	2,849,271	4,190,282
	37,339,364	65,307,546
Less: Provision for bad debts of other receivables	1,081,968	2,089,110
Total	36,257,396	63,218,436

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Other receivables (continued)

Other receivables (continued)

Movements in the respective bad debt provision recognised for the 12-month expected credit loss and the lifetime expected credit loss on other receivables are set out below:

31 December 2024

	Stage I 12-month expected credit loss	Stage II Lifetime expected credit loss (not credit impaired)	Stage III Lifetime expected credit loss (credit impaired)	Subtotal
Opening balance	–	29,059	2,060,051	2,089,110
Reversal during the year	–	–	(486,827)	(486,827)
Written-off during the year	–	–	(520,315)	(520,315)
Closing balance	–	29,059	1,052,909	1,081,968

31 December 2023

	Stage I 12-month expected credit loss	Stage II Lifetime expected credit loss (not credit impaired)	Stage III Lifetime expected credit loss (credit impaired)	Subtotal
Opening balance	–	1,102,746	2,065,541	3,168,287
Reversal during the year	–	(1,073,687)	(5,490)	(1,079,177)
Closing balance	–	29,059	2,060,051	2,089,110

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Other receivables (continued)

Other receivables (continued)

Movements of bad debt provided for other receivables are set out below:

	Opening balance	Provision during the year	Reversal during the year	Written-off during the year	Closing balance
2024	2,089,110	–	(486,827)	(520,315)	1,081,968
2023	3,168,287	–	(1,079,177)	–	2,089,110

5. Inventories

	31 December 2024	31 December 2023
Finished goods	25,745,078	20,670,025
Others	1,237,535	–
Less: Provision for impairment of inventories	–	–
Total	26,982,613	20,670,025

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Contract assets

	2024			2023		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Charging pile projects construction amounts	5,802,087	-	5,802,087	-	-	-

7. Other current assets

	31 December 2024	31 December 2023
Deductible input VAT	11,496,204	12,285,952
Prepaid corporate income tax	958,775	484,966
Listing commissions	-	8,134,270
Total	12,454,979	20,905,188

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Long-term equity investments

2024

	Movements during the year						
	Opening balance	Additional investment	Investment income or loss under the equity method	Other equity movements	Cash dividend declared	Other movements	Closing balance
Joint ventures							
Sinopec Chengdu Energy Co., Ltd. ("Sinopec Energy")	15,372,283	-	760,000	-	(727,328)	-	15,404,955
Chengdu Battery Services-Communications Investment Energy Technology Co., Ltd. ("Battery Services-Communications Investment")	47,579,674	20,000,000	(2,104,898)	-	-	-	65,474,776
Subtotal	62,951,957	20,000,000	(1,344,898)	-	(727,328)	-	80,879,731
Associates							
Chengdu Chengbei Exit Expressway Co., Ltd. ("Chengbei Exit Expressway Company")	123,870,576	-	19,285,886	-	(12,494,232)	-	130,662,230
Zhongyou Jieneng (Chengdu) Environmental Protection Technology Co., Ltd. ("Zhongyou Jieneng")	58,192,810	-	(2,797,627)	430,924	-	-	55,826,107
Chengdu Tongneng Compressed Natural Gas Co., Ltd. ("Chengdu Tongneng")	146,418,400	-	10,654,089	-	(1,500,000)	-	155,572,489
New Energy Company (Note)	48,530,513	-	949,687	-	-	(49,480,200)	-
Chengdu Jiuhe Oil Management Co., Ltd. ("Chengdu Jiuhe")	5,132,282	-	58,523	-	-	-	5,190,805
Chengdu Jiaoyun Compressed Natural Gas Development Co., Ltd. ("Chengdu Jiaoyun CNG")	6,476,730	-	220,338	-	(165,855)	-	6,531,213
Chengdu Teld New Energy Co., Ltd. ("Teld")	70,987,069	-	1,899,980	-	(1,061,300)	-	71,825,749
Subtotal	459,608,380	-	30,270,876	430,924	(15,221,387)	(49,480,200)	425,608,593
Total	522,560,337	20,000,000	28,925,978	430,924	(15,948,715)	(49,480,200)	506,488,324

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Long-term equity investments (continued)

2023

		Movements during the year				
	Opening balance	Additional investment	Investment income or loss under the equity method	Other equity movements	Cash dividend declared	Closing balance
Joint ventures						
Sinopec Energy	15,245,351	–	808,012	507,161	(1,188,241)	15,372,283
Battery Services-Communications Investment	–	48,000,000	(420,326)	–	–	47,579,674
Subtotal	15,245,351	48,000,000	387,686	507,161	(1,188,241)	62,951,957
Associates						
Chengbei Exit Expressway Company	125,686,347	–	14,027,766	–	(15,843,537)	123,870,576
Zhongyou Jieneng	48,762,351	14,506,600	(5,847,911)	771,770	–	58,192,810
Chengdu Tongneng	135,862,292	–	10,556,108	–	–	146,418,400
New Energy Company	51,251,398	–	(2,720,885)	–	–	48,530,513
Chengdu Jiuhe	5,084,794	–	47,488	–	–	5,132,282
Chengdu Jiaoyun CNG	6,209,586	–	187,450	491,089	(411,395)	6,476,730
Teld	65,042,798	–	5,944,271	–	–	70,987,069
Subtotal	437,899,566	14,506,600	22,194,287	1,262,859	(16,254,932)	459,608,380
Total	453,144,917	62,506,600	22,581,973	1,770,020	(17,443,173)	522,560,337

Note: On 30 November 2024, the Group gained control over New Energy Company, and included it in the consolidation scope. For details, please refer to Note VI.1.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Other non-current financial assets

	31 December 2024	31 December 2023
Financial assets designated at fair value through profit or loss		
Shandong Huitong Financial Leasing Co., Ltd. (山東匯通金融租賃有限公司) ("Shandong Financial Leasing")	82,120,000	82,072,000
Sichuan Intelligent	6,670,000	3,750,000
Total	88,790,000	85,822,000

As at 31 December 2024, the Group held 6.5% equity interests in Sichuan Intelligent, which represented strategic investment and was designated as financial assets at fair value through profit or loss by the management. In 2024, the Group recognised fair value gain of RMB48,000 on the financial asset based on appraisal results (2023: loss of RMB3,150,000).

As at 31 December 2024, the Group held 1.6% equity interests in Shandong Financial Leasing, proposed to hold such equity interest for a long period, and designates it as financial asset at fair value through profit or loss. In 2024, the Group recognised dividends of RMB2,800,000 received from Shandong Financial Leasing as investment income, and recognised fair value gain of RMB2,920,000 on the financial asset based on the appraisal results (2023: gain of RMB7,682,000).

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Fixed assets

2024

	Buildings	Security facilities	Supervising equipment and others	Petrol and gas station facilities	Toll collection facilities	Motor vehicles	Total
Cost							
Opening balance	262,451,348	216,934,412	205,382,682	51,429,131	268,313,389	36,662,268	1,041,173,230
Business combination	-	-	53,326,900	-	-	892,000	54,218,900
Purchase	-	-	4,367,481	-	5,414,419	1,901,774	11,683,674
Transferred from construction in progress	24,510,102	6,271,165	13,374,572	4,627,527	-	-	48,783,366
Disposal or scrap	-	-	(861,057)	-	-	(2,348,974)	(3,210,031)
Other movements (Note)	-	-	(15,598,152)	-	(86,917)	-	(15,685,069)
Closing balance	286,961,450	223,205,577	259,992,426	56,056,658	273,640,891	37,107,068	1,136,964,070
Accumulated depreciation							
Opening balance	53,641,079	191,773,793	123,090,283	19,570,532	215,741,499	19,133,855	622,951,041
Provision	9,217,876	9,048,374	16,186,708	4,239,853	11,472,121	2,930,505	53,095,437
Disposal or scrap	(112,779)	-	(591,803)	-	-	(2,238,641)	(2,943,223)
Closing balance	62,746,176	200,822,167	138,685,188	23,810,385	227,213,620	19,825,719	673,103,255
Carrying amount							
At the end of the year	224,215,274	22,383,410	121,307,238	32,246,273	46,427,271	17,281,349	463,860,815
At the beginning of the year	208,810,269	25,160,619	82,292,399	31,858,599	52,571,890	17,528,413	418,222,189

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Fixed assets (continued)

2023

	Buildings	Security facilities	Supervising equipment and others	Petrol and gas station facilities	Toll collection facilities	Motor vehicles	Total
Cost							
Opening balance	124,054,285	230,241,284	195,110,363	39,183,972	268,296,250	35,424,998	892,311,152
Purchase	–	–	1,732,840	–	415,800	2,725,711	4,874,351
Transferred from construction in progress	138,397,063	–	6,837	12,245,159	–	–	150,649,059
Disposal or scrap	–	–	(13,788)	–	–	(1,488,441)	(1,502,229)
Other movements (Note)	–	(13,306,872)	8,546,430	–	(398,661)	–	(5,159,103)
Closing balance	262,451,348	216,934,412	205,382,682	51,429,131	268,313,389	36,662,268	1,041,173,230
Accumulated depreciation							
Opening balance	47,566,205	180,792,655	107,902,433	14,240,416	202,009,690	17,937,802	570,449,201
Provision	6,074,874	10,981,138	15,201,114	5,330,116	13,731,809	2,610,071	53,929,122
Disposal or scrap	–	–	(13,264)	–	–	(1,414,018)	(1,427,282)
Closing balance	53,641,079	191,773,793	123,090,283	19,570,532	215,741,499	19,133,855	622,951,041
Book value							
At the end of the year	208,810,269	25,160,619	82,292,399	31,858,599	52,571,890	17,528,413	418,222,189
At the beginning of the year	76,488,080	49,448,629	87,207,930	24,943,556	66,286,560	17,487,196	321,861,951

Note: Mainly represented the reduction of the original value of fixed assets and the original value of intangible assets by RMB15,598,152 and RMB94,460,063, respectively, based on the settlement audit report due to the completion of settlement audit of the Group's completed bidding section of the Chengpeng Expressway expansion and renovation project.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Fixed assets (continued)

As the Group is in the process of applying for title certificates, fixed assets with a carrying amount of RMB49,152,830 (31 December 2023: RMB145,721,139) were without certificates as at 31 December 2024.

As at 31 December 2024, the Group had fixed assets with a carrying amount of RMB28,672,035 (31 December 2023: RMB28,895,030) under operating lease.

Set out below are temporarily unused fixed assets:

31 December 2024

	Cost	Accumulated depreciation	Provision for impairment	Book value
Buildings	6,093,688	3,351,754	–	2,741,934
Petrol and gas station facilities	4,950,238	3,867,943	–	1,082,295
Monitoring facilities and others	563,695	462,186	–	101,509
Total	11,607,621	7,681,883	–	3,925,738

31 December 2023

	Cost	Accumulated depreciation	Provision for impairment	Book value
Buildings	11,981,849	3,375,904	–	8,605,945
Petrol and gas station facilities	11,951,914	4,281,881	–	7,670,033
Monitoring facilities and others	1,379,217	1,049,185	–	330,032
Total	25,312,980	8,706,970	–	16,606,010

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Construction in progress

	31 December 2024	31 December 2023
Gaoxin No. 3 Petrol Station	8,778,465	567,088
Gao Jia Gas Station	7,929,057	7,899,419
2nd Ring Road East 4 Section Complex	3,409,847	1,078,028
Charging Pile Project of Chengdu East Railway Station Bus Station	2,312,113	—
He Lin Petrol Station ^(Note)	1,131,463	1,131,463
Tong Wang Gas Station	—	9,122,546
Sporadic charging pile projects	20,074,496	—
Others	4,159,651	534,703
Less: Impairment provision on construction in progress	1,131,463	1,131,463
Total	46,663,629	19,201,784

Note: Construction of He Lin Petrol Station cannot proceed due to complaints from local residents, and therefore the management provided impairment allowance in full for the project at an amount of RMB1,131,463 in 2018.

In 2024, no interest was capitalised on construction in congress.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Right-of-use assets

2024

	Buildings	Land use right leased in	Total
Cost			
Opening balance	37,992,604	50,317,597	88,310,201
Increase	14,749,496	11,379,057	26,128,553
Business combination	2,022,178	612,183	2,634,361
Closing balance	54,764,278	62,308,837	117,073,115
Accumulated amortisation			
Opening balance	19,805,714	14,860,562	34,666,276
Provision	6,322,150	4,750,117	11,072,267
Closing balance	26,127,864	19,610,679	45,738,543
Book value			
At the end of the year	28,636,414	42,698,158	71,334,572
At the beginning of the year	18,186,890	35,457,035	53,643,925

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Right-of-use assets (continued)

2023

	Buildings	Land use right leased in	Total
Cost			
Opening balance	21,064,332	39,644,206	60,708,538
Increase	–	10,673,391	10,673,391
Lease alteration	16,928,272	–	16,928,272
Closing balance	37,992,604	50,317,597	88,310,201
Accumulated amortisation			
Opening balance	14,024,290	11,558,404	25,582,694
Provision	5,781,424	3,302,158	9,083,582
Closing balance	19,805,714	14,860,562	34,666,276
Book value			
At the end of the year	18,186,890	35,457,035	53,643,925
At the beginning of the year	7,040,042	28,085,802	35,125,844

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Intangible assets

2024

	Land use right	Service concession rights	Software	Total
Cost				
Opening balance	627,560,125	7,325,725,213	5,999,805	7,959,285,143
Business combination	–	–	2,665,659	2,665,659
Purchase	78,157,389	–	18,992,601	97,149,990
Investment and construction (Note 1)	–	38,085,066	–	38,085,066
Other decrease (Note 2)	(12,380)	(94,460,063)	–	(94,472,443)
Closing balance	705,705,134	7,269,350,216	27,658,065	8,002,713,415
Accumulated amortisation				
Opening balance	97,588,248	2,509,514,521	4,933,406	2,612,036,175
Provision	19,141,162	294,217,984	455,866	313,815,012
Closing balance	116,729,410	2,803,732,505	5,389,272	2,925,851,187
Book value				
At the end of the year	588,975,724	4,465,617,711	22,268,793	5,076,862,228
At the beginning of the year	529,971,877	4,816,210,692	1,066,399	5,347,248,968

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Intangible assets (continued)

2023

	Land use right	Service concession rights	Software	Total
Cost				
Opening balance	635,450,646	7,464,570,403	5,781,959	8,105,803,008
Purchase	—	—	217,846	217,846
Investment and construction ^(Note 1)	—	12,058,159	—	12,058,159
Other decrease ^(Note 2)	(7,890,521)	(150,903,349)	—	(158,793,870)
Closing balance	627,560,125	7,325,725,213	5,999,805	7,959,285,143
Accumulated amortisation				
Opening balance	79,182,901	2,206,198,991	4,137,942	2,289,519,834
Provision	20,211,430	303,315,530	795,464	324,322,424
Other decrease	(1,806,083)	—	—	(1,806,083)
Closing balance	97,588,248	2,509,514,521	4,933,406	2,612,036,175
Book value				
At the end of the year	529,971,877	4,816,210,692	1,066,399	5,347,248,968
At the beginning of the year	556,267,745	5,258,371,412	1,644,017	5,816,283,174

Note 1: In March 2023, the General Office of the People's Government of Sichuan Province issued the Reply on Matters Concerning the Expansion Project of Chengdu-Wenjiang-Qionglai Expressway (Chuan Ban Han [2023] No. 16), pursuant to which, it in principle approves the construction of the Chengwenqiong Expressway expansion project in the "Build-Operate-Transfer" (BOT) model, and the Company will act as the investor, and Chengwenqiong Expressway Company will act as the project owner for its financing and construction work. The primarily target of the project is to expand Chengwenqiong Expressway along its original route based on the two-way 8-lane standard. The Group recognized intangible assets based on the progress of performance up to 31 December 2024 for the expansion project. Amortization has not yet commenced as the project is under construction.

Note 2: In 2024, other reductions in the Group's concession rights represented adjustments based on the completion settlement audit amount of the Chengpeng Expressway expansion and renovation project, as detailed in Note V.10.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Intangible assets (continued)

As at 31 December 2024, the Group's ownership of intangible assets with a carrying amount of RMB3,785,284,202 (31 December 2023: RMB3,992,942,584) was restricted. Please refer to Note V.18.

As at 31 December 2024, the Group's land use right with a carrying amount of RMB78,110,248 is in the process of obtaining title certificates (31 December 2023: Nil).

In 2024, amortisation of the Group's land use rights of RMB361,599 was included in construction in progress (2023: RMB1,553,078).

14. Goodwill

	31 December 2024	31 December 2023
Original value of goodwill	92,229,273	92,229,273
Less: Provision for impairment of goodwill	(16,578,653)	(16,578,653)
Total	75,650,620	75,650,620

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Goodwill (continued)

Movements in the provision for impairment of goodwill are as follows:

2024 and 2023

	Opening balance	Provision during the year	Decrease during the year	Closing balance
Goodwill of Chengming Expressway Company	16,578,653	—	—	16,578,653

The Group acquired the 51% equity interests in Chengming Expressway Company from Communications Investment Construction and Management, its parent company in December 2019, which formed goodwill of RMB92,229,273.

Goodwill arising from business combination has been allocated to the Chengming Expressway Company asset group for impairment test:

The recoverable amount of the Chengming Expressway Company asset group is determined based on the higher of the fair value of the asset group, net of disposal costs, and the present value of its expected future cash flows. The present value of the expected future cash flows of the asset group is determined based on cash flow projections over the service concession period approved by the management. As at 31 December 2024, the discount rate applicable to cash flow projection was 8.73% (31 December 2023: 8.56%).

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Goodwill (continued)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Toll rate	–	The estimated toll rate of each type of vehicles was approved by the Department of Transportation of Sichuan Province and Sichuan Provincial Development and Reform Commission.
Traffic volume	–	The traffic volume forecast was issued by an independent professional traffic study institution.
Discount rate	–	The discount rate used is pre-tax and reflects specific risks relating to Chengming Expressway Company.

The values assigned to the key assumptions of the above asset group are consistent with the Group's historical experience and external information sources.

15. Long-term prepaid expenses

2024

	Opening balance	Increase during the year	Amortisation during the year	Closing balance
Improvement of right-of-use assets	1,373,711	–	(1,061,735)	311,976
Others	351,291	794,995	(202,876)	943,410
Total	1,725,002	794,995	(1,264,611)	1,255,386

2023

	Opening balance	Increase during the year	Amortisation during the year	Closing balance
Improvement of right-of-use assets	1,939,590	332,089	(897,968)	1,373,711
Others	389,970	109,864	(148,543)	351,291
Total	2,329,560	441,953	(1,046,511)	1,725,002

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Deferred tax assets/liabilities

Set out below are deferred tax assets and deferred tax liabilities before elimination:

	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Permanent lane occupation compensation	90,037,608	14,673,441	101,385,196	16,321,969
Rental advance of petrol stations and service areas	45,622,096	9,361,072	48,523,029	9,849,840
Accounting and tax differences in amortisation of intangible assets	56,586,427	9,144,006	80,823,454	12,800,952
Fair value adjustments on acquisition of subsidiaries	7,102,177	1,775,544	7,116,108	1,779,027
Provision for impairment of accounts receivable and other receivables	4,672,033	746,377	2,538,783	424,520
Impairment allowance of construction in progress	1,131,463	282,866	1,131,463	282,866
Unpaid related party interest	47,634	7,145	41,990,262	6,298,539
New lease standard	61,033,134	12,864,793	61,298,256	12,716,787
Fair value gains	—	—	173,077	25,962
Gains from unrealised intra-group transactions	11,152,057	2,788,014	11,150,644	2,787,661
Accounting and tax differences in depreciation of fixed assets	13,018,996	3,254,749	12,761,360	3,190,340
Provisions	2,607,611	651,903	7,756,746	1,163,512
Deductible losses	208,410,340	31,501,056	141,005,073	21,734,934
Accrued interest on debentures payable	3,969,863	595,479	—	—
Total	505,391,439	87,646,445	517,653,451	89,376,909

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Deferred tax assets/liabilities (continued)

Set out below are deferred tax assets and deferred tax liabilities before elimination: (continued)

	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustment on land swap	18,221,351	4,555,338	20,897,759	5,224,440
Amortisation of service concession rights	714,482,675	118,308,401	696,827,876	114,537,602
Fair value adjustments on acquisition of subsidiaries	522,240,571	116,708,166	544,016,426	120,391,532
Fair value gains	4,839,300	725,895	2,044,377	306,657
New lease standard	59,656,332	12,855,504	61,305,529	12,719,152
Total	1,319,440,229	253,153,304	1,325,091,967	253,179,383

Deferred tax assets and deferred tax liabilities are stated in net terms after elimination:

	2024		2023	
	Amount eliminated	Balance after elimination	Amount eliminated	Balance after elimination
Deferred tax assets	61,040,207	26,606,238	57,807,604	31,569,305
Deferred tax liabilities	61,040,207	192,113,097	57,807,604	195,371,779

Given that certain subsidiaries of the Group are in a loss-making condition, there remains significant uncertainty as to whether there will be adequate taxable income available against such deductible losses in future periods. As at 31 December 2024 and 31 December 2023, deductible losses in respect of the unrecognised deferred tax assets of such subsidiaries are set below:

	31 December 2024	31 December 2023
Deductible losses	130,859,432	113,294,757

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Deferred tax assets/liabilities (continued)

Deductible losses of unrecognised deferred tax assets will expire in the following years:

	31 December 2024	31 December 2023
2024	–	13,066,273
2025	45,533,855	54,059,745
2026	15,319,543	15,319,543
2027	14,470,313	14,470,313
2028	16,378,883	16,378,883
2029	39,156,838	–
Total	130,859,432	113,294,757

The management of the Group considered that for deferred tax assets against which deductible losses have been recognised, sufficient taxable income will be available due to the reversal of differences from amortisation of service concession rights and future profits before such deductible losses expire.

17. Other non-current assets

	Notes	31 December 2024	31 December 2023
Prepaid land requisition and relocation amounts	1	253,241,800	–
Prepaid land premiums		16,261,246	16,220,103
Performance guarantee deposits	2	10,000,000	10,000,000
Prepayment for construction work		–	378,040
Total		279,503,046	26,598,143

Note 1: In 2024, according to the land acquisition and demolition agreement related to the Chengwenqiong Expressway expansion construction project, Chengwenqiong Expressway Company, a subsidiary of the Company, paid RMB116,873,500, RMB136,148,300 and RMB220,000 for land acquisition and demolition in advance to Dayi County Transportation Bureau, Wenjiang District Finance Bureau and Qionglai Transportation Bureau respectively to gradually carry out the demolition work along the routes.

Note 2: On 30 December 2022, the Group renewed the operation business of Tianfu Airport Expressway and Pujiang-Dujiangyan Section of Chengdu Economic Zone Ring Expressway ("Pudu Expressway") for a term until 31 December 2027. As required under the relevant contracts, in January 2023, the Group issued performance guarantees to Tianfu Airport Expressway and Pudu Expressway through China Merchants Bank Co., Ltd. Chengdu Sub-branch in a total amount of RMB10,000,000 with a valid period until 12 January 2028, which were included in other non-current assets.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Assets with restricted ownership or use right

	Book balance/ Book value	Type of restriction	Detail of Restriction
Intangible assets-Service concession rights			
Chengpeng Expressway	752,636,777	Pledge	Pledge over bank borrowings
Chengwenqiong Expressway	879,515,027	Pledge	Pledge over bank borrowings
Qiongming Expressway	2,100,399,338	Pledge	Pledge over bank borrowings
Intangible assets-Land use right	52,733,060	Collateral	Collateral over bank borrowings
Fixed assets-Buildings	96,336,436	Collateral	Collateral over bank borrowings
Currency funds – Performance guarantee deposits	6,400,150	Freeze	Capital freeze
Other non-current assets-Performance guarantee deposits	10,000,000	Freeze	Capital freeze
Total	3,898,020,788		

The amortisation of intangible assets – service concession rights used as collateral amounted to RMB204,016,446 (2023: RMB218,464,606) during the year. The amortisation of intangible assets – land use right used as security amounted to RMB1,464,672 (2023: not applicable as no security was pledged) during the year.

The depreciation of fixed assets – buildings used as security amounted to RMB2,374,341 (2023: not applicable as no security was pledged) during the year.

The performance guarantees issued by the Group to Tianfu Airport Expressway and Pudu Expressway are presented as other non-current assets based on the maturity of the guarantees of more than one year, details of which are set out in Note V.17.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Accounts payable

Accounts payable do not bear interest. An ageing analysis of accounts payable by their invoice date is set out below:

	31 December 2024	31 December 2023
Within 1 year	59,810,314	55,275,833
Over 1 year	127,992,419	466,399,806
Total	187,802,733	521,675,639

20. Receipts in advance

	31 December 2024	31 December 2023
Rental advance	1,556,505	1,348,951

21. Contract liabilities

	31 December 2024	31 December 2023
Advanced refilling payment	4,548,250	4,526,002
Income from promissory notes	1,633,345	2,016,513
Pre-charging of charging piles	2,140,855	–
Advanced batch payment	–	1,125,095
Advanced service fee	–	617,416
Total	8,322,450	8,285,026

Contract liabilities represent advance received from customers before the Group fulfills its performance obligations. Revenue from such contracts will be recognised when the Group fulfills its performance obligations. Generally, after receiving advance from customers, the Group will fulfill its performance obligations and recognise such amounts as revenue within one year.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Employee benefits payable

2024

	Opening balance	Business combination	Increase during the year	Decrease during the year	Closing balance
Short-term benefits	39,884,309	2,352,899	348,952,812	(339,733,462)	51,456,558
Post-employment benefits (defined contribution plan)	105	264,303	54,946,641	(54,898,908)	312,141
Termination benefits	–	–	112,784	(112,784)	–
Total	39,884,414	2,617,202	404,012,237	(394,745,154)	51,768,699

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term benefits	31,803,009	316,406,405	(308,325,105)	39,884,309
Post-employment benefits (defined contribution plan)	–	52,205,889	(52,205,784)	105
Total	31,803,009	368,612,294	(360,530,889)	39,884,414

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Employee benefits payable (continued)

Short-term benefits are as follows:

2024

	Opening balance	Business combination	Increase during the year	Decrease during the year	Closing balance
Wages and salaries, bonuses, allowances and subsidies	36,217,675	2,053,640	251,346,893	(243,669,286)	45,948,922
Employee welfare	403,333	25,870	29,492,065	(29,858,698)	62,570
Social insurance expense	688	92,660	21,230,613	(21,224,970)	98,991
Including: Medical insurance expense	615	86,107	19,709,348	(19,705,452)	90,618
Work-related injury insurance expense	73	6,553	1,520,942	(1,519,195)	8,373
Maternity insurance expense	–	–	323	(323)	–
Housing provident fund	3,816	161,592	28,466,194	(28,437,662)	193,940
Labour union funds and employee education funds	3,224,891	19,137	6,388,150	(6,259,691)	3,372,487
Other short-term benefits	33,906	–	12,028,897	(10,283,155)	1,779,648
Total	39,884,309	2,352,899	348,952,812	(339,733,462)	51,456,558

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Employee benefits payable (continued)

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Wages and salaries, bonuses, allowances and subsidies	28,908,131	229,586,973	(222,277,429)	36,217,675
Employee welfare	35,052	32,364,682	(31,996,401)	403,333
Social insurance expense	–	19,089,195	(19,088,507)	688
Including: Medical insurance expense	–	18,235,355	(18,234,740)	615
Work-related injury insurance expense	–	853,840	(853,767)	73
Housing provident fund	–	28,627,944	(28,624,128)	3,816
Labour union funds and employee education funds	2,859,826	5,985,828	(5,620,763)	3,224,891
Other short-term benefits	–	751,783	(717,877)	33,906
Total	31,803,009	316,406,405	(308,325,105)	39,884,309

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Employee benefits payable (continued)

Defined contribution plan is as follows:

2024

	Opening balance	Business combination	Increase during the year	Decrease during the year	Closing balance
Basic pension insurance expense	1,186	184,154	38,235,138	(38,225,080)	195,398
Unemployment insurance expense	44	6,874	1,437,568	(1,458,504)	(14,018)
Enterprise annuity expense	(1,125)	73,275	15,273,935	(15,215,324)	130,761
Total	105	264,303	54,946,641	(54,898,908)	312,141

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension insurance expense	—	35,181,093	(35,179,907)	1,186
Unemployment insurance expense	—	1,316,937	(1,316,893)	44
Enterprise annuity expense	—	15,707,859	(15,708,984)	(1,125)
Total	—	52,205,889	(52,205,784)	105

The Group provides and contributes to the defined contribution plan subject to a certain percentage of the wages and salaries of employees according to local policies and regulations.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Taxes and surcharges payable

	31 December 2024	31 December 2023
Corporate income tax	51,363,841	43,195,412
VAT	9,623,168	12,176,075
City maintenance and construction tax	729,577	741,580
Educational surcharge	323,111	389,263
Individual income tax	215,789	522,635
Local educational surcharge	201,195	144,852
Others	1,478,248	294,402
Total	63,934,929	57,464,219

24. Other payables

	31 December 2024	31 December 2023
Interest payable	2,786,888	3,113,188
Other payables	250,886,015	216,208,348
Total	253,672,903	219,321,536

Interest payable

	31 December 2024	31 December 2023
Interest on long-term borrowings	2,786,888	3,113,188

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Other payables (continued)

Other payables

	31 December 2024	31 December 2023
Transactions with related parties	60,312,282	99,883,999
Construction payments	75,839,389	38,878,121
Deposit and security	33,951,476	27,795,275
Third-party construction payments	33,452,564	11,331,143
Advance payment	9,740,000	16,573,248
Clearing settlement	5,878,360	6,366,801
Intermediary service fee	2,174,019	3,882,026
Convenience store goods procurement expense	577,760	992,726
Others	28,960,165	10,505,009
Total	250,886,015	216,208,348

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Non-current liabilities due within one year

	31 December 2024	31 December 2023
Long-term borrowings due within one year (Note V.27)	299,000,000	218,000,000
Lease liabilities due within one year (Note V.29)	13,456,650	8,928,292
Forward traffic volume compensation due within one year	7,783,897	7,165,578
Lane occupation compensation due within one year	6,726,511	10,155,070
Interest of debentures payable due within one year (Note V.28)	3,969,863	3,945,206
Rental and service area amounts received in advance due within one year	3,258,454	—
Total	334,195,375	248,194,146

26. Other current liabilities

	31 December 2024	31 December 2023
Tax pending for written off	1,592,624	507,660

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Long-term borrowings

	Note	31 December 2024	31 December 2023
Pledged borrowings	1	1,998,000,000	2,103,000,000
Unsecured borrowings		72,000,000	208,781,765
Secured borrowings	2	63,781,765	–
Guaranteed borrowings	3	42,000,000	82,000,000
		2,175,781,765	2,393,781,765
Less: Long-term borrowings due within one year (Note V.25)		299,000,000	218,000,000
Total		1,876,781,765	2,175,781,765

An analysis of long-term borrowings based on maturity dates is as follows:

	31 December 2024	31 December 2023
Due within 1 year (inclusive)	299,000,000	218,000,000
Due within 2 years (inclusive of 2 years)	218,000,000	299,000,000
Due within 3 to 5 years (inclusive of 3 and 5 years)	527,000,000	559,000,000
Over 5 years	1,131,781,765	1,317,781,765
Total	2,175,781,765	2,393,781,765

As at 31 December 2024, the above long-term borrowings carried an annual interest rate ranging from 2.86% to 3.71% (31 December 2023: 3.08% to 4.06%).

Note 1: The pledged borrowings are pledged by expressway toll collection right as detailed in Note V.18, of which bank borrowing balance of RMB1,505,000,000 (31 December 2023: RMB1,580,000,000) was guaranteed by Chengdu Communications Investment Group Co., Ltd. ("Chengdu Communications Investment") as at 31 December 2024.

Note 2: Secured borrowings are secured by land use right and buildings, details of which are set out in Note V.18.

Note 3: As at 31 December 2024, balance of borrowings of RMB42,000,000 (31 December 2023: RMB82,000,000) was guaranteed by Chengwenqiong Expressway Company.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28. Debentures payable

	31 December 2024	31 December 2023
Debentures payable	303,969,863	303,945,206
Less: Interest of debentures payable due within one year (Note V.25)	3,969,863	3,945,206
Total	300,000,000	300,000,000

As at 31 December 2024, the balance of debentures payable is as follows:

	Nominal value	Coupon rate (%)	Date of issuance	Term	Issuance size	Opening balance	Issued during the year	Interest accrued at nominal value	Amortization of discount and premium	Repaid during the year	Whether Closing or not in balance default
Medium term notes	300,000,000	3.00	2023/7/21- 2023/7/24	3 years	300,000,000	303,945,206	-	9,024,657	-	(9,000,000)	303,969,863 No

In July 2023, the Company issued medium term notes of RMB300 million through the China Interbank Bond Market at an interest rate of 3% for a term of 3 years. The notes shall accrue interest commencing from 25 July 2023 and pay interest on 25 July 2026, with interest payable annually. Chengdu Communications Investment provided irrevocable joint liability guarantees with full amount for the debentures at nil consideration. As at 31 December 2024, the Company reclassified the interest on the above medium term notes that will be due within one year to non-current liabilities due within one year. For details, please see Note V.25.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Lease liabilities

	31 December 2024	31 December 2023
Opening balance	53,171,663	34,996,724
Business combination	2,094,655	–
Increase during the year	25,795,916	10,015,303
Interest	2,391,073	1,611,460
Payment during the year	(12,225,863)	(10,380,096)
Lease alteration	–	16,928,272
Closing balance	71,227,444	53,171,663
Less: Lease liabilities due within one year (Note V.25)	13,456,650	8,928,292
Total	57,770,794	44,243,371

An analysis of lease liabilities based on maturity dates is as follows:

	31 December 2024	31 December 2023
Due within 1 year (inclusive)	13,456,650	8,928,292
Due within 2 years (inclusive of 2 years)	13,884,646	10,073,426
Due within 3 to 5 years (inclusive of 3 and 5 years)	19,727,811	18,751,050
Over 5 years	24,158,337	15,418,895
Total	71,227,444	53,171,663

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Provisions

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Pending litigation (Note XII.2)	7,756,746	2,607,611	(7,756,746)	2,607,611

31. Other non-current liabilities

	Note	31 December 2024	31 December 2023
Permanent lane occupation compensation	1	43,069,669	47,841,714
Advanced service area payment		36,416,233	39,241,921
Forward traffic volume compensation	2	32,457,531	39,481,287
Advanced rental		5,947,409	6,022,655
Total		117,890,842	132,587,577

Note 1: Expressway companies under the Group receive lump-sum payment from third parties for occupation of the respective expressways, and the occupation period is the remaining toll term of such expressways.

Note 2: Forward traffic volume compensation refers to the compensation for the impact on traffic flow of Chengguan Expressway after the Pidun East (five-ring interchange) reconstruction project constructed by Chengdu Xihui Investment Group Co., Ltd. is opened to traffic, and the compensation period is the remaining toll period of Chengguan Expressway.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Share capital

2024

	Opening and closing balance
Communications Investment Construction and Management	900,000,000
Chengdu Communications Investment	300,000,000
H shares with a nominal value of RMB1 each	456,102,000
Total	1,656,102,000

2023

	Opening and closing balance
Communications Investment Construction and Management	900,000,000
Chengdu Communications Investment	300,000,000
H shares with a nominal value of RMB1 each	456,102,000
Total	1,656,102,000

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Capital reserves

2024 and 2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share capital premium	437,516,216	–	–	437,516,216
Other capital reserves	134,134,285	–	–	134,134,285
Total	571,650,501	–	–	571,650,501

34. Specialised reserves

2024

	Opening balance	Appropriation during the year	Utilisation during the year	Closing balance
Safety production funds	15,828,556	1,536,639	(1,762,413)	15,602,782

2023

	Opening balance	Appropriation during the year	Utilisation during the year	Closing balance
Safety production funds	15,903,593	2,238,034	(2,313,071)	15,828,556

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Specialised reserves (continued)

Provision and Use of Safety Production Funds in Enterprises (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the Ministry of Emergency Management in 2024 and 2023. In 2024 and 2023, the Group's subsidiaries, Zhongyou Energy and Communications Investment Energy met the requirement of suspending the appropriation of safety production funds as set out in the Administrative Measures for the Provision and Use of Safety Production Funds in Enterprises (Cai Zi [2022] No. 136), and therefore, no provision for safety production funds was made during the period.

35. Surplus reserves

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserves	319,663,669	30,767,172	—	350,430,841

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserves	268,218,423	51,445,246	—	319,663,669

According to the requirements of the Company Law and the articles of association of the Company, the Company shall appropriate 10% of its net profit to the statutory surplus reserve. In the event that the accumulated statutory surplus reserve has exceeded 50% of the registered capital of the Company, additional appropriation will not be needed.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Unappropriated profit

	2024	2023
Unappropriated profit at the beginning of the year	1,785,400,193	1,512,865,283
Net profit attributable to shareholders of the Company	519,517,638	618,766,312
Less: Appropriation of statutory surplus reserves	30,767,172	51,445,246
Cash dividend payable	278,225,136	294,786,156
Unappropriated profit at the end of the year	1,995,925,523	1,785,400,193

As at 31 December 2024, included in the unappropriated profit were surplus reserves of RMB356,752,497 attributable to the Company of the subsidiaries (31 December 2023: RMB319,945,043), including surplus reserves attributable to the Company appropriated by subsidiaries of RMB36,807,454 (2023: RMB41,631,065) during the year.

Pursuant to the resolution approved at the shareholders' general meeting on 28 May 2024, the Company would pay cash dividends of RMB0.168 per share to all the shareholders, totaling RMB278,225,136 based on the total share capital of the Company of 1,656,102,000 shares. Such dividend has been paid in full in 2024.

Pursuant to the resolution of the board of directors passed on 26 March 2025, the board of directors proposed that the Company distribute a cash dividend of RMB0.101 per share to all shareholders, totalling RMB167,266,302 based on the Company's total share capital of 1,656,102,000 shares. The above proposal has yet to be approved at the shareholders' general meeting, and prior to that, it will not be recognised as the Company's liabilities, therefore it is not reflected in the financial statements of the current year.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Revenue and cost of sales

	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal business	2,836,483,750	1,783,326,009	2,813,957,982	1,809,532,258
Other business	78,902,393	51,415,103	80,082,999	42,458,322
Total	2,915,386,143	1,834,741,112	2,894,040,981	1,851,990,580

A breakdown of revenue is as follows:

2024

Reporting segment	Expressway segment	Energy segment	Total
Type of revenue			
Toll income	1,432,748,797	–	1,432,748,797
Revenue from operation and management services	99,846,851	7,132,603	106,979,454
Revenue from maintenance services	17,942,870	–	17,942,870
Revenue from sales of refined oil	–	1,259,954,132	1,259,954,132
Revenue from construction services	38,038,526	1,570,637	39,609,163
Revenue from convenience stores	–	25,662,995	25,662,995
Service fee income from charging piles	–	2,566,579	2,566,579
Gas refueling income	–	1,758,228	1,758,228
Asset rental income	16,251,280	2,874,089	19,125,369
Forward traffic volume compensation	7,107,691	–	7,107,691
Other revenue	252,787	1,678,078	1,930,865
Total	1,612,188,802	1,303,197,341	2,915,386,143
Time of recognition of revenue			
At a point in time	1,450,736,907	1,290,777,720	2,741,514,627
Over time	161,451,895	12,419,621	173,871,516
Total	1,612,188,802	1,303,197,341	2,915,386,143

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Revenue and cost of sales (continued)

2023

Reporting segment	Expressway segment	Energy segment	Total
Type of revenue			
Toll income	1,470,432,380	—	1,470,432,380
Revenue from operation and management services	62,400,479	8,025,927	70,426,406
Revenue from maintenance services	17,299,626	—	17,299,626
Revenue from construction services	12,058,159	—	12,058,159
Revenue from sales of refined oil	—	1,269,066,964	1,269,066,964
Revenue from convenience stores	—	17,372,516	17,372,516
Asset rental income	10,860,602	2,473,305	13,333,907
Traffic volume compensation for operation suspension at a toll station	13,283,433	—	13,283,433
Forward traffic volume compensation	3,697,111	—	3,697,111
Other revenue	3,499,494	3,570,985	7,070,479
Total	1,593,531,284	1,300,509,697	2,894,040,981
Time of recognition of revenue			
At a point in time	1,487,765,499	1,287,532,694	2,775,298,193
Over time	105,765,785	12,977,003	118,742,788
Total	1,593,531,284	1,300,509,697	2,894,040,981

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Revenue and cost of sales (continued)

Revenue recognised is derived from:

	2024	2023
Opening carrying amount of contract liabilities:		
Toll income	3,141,608	16,742,697
Revenue from sales of refined oil	4,526,002	4,345,566
Service fee income	617,416	1,539,109
Total	8,285,026	22,627,372

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Revenue and cost of sales (continued)

Information about the Group's performance obligations is summarised below:

	Time of fulfilling performance obligations	Key payment terms	Nature of goods promised to be transferred	Whether it is the primary responsible person	Amounts expected to be refunded to the customers	Type of quality assurance provided and related obligations
Toll income	When customers travel through the expressways	5th day after clearing for non-batch payment, 1-3 months for batch payment	Pass-through services	Yes	Not applicable	Not applicable
Revenue from sales of refined oil	When goods are delivered	Payment before delivery, settle fuel payment for previous week on every Tuesday	Physical goods	Yes	Not applicable	Not applicable
Revenue from convenience stores	When goods are delivered	Payment upon delivery	Physical goods	Yes	Not applicable	Not applicable
Revenue from construction services	Recognised based on performance progress	Collection of toll income, charged according to construction progress and based on contract terms	Construction services	Yes	Not applicable	Not applicable
Revenue from operation and management services	Performance obligations are satisfied within the period of providing operation and management services	One-off payment within 30 days of receipt of invoice	Operation and management services	Yes	Not applicable	Not applicable
Revenue from maintenance services	Completion of maintenance services	One-off payment within 30 days of receipt of invoice	Maintenance services	Yes	Not applicable	Not applicable
Charging pile service fee income	Completion of charging services	Payment upon delivery, amount of a given month settled in the next month	Electricity charging services	Yes	Not applicable	Not applicable
Gas refueling income	When goods are delivered	Payment upon delivery	Physical goods	Yes	Not applicable	Not applicable

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Revenue and cost of sales (continued)

As at 31 December 2024 and 31 December 2023, the expected timing of recognition of revenue from performance obligations that have been contracted for but not yet performed or have not yet been fulfilled is as follows:

	2024	2023
Within 1 year	173,021,063	210,431,542
Over 1 year	143,459,717	292,844,947
Total	316,480,780	503,276,489

38. Taxes and surcharges

	2024	2023
City maintenance and construction tax	5,709,317	5,358,884
Housing property tax	3,801,347	1,423,486
Educational surcharge	2,584,084	2,340,316
Urban land use tax	2,049,097	518,866
Stamp duty	1,941,570	876,536
Local educational surcharge	1,297,620	1,517,926
Vehicle & vessel tax	45,738	39,102
Total	17,428,773	12,075,116

39. Selling expenses

	2024	2023
Depreciation and amortisation	25,743,547	20,878,593
Employee benefits	19,948,396	19,033,945
Labour cost	14,312,548	13,509,756
Safety production funds	923,951	598,521
Others	7,995,548	5,637,781
Total	68,923,990	59,658,596

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Administrative expenses

	2024	2023
Employee benefits	116,659,252	100,644,827
Agency fees	14,940,980	5,725,820
Depreciation and amortisation	11,973,486	11,858,117
Office expense	4,443,793	4,318,886
Employment guarantee fund for handicapped	2,593,502	1,948,330
Auditing fee	1,547,170	1,452,830
Security guarantee cost	1,367,519	1,332,672
Transportation and vehicle utilisation fees	1,345,417	1,068,613
Activity funds	910,920	767,063
Rental expense	589,067	407,880
Others	5,363,611	7,277,555
Total	161,734,717	136,802,593

41. Finance expenses

	2024	2023
Interest expense	101,603,305	115,455,334
Including: Interest expense on lease liabilities	2,391,073	1,611,460
Less: Interest income	37,969,657	39,837,629
Less: Interest capitalised	—	1,102,750
Foreign exchange loss	1,347,265	3,426,974
Others	1,644,371	1,729,424
Total	66,625,284	79,671,353

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Investment income

	2024	2023
Income from long-term equity investments accounted for using the equity method	28,925,978	26,012,826
Dividend income from other non-current financial assets held	2,800,000	681,500
Total	31,725,978	26,694,326

43. Credit impairment loss

	2024	2023
(Loss from)/Reversal of impairment of accounts receivable	(2,133,250)	11,579,592
Reversal of impairment of other receivables	486,827	1,079,177
Total	(1,646,423)	12,658,769

44. Gains from disposal of assets

	2024	2023
Gains/losses from disposal of fixed assets	(179,338)	457
Gains from disposal of intangible assets	–	3,793,516
Total	(179,338)	3,793,973

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Fair value gains

	2024	2023
Changes in fair value included in profit or loss	2,968,000	4,532,000

46. Non-operating income

	2024	2023
Permanent lane occupation compensation – amortisation during the year	7,179,405	6,528,116
Temporary lane occupation compensation	6,432,413	2,810,198
Income from road property compensation	3,088,404	2,628,975
Others	1,982,242	1,584,342
Total	18,682,464	13,551,631

47. Non-operating expense

	2024	2023
Tax delinquency	18,557,407	165,808
Compensation and litigation fees	10,767,112	8,053,183
Loss from scrap of fixed assets	43,939	55,107
Penalties	100	20,000
Others	820,522	13,768
Total	30,189,080	8,307,866

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Expenses by nature

The supplementary information for the cost of sales, selling expenses, administrative expenses and R&D expenses of the Group classified by nature is as follows:

	2024	2023
Oil purchase costs	1,055,236,360	1,101,419,097
Depreciation and amortisation	378,885,728	385,137,183
Employee benefits	396,270,295	367,956,918
Road maintenance	58,190,351	64,363,463
Construction cost	39,751,805	12,058,159
Labour cost	24,522,899	13,509,756
Cost of convenience stores	21,156,906	14,635,122
Agency fees	14,940,980	5,725,820
Road greening cost	11,574,882	12,624,983
Maintenance cost of equipment and facilities	9,038,123	16,087,259
Transportation and vehicle utilisation fees	6,822,241	5,801,809
Toll income clearing service fees	6,329,541	4,683,828
Office expense	4,443,793	4,318,886
Transportation expense	2,147,276	2,092,244
Auditing fee	1,547,170	1,452,830
Security guarantee cost	1,367,519	4,213,559
Safety production funds	923,951	598,521
Rental expense	589,067	580,446
Others	32,993,544	31,191,886
Total	2,066,732,431	2,048,451,769

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. Income tax expense

	2024	2023
Current income tax expense	214,498,641	143,699,978
Deferred income tax expense	1,828,745	990,310
Total	216,327,386	144,690,288

Relationship between income tax expense and total profit is as follows:

	2024	2023
Total profit	785,981,781	806,866,677
Income tax expense at statutory or applicable tax rate (Note)	196,495,445	201,716,669
Effect of different tax rates of subsidiaries	(73,246,058)	(77,732,187)
Impact of adjustments to income tax of previous periods	78,589,237	6,613,833
Share of profit or loss of joint ventures and associates	(5,302,906)	(4,242,717)
Income not subject to tax	(489,188)	(78,870)
Non-deductible expenses	10,305,909	7,731,099
Unrecognised deductible losses	9,974,947	10,682,461
Income tax expense at the Group's effective tax rate	216,327,386	144,690,288

Note: The Group's income tax has been calculated at the rate on the estimated taxable profits arising in the PRC.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Earnings per share

Basic earnings per share is calculated based on the net profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue. The number of new ordinary shares is calculated commencing from the date consideration thereof is received (generally the share issuance date) subject to the specific terms in the issue agreement.

	2024	2023
Net profit attributable to shareholders of the Company	519,517,638	618,766,312
Weighted average number of ordinary shares in issue	1,656,102,000	1,656,102,000
Basic earnings per share (RMB/share)	0.31	0.37

The Company did not have potential dilutive ordinary shares in 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Notes to items of cash flow statements

Movements in liabilities arising from financing activities are set out below:

2024

	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Long-term borrowings (including long-term borrowings due within one year)	2,393,781,765	-	-	218,000,000	-	2,175,781,765
Debentures payable	300,000,000	-	-	-	-	300,000,000
Lease liabilities (including lease liabilities due within one year)	53,171,663	-	30,281,644	12,225,863	-	71,227,444
Non-current liabilities due within one year-Interest on debentures payable	3,945,206	-	9,024,657	9,000,000	-	3,969,863
Other payables-Interest payable	3,113,188	-	88,449,281	88,775,581	-	2,786,888
Other payables-Interest on related party loans	41,990,262	-	1,738,293	43,680,921	-	47,634
Other payables-Listing commissions	-	-	328,292,976	328,292,976	-	-
Total	2,796,002,084	-	457,786,851	699,975,341	-	2,553,813,594

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Notes to items of cash flow statements (continued)

2023

	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Long-term borrowings (including long-term borrowings due within one year)	2,528,400,000	64,781,765	–	199,400,000	–	2,393,781,765
Debentures payable	–	300,000,000	–	–	–	300,000,000
Other current liabilities– Principal of debentures payable	300,000,000	300,000,000	–	600,000,000	–	–
Other current liabilities-Interest on debentures payable	4,188,082	–	5,213,836	9,401,918	–	–
Lease liabilities (including lease liabilities due within one year)	34,996,724	–	28,555,035	10,380,096	–	53,171,663
Non-current liabilities due within one year-Interest on debentures payable	–	–	3,945,206	–	–	3,945,206
Other payables-Interest payable	3,411,147	–	102,508,672	102,806,631	–	3,113,188
Other payables-Listing commissions	2,828,000	–	4,328,571	5,366,571	–	1,790,000
Other payables-Dividends payable	9,064,631	–	359,492,327	368,556,958	–	–
Total	2,882,888,584	664,781,765	504,043,647	1,295,912,174	–	2,755,801,822

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Supplemental information of cash flow statements

(1) Supplemental information of cash flow statements

Reconciliation of net profit to cash flows from operating activities:

	2024	2023
Net profit	569,654,395	662,176,389
Add: Provision for credit impairment	1,646,423	(12,658,769)
Depreciation of fixed assets	53,095,437	53,929,122
Depreciation of right-of-use assets	11,072,267	9,083,582
Amortisation of intangible assets	313,453,413	322,769,346
Amortisation of long-term prepaid expenses	1,264,611	1,046,511
Losses from disposal of fixed assets, intangible assets and other long-term assets	179,338	(3,793,973)
Loss from scrap of fixed assets	43,939	55,107
Fair value gain	(2,968,000)	(4,532,000)
Finance expenses	90,158,058	99,230,514
Investment income	(31,725,978)	(26,694,326)
Decrease/(Increase) in deferred tax assets	5,087,427	(3,092,327)
(Decrease)/Increase in deferred tax liabilities	(3,258,682)	4,082,637
Increase in inventories	(4,081,188)	(3,347,695)
Increase in operating receivables	(47,597,029)	(42,627,470)
(Decrease)/Increase in operating payables	(148,354,359)	62,968,067
Others – Unutilised specialised reserves	(1,662,417)	(4,005,223)
Net cash flows from operating activities	806,007,655	1,114,589,492

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Supplemental information of cash flow statements (continued)

(1) Supplemental information of cash flow statements (continued)

Material investment and operating activities not involving cash:

	2024	2023
Increase in prepayment through settlement of accounts receivable (Note)	230,778,111	260,329,096
Acquisition of right-of-use assets by assuming lease liabilities	26,128,553	27,601,663
Capital contribution with land use right	–	14,506,600

Note: Zhongyou Energy, a subsidiary of the Group, retails oil products to clients, and accepts payment through the refill cards or electronic coupons issued by PetroChina Company Limited ("PetroChina"). Following payment by clients, Zhongyou Energy settles the receivables subject to the amount deducted from refill cards or electronic coupons, whereby it increased the oil prepayment to PetroChina with such amounts.

Net change in cash and cash equivalents:

	2024	2023
Closing balance of cash	1,448,930,710	1,396,931,042
Less: Opening balance of cash	1,396,931,042	1,220,400,960
Add: Closing balance of cash equivalents	454,722,600	864,000,000
Less: Opening balance of cash equivalents	864,000,000	593,670,000
Net (decrease)/increase in cash and cash equivalents	(357,277,732)	446,860,082

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Supplemental information of cash flow statements (continued)

(2) Cash and cash equivalents

	2024	2023
Cash	1,448,930,710	1,396,931,042
Including: Cash on hand	81,100	81,100
Deposits held at call with banks	1,447,963,066	1,396,034,758
Other currency funds available for payments at any time	886,544	815,184
Cash equivalents	454,722,600	864,000,000
Including: Time deposits with maturity within three months	454,722,600	864,000,000
Balance of cash and cash equivalents at the end of the year	1,903,653,310	2,260,931,042

(3) Currency funds other than cash and cash equivalents

	2024	2023	Reason
Performance guarantee deposits	5,804,979	—	Restricted use

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

53. Foreign currency monetary items

31 December 2024

	Original currency	Foreign exchange rate	RMB equivalent
Currency funds			
Hong Kong dollars	14,577,221	0.9260	13,499,089

31 December 2023

	Original currency	Foreign exchange rate	RMB equivalent
Currency funds			
Hong Kong dollars	15,255,284	0.9062	13,824,644

54. Lease

(1) As lessee

	31 December 2024	31 December 2023
Interest expense on lease liabilities	2,391,073	1,611,460
Short-term lease expense under simplified approach through profit or loss	589,067	580,446
Total cash outflow in relation to leases	12,814,930	10,960,542

Assets leased by the Group include buildings and land use right in the course of operation, of which the lease term for buildings and land use right generally ranges from one to ten years and 6.5 to 18.5 years, respectively.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Lease (continued)

(1) As lessee (continued)

Future potential cash outflows not included in the lease liabilities for measurement

Leases committed but not yet commenced

The estimated future cash outflows of leases that have been committed but not yet commenced are as below:

	2024	2023
Within 1 year (inclusive)	—	—
1 to 2 years (inclusive of 2 years)	1,000,000	—
2 to 3 years (inclusive of 3 years)	1,000,000	1,000,000
Over 3 years	7,500,000	8,500,000
Total	9,500,000	9,500,000

For details of right-of-use assets, please refer to Note V.12; for simplified approach regarding short-term lease and low-value asset leases, please refer to Note III.26; and for details of lease liabilities, please refer to Note V.29.

(2) As lessor

The Group leases out buildings and other fixed assets and intangible assets for a term of 1 to 20 years, which are presented under operating lease.

Profit and loss relating to operating lease is presented as follows:

	2024	2023
Rental income	19,125,369	9,524,657
Including: revenue relating to variable lease payments not included in lease receipts	1,332,172	—

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

V. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Lease (continued)

(2) As lessor (continued)

Pursuant to the lease contracts entered into with the lessees, the undiscounted minimum lease receivables are as follows:

	31 December 2024	31 December 2023
Within 1 year (inclusive)	4,850,754	6,701,704
1 to 2 years (inclusive of 2 years)	3,441,269	5,496,740
2 to 3 years (inclusive of 3 years)	3,380,199	4,065,794
3 to 4 years (inclusive of 4 years)	3,322,956	3,972,955
4 to 5 years (inclusive of 5 years)	3,248,653	3,993,426
Over 5 years	5,054,871	12,493,569
Total	23,298,702	36,724,188

For details of operating lease of fixed assets, please refer to Note V.10.

VI. CHANGE IN SCOPE OF CONSOLIDATION

1. Business combination not under common control

In November 2024, the Group's subsidiary Energy Development Company gained control over the daily operational activities of New Energy Company, thereby consolidating New Energy Company and its wholly-owned subsidiary Electric Power Construction into the Group. Acquisition date of the above-mentioned business combination not under common control is 30 November 2024. As of the acquisition date, the carrying amount of the Group's long-term equity investment in New Energy Company was RMB49,466,811, while the fair value determined through valuation amounted to RMB49,480,200.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)

1. Business combination not under common control (continued)

The fair value and carrying amount of New Energy Company's identifiable assets and liabilities as of the acquisition date are as follows:

	Fair value as at 30 November 2024	Carrying amount as at 30 November 2024
Assets:		
Currency funds	34,046,700	34,046,700
Accounts receivable	15,695,725	15,695,725
Prepayments	3,755,080	3,755,080
Other receivables	3,487,461	3,487,461
Inventories	2,231,400	2,231,400
Contract assets	4,555,225	4,555,225
Other current assets	1,191,476	1,191,476
Fixed assets	54,218,900	54,707,400
Construction in progress	4,569,023	4,569,023
Right-of-use assets	2,634,361	2,634,361
Intangible assets	2,665,659	2,674,600
Deferred tax assets	124,360	—
Liabilities:		
Accounts payable	7,743,837	7,743,837
Receipts in advance	12,480	12,480
Contract liabilities	1,243,677	1,243,677
Employee benefits payable	2,617,202	2,617,202
Taxes and surcharges payable	745,291	745,291
Other payables	17,082,313	17,082,313
Lease liabilities	2,094,655	2,094,655
Net assets	97,635,915	98,008,996
Non-controlling interests	47,841,598	48,024,408
Net assets acquired	49,794,317	49,984,588
Excess over consolidation cost included in profit or loss (Note)	314,117	
Consolidation cost	49,480,200	

Note: The fair value of identifiable assets and liabilities as of the acquisition date was determined through valuation. Any excess over the acquisition cost was recognised in non-operating income.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combination not under common control *(continued)*

The operating results and cash flows of New Energy Company from the acquisition date to the end of the current year are presented as follows:

	1 December 2024 to 31 December 2024
Revenue	15,943,774
Net profit	(1,006,235)
Net cash flows	2,844,119

Net cash paid for acquisition of the above subsidiary

	2024
Cash and cash equivalents paid for acquisition of the subsidiary	–
Less: Cash and cash equivalents held by the subsidiary	28,241,721
Net cash paid for acquisition of the subsidiary	(28,241,721)

2. Change in scope of consolidation due to other reasons

Chuanlutong Company, Jinniu Xinyuanli and Ganzi New Energy Company were newly established this year.

The scope of consolidated financial statements of the Group is the same as that of the previous year, except for the above subsidiaries and newly established subsidiaries acquired through business combination not under common control.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

Details of the subsidiaries of the Company are as follows:

	Place of principal business/ registration	Nature of business	Registered capital	Proportion of shareholding (%)		Voting rights Proportion (%)	Note
				Direct	Indirect		
Subsidiaries acquired through establishment or investment							
Chengwenqiong Expressway Company	Chengdu	Management and operation of expressway	554,490,000	100.00	–	100.00	
Chengpeng Expressway Company	Chengdu	Management and operation of expressway	384,620,000	100.00	–	100.00	
Chengdu Airport Expressway Company	Chengdu	Management and operation of expressway	153,750,000	55.00	–	55.00	
Zhenxing Company	Chengdu	Management and operation of expressway service areas	100,000,000	80.00	–	80.00	
Operation Company	Chengdu	Expressway management	20,000,000	100.00	–	100.00	
Xinyuanli Energy	Chengdu	Petrol station operation	20,000,000	–	100.00	100.00	1
Chuanlutong Company	Chengdu	Management and operation of expressway	15,000,000	100.00	–	100.00	
Jinniu Xinyuanli	Chengdu	Operation of vehicle charging facilities	135,000,000	–	100.00	100.00	2
Ganzi New Energy	Ganzi Tibetan Autonomous Prefecture	Power generation	10,000,000	–	100.00	100.00	1

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

	Place of principal business/ registration	Nature of business	Registered capital	Proportion of shareholding (%)		Voting rights	Note
				Direct	Indirect	Proportion (%)	
Subsidiaries acquired through business combination under common control							
Energy Development Company	Chengdu	Petrol station operation and investment	676,000,000	94.49	–	94.49	
Communications Investment Energy	Chengdu	Petrol station operation	127,305,500	–	55.00	55.00	1
Zhongyou Energy	Chengdu	Petrol station operation	437,335,000	–	51.00	51.00	1
Subsidiaries acquired through business combination not under common control							
Chengming Expressway Company	Chengdu	Management and operation of expressway	100,000,000	51.00	–	51.00	
New Energy Company	Chengdu	Operation of vehicle charging facilities	117,647,059	–	51.00	51.00	1
Electricity power construction	Chengdu	Operation of vehicle charging facilities	10,000,000	–	100.00	51.00	3

Note 1: The Group's equity in Xinyuanli Energy, Ganzi New Energy, Communications Investment Energy, Zhongyou Energy and New Energy Company is held through Energy Development Company.

Note 2: The Group's equity in Jinniu Xinyuanli is held through Xinyuanli Energy.

Note 3: The Group's equity in Electric Power Construction is held through New Energy Company.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

Energy Development Company is a joint stock company incorporated under the PRC laws with limited liability, and the other subsidiaries are limited liability companies incorporated under the PRC laws, and the places of registration and operation of all the subsidiaries are located in the PRC.

There is no inconsistency between the shareholding proportion and voting rights proportion in each subsidiary of the Company.

Subsidiaries with significant non-controlling interests are set out below:

2024

	Shareholding proportion of non-controlling interests	Profit and loss attributable to non-controlling interests	Dividends paid to non-controlling interests	Accumulated non-controlling interests as at the end of the year
Chengdu Airport Expressway Company	45.00%	21,938,599	22,011,250	127,492,996
Chengming Expressway Company	49.00%	(5,214,805)	–	336,200,693
Zhongyou Energy ^(Note)	51.81%	21,376,523	14,317,030	334,102,972

2023

	Shareholding proportion of non-controlling interests	Profit and loss attributable to non-controlling interests	Dividends paid to non-controlling interests	Accumulated non-controlling interests as at the end of the year
Chengdu Airport Expressway Company	45.00%	22,011,250	17,062,996	127,565,647
Chengming Expressway Company	49.00%	(5,810,240)	–	341,415,498
Zhongyou Energy ^(Note)	51.81%	18,344,330	21,530,290	327,721,622

Note: The Company holds 94.49% equity interests in Energy Development Company, which in turn holds 51% equity interests in Zhongyou Energy. Accordingly, the Company indirectly holds 48.19% equity interests in Zhongyou Energy, and its remaining 51.81% equity interests are held by non-controlling interests.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

The table below sets forth the major financial information of the above subsidiaries, which represents amounts before group elimination:

Chengdu Airport Expressway Company:

	2024	2023
Current assets	301,446,286	268,666,731
Non-current assets	5,779,050	39,391,510
Total assets	307,225,336	308,058,241
Current liabilities	23,900,057	24,579,024
Non-current liabilities	7,511	—
Total liabilities	23,907,568	24,579,024
Revenue	114,129,237	119,397,277
Net profit	48,752,440	48,913,890
Total comprehensive income	48,752,440	48,913,890
Net cash flows from operating activities	75,304,979	75,395,927

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

The table below sets forth the major financial information of the above subsidiaries, which represents amounts before group elimination: (continued)

Chengming Expressway Company:

	2024	2023
Current assets	27,795,803	76,413,861
Non-current assets (excluding goodwill)	2,515,994,021	2,616,340,365
Goodwill	75,650,620	75,650,620
Total assets	2,619,440,444	2,768,404,846
Current liabilities	233,959,906	275,609,795
Non-current liabilities	1,623,706,056	1,720,378,110
Total liabilities	1,857,665,962	1,995,987,905
Revenue	199,606,663	223,145,563
Net loss	(10,642,459)	(11,857,634)
Total comprehensive loss	(10,642,459)	(11,857,634)
Net cash flows from operating activities	139,190,974	173,765,693

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

The table below sets forth the major financial information of the above subsidiaries, which represents amounts before group elimination: (continued)

Zhongyou Energy:

	2024	2023
Current assets	297,979,145	257,939,325
Non-current assets	408,505,661	445,393,124
Total assets	706,484,806	703,332,449
Current liabilities	35,067,112	21,409,031
Non-current liabilities	37,601,389	41,269,624
Total liabilities	72,668,501	62,678,655
Revenue	743,990,880	759,297,333
Net profit	41,259,374	35,406,861
Total comprehensive income	41,259,374	35,406,861
Net cash flows from operating activities	112,261,862	42,992,621

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures and associates

	Place of principal business/ registration	Nature of business	Registered capital	Proportion of shareholding (%)		Accounting treatment
				Direct	Indirect	
Joint ventures						
Sinopec Energy	Chengdu	Management and operation of petrol stations	41,540,200	–	50.00	Equity method
Battery Services-Communications Investment	Chengdu	Operation of new energy vehicle battery replacement facilities	300,000,000	–	48.00	Equity method
Associates						
Zhongyou Jieneng	Chengdu	Management and operation of gas stations	100,214,100	–	47.49	Equity method
Chengbei Exit Expressway Company	Chengdu	Management and operation of expressway	220,000,000	40.00	–	Equity method
Chengdu Tongneng	Chengdu	Management and operation of gas stations	86,000,000	–	30.00	Equity method
Chengdu Jiuhe	Chengdu	Management and operation of petrol stations	13,000,000	–	43.00	Equity method
Chengdu Jiaoyun CNG	Chengdu	Management and operation of gas stations	13,000,000	–	25.00	Equity method
Teld	Chengdu	Operation of vehicle charging facilities	200,000,000	–	16.00	Equity method

In January 2022, the Group acquired 16% equity interests in Teld. Energy Development Company appointed one director on the board of directors of Teld (comprising a total of five directors) to participate in its operation and decision-making process. As the Group exercises significant control over the operation of Teld, it is accounted for as an associate of the Group.

On 20 June 2023, Energy Development Company and Times Battery Services Technology Co., Ltd. ("Times Battery Services") jointly established Battery Services-Communications Investment, which is owned as to 52% and 48% by Times Battery Services and Energy Development Company, respectively. Pursuant to its articles of association, Battery Services-Communications Investment is jointly controlled by Energy Development Company and Times Battery Services, and therefore, Battery Services-Communications Investment is accounted for as a joint venture of the Group. As of 31 December 2024, Energy Development Company has paid in the capital contribution of RMB68,000,000.

In November 2024, Energy Development Company was able to control the daily business activities of New Energy Company, and New Energy Company changed from an associate to a subsidiary of Energy Development Company. For details, please refer to Note VI.1.

Chengbei Exit Expressway Company, one of the Group's significant associates, is engaged in expressway management and operation. The long-term equity investment in the company, which is not strategically important to the Group's activities, is accounted for using the equity method.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures and associates (continued)

The table below sets forth the financial information of Chengbei Exit Expressway Company, which have been adjusted for accounting differences and reconciled to the carrying value of the financial statements:

	31 December 2024	31 December 2023
Current assets	334,700,470	306,990,871
Including: Cash and cash equivalents	329,574,119	300,843,265
Non-current assets (excluding goodwill)	19,497,237	36,024,789
Total assets	354,197,707	343,015,660
Current liabilities	26,141,133	32,088,220
Non-current liabilities	1,401,000	1,251,000
Total liabilities	27,542,133	33,339,220
Non-controlling interests	—	—
Equity attributable to shareholders of the Company	326,655,574	309,676,440
Share of net assets on a pro-rata basis	130,662,230	123,870,576
Carrying value of the investment	130,662,230	123,870,576
	2024	2023
Revenue	105,888,378	118,220,953
Income tax expense	8,693,208	5,940,547
Net profit	48,214,712	35,069,415
Total comprehensive income	48,214,712	35,069,415
Dividends received	12,494,232	15,843,537

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures and associates (continued)

Chengdu Tongneng, one of the Group's significant associates, is engaged in management and operation of gas stations. The investment in the company, which is not strategically important to the Group's activities, is accounted for using the equity method.

The table below sets forth the financial information of Chengdu Tongneng, which have been adjusted for accounting differences and reconciled to the carrying value of the financial statements:

	31 December 2024	31 December 2023
Current assets	145,608,411	140,683,751
Including: Cash and cash equivalents	107,085,520	86,741,509
Non-current assets (excluding goodwill)	481,245,921	502,997,919
Total assets	626,854,332	643,681,670
Current liabilities	52,541,695	72,270,673
Non-current liabilities	9,750,498	36,379,742
Total liabilities	62,292,193	108,650,415
Non-controlling interests	41,486,790	43,066,702
Equity attributable to shareholders of the Company	523,075,349	491,964,553
Share of net assets on a pro-rata basis	156,922,605	147,589,366
Adjustment	(1,350,116)	(1,170,966)
Carrying value of the investment	155,572,489	146,418,400
	2024	2023
Revenue	417,070,950	498,972,390
Income tax expense	6,522,648	6,416,516
Net profit	35,513,630	35,187,025
Total comprehensive income	35,513,630	35,187,025
Dividends received	1,500,000	—

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

2. Interests in joint ventures and associates *(continued)*

The table below sets forth a summary of the financial information of insignificant joint ventures and associates of the Group:

	2024	2023
Joint ventures		
Total carrying values of investment	80,879,731	62,951,957
Total amounts calculated on a pro-rata basis		
Net (loss)/profit	(1,344,898)	387,686
Total comprehensive (loss)/income	(1,344,898)	387,686
Dividends received	727,328	1,188,241
Change in specialised reserves	–	507,161
Associates		
Total carrying values of investment	139,373,874	189,319,404
Total amounts calculated on a pro-rata basis		
Net profit	330,901	1,041,266
Total comprehensive income	330,901	1,041,266
Dividends received	1,227,155	411,395
Change in specialised reserves	430,924	1,262,859

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

VIII. GOVERNMENT GRANTS

Government grants included in profit or loss for the period are as follows:

	2024	2023
Government grants relating to assets		
Decrease in depreciation by offsetting fixed assets	7,463,707	7,463,707
Government grants relating to income		
Cost offset	3,623,119	837,063
Administrative expenses offset	1,558,358	600,377
Selling expenses offset	46,106	57,805
Total	12,691,290	8,958,952

As at 31 December 2024 and 31 December 2023, there were no government grants receivable in other receivables.

IX. FINANCIAL INSTRUMENTS AND RISKS

1. Risks of financial instruments

The Group is exposed to the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The Group's risk management policy in this regard is summarised below.

(1) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, accounts receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. Transactions that are not settled in the functional currency of the Group will not be granted credit terms unless specifically approved by credit control department.

As the Group trades in currency funds with banks with good reputation and high credit ratings, these financial instruments have low credit risk.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IX. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

1. Risks of financial instruments *(continued)*

(1) Credit risk (continued)

Other financial assets of the Group comprise accounts receivable and other receivables, the credit risk of which arises from counterparty default, with a maximum exposure equal to the carrying value of these instruments.

The Group trades only with recognised and creditworthy third parties, hence there is no requirement for collateral. There is credit concentration risk specific to the Group. As at 31 December 2024, 34.15% (31 December 2023: 44.06%) of the Group's accounts receivable was due from the customer with the most accounts receivable balance, and 93.20% (31 December 2023: 98.38%) was due from the top five customers with most accounts receivable balance. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances.

Criteria for judging significant increases in credit risk

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition at each balance sheet date. The Group's main criteria for determining a significant increase in credit risk are the number of days past due exceeding 30 days, or significant changes in one or more of the following indicators: significant adverse changes in the operating environment in which the debtor operates, internal or external credit ratings, and actual or expected results of operations.

Definition of credit-impaired assets

The Group's main criteria for determining that credit impairment has occurred is that the number of days past due exceeds 90 days, however, the Group also considers credit impairment to have occurred in certain circumstances where internal or external information suggests that full recovery of the contractual amount may not be possible before taking into account any credit enhancements held.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily caused by a single event.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IX. FINANCIAL INSTRUMENTS AND RISKS (continued)

1. Risks of financial instruments (continued)

(1) Credit risk (continued)

Credit risk exposure

Exposures graded by credit risk based on internal ratings:

2024

	12-month expected credit loss Stage I	Lifetime expected credit loss			
		Stage II	Stage III	Simplified measurement method	Total
Accounts receivable	–	–	–	369,821,226	369,821,226
Other receivables	35,705,274	581,181	1,052,909	–	37,339,364
Total	35,705,274	581,181	1,052,909	369,821,226	407,160,590

2023

	12-month expected credit loss Stage I	Lifetime expected credit loss			
		Stage II	Stage III	Simplified measurement method	Total
Accounts receivable	–	–	–	228,317,255	228,317,255
Other receivables	62,666,314	581,181	2,060,051	–	65,307,546
Total	62,666,314	581,181	2,060,051	228,317,255	293,624,801

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IX. FINANCIAL INSTRUMENTS AND RISKS (continued)

1. Risks of financial instruments (continued)

(2) Liquidity risk

The Group's objective is to maintain a balance between the continuity and flexibility of financing through various financing methods. The Group finances its operations through funds generated from operations and borrowings.

The maturity analysis of the financial liabilities based on the contractual undiscounted cash flows, is as follows:

31 December 2024

	Repayment on demand	Within 1 year	1 to 5 years	Over 5 years	Total
Accounts payable	126,989,866	60,812,867	–	–	187,802,733
Other payables	149,871,014	103,875,819	–	–	253,746,833
Long-term borrowings due within one year	–	304,972,739	–	–	304,972,739
Interest of debentures payable due within one year	–	3,969,863	–	–	3,969,863
Long-term borrowings	–	68,597,225	965,804,140	1,295,147,017	2,329,548,382
Debentures payable	–	5,030,137	309,000,000	–	314,030,137
Lease liabilities due within one year	–	16,383,737	–	–	16,383,737
Lease liabilities	–	–	40,790,995	26,617,209	67,408,204
Total	276,860,880	563,642,387	1,315,595,135	1,321,764,226	3,477,862,628

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IX. FINANCIAL INSTRUMENTS AND RISKS (continued)

1. Risks of financial instruments (continued)

(2) Liquidity risk (continued)

31 December 2023

	Repayment on demand	Within 1 year	1 to 5 years	Over 5 years	Total
Repayment on demand	477,690,249	43,985,390	–	–	521,675,639
Accounts payable	74,336,299	145,551,635	–	–	219,887,934
Other payables	–	222,527,220	–	–	222,527,220
Long-term borrowings due within one year	–	3,945,206	–	–	3,945,206
Interest of debentures payable due within one year	–	84,924,197	1,131,261,584	1,546,187,428	2,762,373,209
Long-term borrowings	–	5,054,794	318,000,000	–	323,054,794
Debentures payable	–	12,154,315	–	–	12,154,315
Lease liabilities due within one year	–	–	33,634,212	16,849,400	50,483,612
Total	552,026,548	518,142,757	1,482,895,796	1,563,036,828	4,116,101,929

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IX. FINANCIAL INSTRUMENTS AND RISKS (continued)

1. Risks of financial instruments (continued)

(3) Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's borrowings with floating interest rates. The Group manages interest rate risk by closely monitoring changes in interest rates and reviewing its borrowings on a regular basis.

The table below demonstrates the sensitivity analysis of the impact (of floating rate borrowings) on the net profits or losses and equity (net of tax) when reasonable and possible fluctuations of interest rate occurred, under the assumption that other variables were held constant:

31 December 2024

	Increase/ (Decrease) in base points	Increase/ (Decrease) in net profits or losses	Increase/ (Decrease) in total equity
RMB	5%	(3,749,328)	(3,749,328)
RMB	(5%)	3,749,328	3,749,328

31 December 2023

	Increase/ (Decrease) in base points	Increase/ (Decrease) in net profits or losses	Increase/ (Decrease) in total equity
RMB	5%	(4,348,414)	(4,348,414)
RMB	(5%)	4,348,414	4,348,414

Foreign exchange rate risk

As the Group primarily operates in mainland China and the majority of its businesses are settled in Renminbi, it is not exposed to material foreign exchange rate risk.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

IX. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, to provide returns for the shareholders and to optimise its capital structure in order to minimise the costs of capital.

The Group manages its capital structure and makes adjustment in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce liabilities. No changes were made in the objectives, policies or processes for capital management in 2024 and 2023.

The Group monitors capital using the gearing ratio, which is total liabilities divided by total assets. The Group's gearing ratio as at the balance sheet date is as follows:

	31 December 2024	31 December 2023
Gearing ratio	38%	43%

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

X. FAIR VALUES

1. Assets measured at fair value

31 December 2024

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Other non-current financial assets	—	—	88,790,000	88,790,000

31 December 2023

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Other non-current financial assets	—	—	85,822,000	85,822,000

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

X. FAIR VALUES (continued)

2. Level 3 fair value measurement

The finance department of the Group is led by the chief financial officer and is responsible for formulating policies and procedures for measuring the fair values of financial instruments. On each balance sheet date, the financial department analyses the changes in the value of financial instruments and determines the main input applicable to valuation. The valuation is subject to review and approval by the chief accountant.

The significant unobservable inputs used by Level 3 fair value measurement are summarised below:

2024

	Closing fair value	Valuation technique	Unobservable inputs	Range interval (weighted average)
Other non-current financial assets	6,670,000	Listed companies comparison method	Lack of liquidity discount	30%
Other non-current financial assets	82,120,000	Listed companies comparison method	Lack of liquidity discount	27%

2023

	Closing fair value	Valuation technique	Unobservable inputs	Range interval (weighted average)
Other non-current financial assets	3,750,000	Listed companies comparison method	Lack of liquidity discount	30%
Other non-current financial assets	82,072,000	Comparable transaction method	Selection of comparable company	Not applicable

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

X. FAIR VALUES (continued)

3. Adjustment for continuous Level 3 fair value measurement

During the continuous Level 3 fair value measurement, information on profit or loss included in the profit or loss for the current period is as follows:

	Profit or loss relating to financial assets	
	2024	2023
Changes in the unrealised gain for the current period from assets held at the end of the year	2,968,000	4,532,000
Changes in fair value included in profit or loss	2,968,000	4,532,000

4. Financial assets and financial liabilities not measured at fair value

The management has assessed that the fair values of currency funds, accounts receivable and accounts payable equal to their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

X. FAIR VALUES *(continued)*

4. Financial assets and financial liabilities not measured at fair value *(continued)*

The following is the carrying amount and fair value of financial instruments except for lease liabilities and the financial instruments for which the difference between the carrying amount and fair value is immaterial:

2024

	Book value	Fair value	Inputs used in fair value disclosures Significant unobservable inputs (Level 3)
Financial assets			
Other non-current assets	10,000,000	10,000,000	10,000,000
Financial liabilities			
Long-term borrowings	1,876,781,765	1,875,613,004	1,875,613,004
Debentures payable	300,000,000	299,705,384	299,705,384
Total	2,176,781,765	2,175,318,388	2,175,318,388

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

X. FAIR VALUES (continued)

4. Financial assets and financial liabilities not measured at fair value (continued)

2023

	Book value	Fair value	Inputs used in fair value disclosures Significant unobservable inputs (Level 3)
Financial assets			
Other non-current assets	10,000,000	10,000,000	10,000,000
Financial liabilities			
Long-term borrowings	2,175,781,765	2,175,195,436	2,175,195,436
Debentures payable	300,000,000	299,701,644	299,701,644
Total	2,475,781,765	2,474,897,080	2,474,897,080

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

1. Parent company

Name of the parent company	Place of registration	Nature of business	Shareholding proportion in the Company	Voting rights proportion in the Company	Registered capital
Communications Investment Construction and Management	Chengdu	Investment in, construction, operation and management of transportation infrastructure	54.34%	54.34%	736,147,000

The indirect controlling shareholder of the Company is Chengdu Communications Investment, and the ultimate controller of the Company is the Chengdu SASAC.

2. Subsidiaries

Details of subsidiaries are set out in Note VII.1.

3. Joint ventures and associates

Details of joint ventures and associates are set out in Note VII.2 of the financial statements.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS *(continued)*

4. Other related parties

Related party name	Related party relationship
PetroChina	A non-controlling shareholder of a subsidiary
Yanchang Shell (Sichuan) Petroleum Co., Ltd. ("Yanchang Shell")	A non-controlling shareholder of a subsidiary
Chengluo Petrol Station	Under common control of Chengdu Communications Investment
Chengdu Transportation Junction	Under common control of Chengdu Communications Investment
Chengdu Communications Assets Management Co., Ltd. ("Communications Assets Management")	Under common control of Chengdu Communications Investment
Xinhua Petrol Station	Under common control of Chengdu Communications Investment
Huamin Petrol Station	Under common control of Chengdu Communications Investment
Chengdu Communications Planning Survey Design Research Institute Co. Ltd. ("Communications Survey Design Institute")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Intelligent Parking Industry Development Co., Ltd. ("Communications Investment Intelligent Parking")	Under common control of Chengdu Communications Investment
Chengdu Xingjin Intelligent Parking Lot Construction Development Co., Ltd. ("Xingjin Intelligent Parking Lot")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Construction Waste Recycling Industry Group Co., Ltd. ("Communications Investment Construction Industry")	Under common control of Chengdu Communications Investment
Chengdu Shiyang Transportation Co., Ltd. ("Chengdu Shiyang Transportation")	Under common control of Chengdu Communications Investment
Chengdu Communications Intelligent Transportation Technology Service Co., Ltd. ("Communications Intelligent Transportation")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Construction Co., Ltd. ("Communications Investment Construction")	Under common control of Chengdu Communications Investment
Sichuan Chengmiancangba Expressway Co., Ltd. ("Chengmiancangba Expressway")	Under common control of Chengdu Communications Investment
Sichuan Zhengda Detection Technology Co., Ltd. ("Zhengda Detection")	Under common control of Chengdu Communications Investment
Chengdu Tianfu International Airport Construction Development Co., Ltd. ("Tianfu International Airport Construction")	Under common control of Chengdu Communications Investment
Chengdu Road and Bridge Management Co., Ltd. ("Chengdu Road & Bridge")	Under common control of Communications Investment Construction and Management
Jintai Property & Casualty Insurance Co., Ltd. ("Jintai Insurance")	Company in which related natural persons are directors and senior management (prior to June 2023)
Chengdu Communications Investment Intelligent Transportation Construction Co., Ltd. ("Communications Investment Intelligent Transportation")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Information Technology Co., Ltd. ("Communications Investment Information Technology")	Under common control of Chengdu Communications Investment

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS *(continued)*

4. Other related parties *(continued)*

Related party name	Related party relationship
Chengdu Chengnan Transportation Co., Ltd. ("Chengdu Chengnan Transportation")	Under common control of Chengdu Communications Investment
Chengdu Xinjin Lianxin Transportation Co., Ltd. ("Xinjin Lianxin Transportation")	Under common control of Chengdu Communications Investment
Chengdu Public Transport Group Co., Ltd. ("Chengdu Public Transport Group")	Company in which related natural persons are directors and senior management
Sichuan Yanchang Shell Trading Company Limited ("Sichuan Yanchang")	Subsidiary of Yanchang Shell
Chengdu Communications Investment Railway Investment Group Co., Ltd. ("Chengdu Railway Investment")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Tourism Transportation Development Co., Ltd. ("Communications Investment Tourism Transportation")	Under common control of Chengdu Communications Investment
Chengdu Huisheng Parking Lot Construction and Development Co., Ltd. ("Chengdu Huisheng")	Under common control of Chengdu Communications Investment
Communications Investment Property	Under common control of Chengdu Communications Investment
Bus Asset Management	A non-controlling shareholder of a subsidiary
Chengdu Communications Investment Intelligent Transportation Technology Group Co., Ltd. ("Communications Technology")	Under common control of Chengdu Communications Investment
New Energy Company	Associate of a subsidiary prior to 30 November 2024
Chengdu Jianxun Green Transportation Co., Ltd. ("Jianxun Green")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Capital Management Co., Ltd. ("Communications Investment Capital Management")	Under common control of Chengdu Communications Investment
Shaanxi Yanchang Petroleum Group Sichuan Sales Co., Ltd. ("Shaanxi Yanchang")	Subsidiary of Yanchang Shell
Chengdu Communications Investment Longhu Property Service Co., Ltd. ("Communications Investment Longhu Property")	Under common control of Chengdu Communications Investment
Chengdu Longquanshan Urban Forest Park Operation Management Co., Ltd. ("Urban Forest Park Operation")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Hualian Commercial Management Co., Ltd. ("Communications Investment Hualian Commercial Management")	Under common control of Chengdu Communications Investment
Chengdu Jianxun Smart Technology Co., Ltd. ("Jianxun Smart Technology")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Construction Industrialisation Co., Ltd. ("Communications Investment Industrialisation")	Under common control of Chengdu Communications Investment

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

5. Related party transactions

(1) Sales or purchases of goods and rendering or receipt of services with related parties

Purchases of goods and receipt of services from related parties

	Transaction	2024	Approved transaction cap	Whether exceeded the approved cap	2023
PetroChina	Refined oil	656,282,035	1,400,000,000	Not	659,566,944
Sichuan Yanchang	Refined oil	267,175,958			168,414
Shaanxi Yanchang	Refined oil	26,502,478	700,000,000	Not	–
PetroChina	Refined oil	9,202,891	80,000,000	Not	1,798,071
Yanchang Shell	Non-oil commodities	3,285,992	No	N/A	–
Communications Assets Management	Comprehensive services	2,950,784			3,965,143
Communications Investment Longhu Property	Comprehensive services	421,657			–
Communications Investment Information Technology	Engineering service fee	111,148			–
New Energy Company	Comprehensive services	61,294			–
Chengdu Transportation Junction	Comprehensive services	38,667			501,215
Urban Forest Park Operation	Comprehensive services	6,492			–
Tianfu International Airport Construction	Engineering service fee	–			103,080
Communications Technology	Video conference service fee	–			3,679
Communications Intelligent Transportation	Office system maintenance optimisation fee	–	45,000,000	Not	138,940
Jintai Insurance	Insurance premium	–	No	N/A	986,992
Communications Investment Construction	Highway business management service	6,007,990			7,056,516
Communications Investment Information Technology	Highway business management service	4,743,843			8,760,811
Zhengda Detection	Highway business management service	2,140,063			3,285,446
Communications Survey Design Institute	Highway business management service	481,224			413,552
Chengdu Communications Investment	Highway business management service	213,437			–
Communications Investment Intelligent Transportation	Highway business management service	–	81,500,000	Not	3,679
Total		979,625,953			687,098,803

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(1) Sales or purchases of goods and rendering or receipt of services with related parties (continued)

Sales of goods and rendering of services to related parties

	Transaction	2024	2023
Chengluo Petrol Station	Refined oil and commodities	27,496,198	45,207,052
Huamin Petrol Station	Refined oil and commodities	9,048,925	26,121,579
Sichuan Yanchang	Refined oil	4,621,213	—
Xinhua Petrol Station	Refined oil and commodities	3,427,956	35,223,293
Bus Asset Management	Operation management services	1,575,127	—
Communications Assets Management	Non-oil commodities	913,058	—
Communications Investment Intelligent Parking	Non-oil commodities	820,584	—
Chengdu Transportation Junction	Engineering services	357,798	—
Communications Investment Property	Engineering services	123,632	—
Jianxun Green	Comprehensive services	105,868	—
Communications Investment Industrialisation	Non-oil commodities	57,610	—
New Energy Company	Comprehensive services	39,389	—
Chengdu Railway Investment	Non-oil commodities	3,260	—
Chengdu Chengnan Transportation	Non-oil commodities	890	—
Communications Investment Capital Management	Comprehensive services	750	—
Total		48,592,258	106,551,924

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(2) Entrusted management of assets of related parties

Entrustor	Trustee	Types of assets entrusted	Commencement date of entrustment	End date of entrustment	Entrustment income recognised	
					2024	2023
Chengmian Cangba Expressway	Operation Company/ Chuanlutong Company	Expressway operation and management	2023/12/28	2025/12/27	34,656,046	-
Chengluo Petrol Station	Xinyuanli Energy	Petrol station operation	2022/10/1	2024/12/31	3,434,001	3,474,424
Xinhua Petrol Station	Xinyuanli Energy	Petrol station operation	2022/4/23	2024/12/31	2,537,935	2,911,459
Huamin Petrol Station	Xinyuanli Energy	Petrol station operation	2022/4/23	2024/12/31	1,160,667	1,640,043
Chengdu Communications Investment	Energy Development Company	Third-party construction and management of service areas	2021/3/17	14 days after the project quality warranty expires	-	1,846,931

(3) Lease with related parties

As lessor

Leased assets		2024	2023
Battery Services-Communications Investment	Battery replacement equipment leasing	614,996	-
Tianfu International Airport Construction	Vehicle leasing	142,920	-
New Energy Company	Charging spot leasing	73,846	14,416
Xingjin Intelligent Parking Lot	Property leasing	-	42,345
Teld	Charging spot leasing	-	68,697
Zhongyou Jieneng	Land lease	-	597,383
Total		831,762	722,841

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(3) Lease with related parties (continued)

As lessee

2024

	Leased assets	Rental expenses for short-term lease and low-value asset leases under simplified approach	Variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expense on lease liabilities	Increase in right-of-use assets
Chengdu Transportation Junction	Office premise leasing	267,393	-	5,495,092	648,306	-
Chengdu Communications Investment	Office premise leasing	117,977	-	-	-	-
Chengdu Shiyang Transportation	Site leasing	-	-	87,988	9,901	-
Chengdu Chengnan Transportation	Site leasing	-	-	466,743	89,386	2,779,946
Xinjin Lianxin Transportation	Site leasing	-	-	89,636	9,317	-
Chengdu Public Transport Group	Office premise leasing	-	-	351,074	61,667	14,419,418
Communications Investment Tourism Transportation	Site leasing	-	-	68,571	19,107	688,160
Chengdu Huisheng	Site leasing	-	-	48,377	6,572	860,098
Communications Investment Property	Site leasing	-	-	-	1,107	-
Communications Investment Intelligent Parking	Site leasing	-	-	49,752	2,848	-
Yanchang Shell	Retail management system leasing	115,044	-	195,000	-	-

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(3) Lease with related parties (continued)

As lessee (continued)

2023

	Leased assets	Rental expenses for short-term lease and low-value asset leases under simplified approach	Variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expense on lease liabilities	Increase in right-of-use assets
Chengdu Transportation Junction	Office premise leasing	301,019	–	5,947,239	401,135	16,928,272
Chengdu Shiyang Transportation	Site leasing	–	–	87,988	13,771	351,954
Chengdu Chengnan Transportation	Site leasing	–	–	101,577	22,518	1,963,829
Xinjin Lianxin Transportation	Site leasing	–	–	20,623	4,237	412,463
Chengdu Public Transport Group	Site leasing	–	–	65,359	24,219	522,876
Yanchang Shell	Retail management system leasing	172,566	–	195,000	–	–

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

5. Related party transactions (continued)

(4) Guarantee provided by related parties

Acceptance of the guarantee provided by related parties

2024

	Amount of guarantee	Inception date of guarantee	Expiry date of guarantee	Whether guarantee has been completed
Chengdu Communications Investment	1,505,000,000	2020/6/17	2041/6/17	No
Chengdu Communications Investment	303,969,863	2023/7/25	2026/7/25	No

2023

	Amount of guarantee	Inception date of guarantee	Expiry date of guarantee	Whether guarantee has been completed
Chengdu Communications Investment	1,580,000,000	2020/6/17	2041/6/17	No
Chengdu Communications Investment	305,259,452	2022/5/31	2023/2/25	Yes
Chengdu Communications Investment	304,142,466	2023/2/21	2023/8/20	Yes
Chengdu Communications Investment	303,945,206	2023/7/25	2026/7/25	No

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS *(continued)*

5. Related party transactions *(continued)*

(5) *Borrowing and lending with related parties*

No borrowing and lending with related parties was incurred in 2024 and 2023.

Interest expense

	2024	2023
Communications Investment Construction and Management	1,738,293	2,176,161

(6) *Assets transferred from related parties*

	Transaction	2024	2023
Teld	Purchase of fixed assets	2,595,080	—
Communications Investment Information Technology	Purchase of fixed assets	2,340,160	—
Communications Intelligent Transportation	Purchase of fixed assets	876,822	—
Communications Intelligent Transportation	Purchase of intangible assets	108,740	—
Communications Investment Information Technology	Purchase of intangible assets	38,496	—
Total		5,959,298	—

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS *(continued)*

5. Related party transactions *(continued)*

(7) Other related party transactions

	2024	2023
Remuneration of key management members	5,387,658	5,440,034

(8) Third-party payment of salaries and 5 insurance premiums and 2 contributions

Payment of salaries and 5 insurance premiums and 2 contributions by related parties

	2024	2023
PetroChina	3,508,236	3,458,079
Yanchang Shell	338,378	603,506
Total	3,846,614	4,061,585

Payment of salaries and 5 insurance premiums and 2 contributions for related parties

	2024	2023
Energy Company	754,685	571,226
Chengbei Exit Expressway Company	734,705	—
Battery Services-Communications Investment	633,529	229,638
Chengmian Cangba Expressway	458,191	477,088
Sinopec Energy	338,854	440,029
Chengdu Tongneng	154,907	254,103
Teld	36,039	239,627
Chengdu Jiaoyun CNG	11,000	200,000
Total	3,121,910	2,411,711

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS *(continued)*

5. Related party transactions *(continued)*

(9) Oil products settled by refill cards and electronic coupons

	2024	2023
PetroChina	230,778,111	260,329,096
Chengluo Petrol Station	–	3,567,022
Huamin Petrol Station	–	1,154,683
Xinhua Petrol Station	–	138,367
Total	230,778,111	265,189,168

(10) Debt settlement by a related party on behalf of another party

	2024	2023
Chengdu Communications Investment	–	20,212,527

Tianfu International Airport Construction is the agent project owner for construction of the Jinjianren Freeway (phase II) project on behalf of Chengdu Communications Investment, the project owner, and is responsible for management of the contractor, Guocheng Group, updating Chengdu Communications Investment, the project owner, on project progress and coordinating the payment of construction amounts. In 2021, Xinyuanli Energy, Guocheng Group and Tianfu International Airport Construction entered into an agreement, pursuant to which, Guocheng Group would procure asphalt from Xinyuanli Energy commencing from 2021, and if Guocheng Group fails to pay transaction amounts to Xinyuanli Energy in a timely manner, Xinyuanli Energy shall have the right to ask Tianfu International Airport Construction to assist in applying to Chengdu Communications Investment, the project owner, to deduct the amount equivalent to the transaction amounts from the construction payments due to Guocheng Group, and pay the same directly to Xinyuanli Energy. In 2023, as Guocheng Group did not pay the transaction amounts to Xinyuanli Energy in a timely manner, Xinyuanli Energy, with the assistance of Tianfu International Airport Construction, filed an application to Chengdu Communications Investment, and Chengdu Communications Investment paid RMB20,212,527 to Xinyuanli Energy.

6. Undertakings between the Group and a related party

On 28 December 2023, the Group entered into an entrusted operation contract with Chengmiancangba Expressway, under which Chengmiancangba Expressway entrusted the Group to provide maintenance management, safety management and other day-to-day operation and management for the Chengdu Communications Investment construction section of the Cangba Expressway project. The term of entrustment is until 27 December 2025.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

7. Balance of amounts receivable from and payable to related parties

(1) Receivables

		31 December 2024		31 December 2023	
	Related party	Book balance	Bad debt provision	Book balance	Bad debt provision
Other receivables	Chengdu Chengnan Transportation	693,625	-	118,482	-
Other receivables	Chengluo Petrol Station	649,135	-	1,956,091	-
Other receivables	Teld	550,197	-	514,158	-
Other receivables	Communications Assets Management	464,934	-	351,170	-
Other receivables	Xinhua Petrol Station	407,084	-	1,532,384	-
Other receivables	Bus Asset Management	335,700	-	-	-
Other receivables	Chengdu Communications Investment	334,071	-	307,822	-
Other receivables	Chengdu Huisheng	240,480	-	-	-
Other receivables	Huamin Petrol Station	192,628	-	823,653	-
Other receivables	Chengdu Transportation Junction	151,254	-	137,754	-
Other receivables	Communications Investment Property	120,000	-	-	-
Other receivables	Chengdu Tongneng	116,541	-	8,168	-
Other receivables	Communications Investment Intelligent Parking	90,000	-	-	-
Other receivables	Chengdu Public Transport Group	75,354	-	-	-
Other receivables	Chengdu Shiyang Transportation	65,000	-	65,000	-
Other receivables	PetroChina	25,834	-	40,000	-
Other receivables	Communications Investment Tourism Transportation	20,000	-	-	-
Other receivables	Xinjin Lianxin Transportation	20,000	-	20,000	-
Other receivables	Zhongyou Jieneng	12,000	-	-	-
Other receivables	Xingjin Intelligent Parking Lot	10,000	-	-	-
Other receivables	Sichuan Yanchang	5,639	-	-	-
Other receivables	Battery Services-Communications Investment	-	-	229,638	-
Other receivables	Chengdu Jiaoyun CNG	-	-	37,769	-
Other receivables	Sinopec Energy	-	-	54,838	-
Other receivables	Yanchang Shell	-	-	573,506	-
Other receivables	New Energy Company	-	-	60,935	-
Total		4,579,476	-	6,831,368	-

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

7. Balance of amounts receivable from and payable to related parties (continued)

(1) Receivables (continued)

		31 December 2024		31 December 2023	
	Related party	Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Chengmian Cangba Expressway	17,026,332	-	-	-
Accounts receivable	Bus Asset Management	3,773,797	-	-	-
Accounts receivable	Chengdu Transportation Junction	780,000	-	-	-
Accounts receivable	Communications Investment Hualian Commercial Management	690,000	-	-	-
Accounts receivable	Yanchang Shell	670,409	-	30	-
Accounts receivable	Chengluo Petrol Station	353,545	-	903,349	-
Accounts receivable	Jianxun Green	138,491	-	-	-
Accounts receivable	Communications Investment Property	123,632	-	-	-
Accounts receivable	Xinhua Petrol Station	23,485	-	188,429	-
Accounts receivable	Huamin Petrol Station	16,451	-	2,086,054	-
Accounts receivable	Chengdu Railway Investment	3,260	-	-	-
Total		23,599,402	-	3,177,862	-
Prepayments	PetroChina	24,998,401	-	62,268,495	-
Prepayments	Chengdu Public Transport Group	285,714	-	-	-
Prepayments	Communications Investment Property	193,321	-	-	-
Prepayments	Communications Assets Management	135,470	-	205,254	-
Prepayments	Yanchang Shell	135,044	-	203,500	-
Prepayments	Chengdu Communications Investment	101,450	-	-	-
Prepayments	Communications Investment Longhu Property	83,184	-	-	-
Prepayments	Communications Investment Intelligent Parking	28,982	-	-	-
Prepayments	Teld	10,000	-	-	-
Prepayments	Bus Asset Management	4,525	-	-	-
Prepayments	Chengdu Transportation Junction	-	-	379,138	-
Total		25,976,091	-	63,056,387	-

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

7. Balance of amounts receivable from and payable to related parties (continued)

(2) Payables

	Related party	31 December 2024	31 December 2023
Other payables	Communications Investment Construction and Management (Note 1)	45,233,964	87,176,592
Other payables	Chengdu Communications Investment	11,521,234	9,847,520
Other payables	Yanchang Shell	1,224,660	—
Other payables	Communications Investment Construction	679,445	1,520,992
Other payables	Communications Investment Intelligent Transportation	382,202	382,202
Other payables	Battery Services-Communications Investment	347,701	—
Other payables	PetroChina	259,499	236,513
Other payables	Communications Survey Design Institute	146,500	359,500
Other payables	Sinopec Energy	122,255	—
Other payables	Communications Intelligent Transportation	97,500	97,500
Other payables	Xinjin Lianxin Transportation	90,000	—
Other payables	Zhengda Detection	50,000	50,000
Other payables	Chengdu Road & Bridge	41,560	41,560
Other payables	Communications Investment Tourism Transportation	41,143	—
Other payables	Teld	40,000	—
Other payables	Chengdu Jiaoyun CNG	26,127	—
Other payables	Sichuan Yanchang	8,436	—
Other payables	Chengdu Transportation Junction	56	38,774
Other payables	New Energy Company	—	11,520
Other payables	Chengdu Chengnan Transportation	—	—
Other payables	Chengdu Shiyang Transportation	—	47,086
Other payables	Chengdu Public Transport Group	—	74,240
Other payables	Chengdu Tongneng	—	—
Total		60,312,282	99,883,999

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

7. Balance of amounts receivable from and payable to related parties (continued)

(2) Payables (continued)

	Related party	31 December 2024	31 December 2023
Accounts payable	Communications Investment Construction	7,657,002	5,764,907
Accounts payable	Communications Technology	1,965,530	1,965,530
Accounts payable	Communications Investment Information Technology	1,864,616	5,864,687
Accounts payable	Zhengda Detection	1,769,671	2,595,524
Accounts payable	Yanchang Shell	1,099,426	108,518
Accounts payable	Chengdu Transportation Junction	621,438	1,942,488
Accounts payable	Communications Investment Intelligent Transportation	350,000	350,000
Accounts payable	Communications Assets Management	218,417	101,950
Accounts payable	Communications Intelligent Transportation	95,205	4,500
Accounts payable	Communications Investment Longhu Property	76,449	—
Accounts payable	Communications Survey Design Institute	60,981	41,043
Accounts payable	Communications Investment Intelligent Parking	460	—
Accounts payable	Huamin Petrol Station	—	351,789
Accounts payable	Chengluo Petrol Station	—	555,302
Accounts payable	Xinhua Petrol Station	—	138,367
Total		15,779,195	19,784,605

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (continued)

7. Balance of amounts receivable from and payable to related parties (continued)

(2) Payables (continued)

	Related party	31 December 2024	31 December 2023
Receipts in advance	Chengdu Road & Bridge	400,000	–
Receipts in advance	Battery Services-Communications Investment	308,055	–
Receipts in advance	Teld	34,349	–
Receipts in advance	Yanchang Shell	13,054	19,053
Receipts in advance	Communications Investment Capital Management	1,917	–
Receipts in advance	Communications Investment Property	1,000	–
Receipts in advance	Jianxun Green	904	–
Receipts in advance	Jianxun Smart Technology	784	–
Receipts in advance	Communications Investment Construction Industry	784	–
Receipts in advance	New Energy Company	–	7,389
Total		760,847	26,442
Contract liabilities	Yanchang Shell	518,787	19,053
Contract liabilities	Chengdu Transportation Junction	357,798	–
Contract liabilities	Communications Investment Property	113,424	–
Contract liabilities	Communications Investment Intelligent Parking	–	617,416
Total		990,009	636,469
Lease liabilities	Chengdu Transportation Junction	12,614,848	18,185,617
Lease liabilities	Chengdu Chengnan Transportation	1,504,796	1,873,507
Lease liabilities	Chengdu Public Transport Group	494,172	399,711
Lease liabilities	Xinjin Lianxin Transportation	256,404	330,986
Lease liabilities	Chengdu Shiyang Transportation	190,025	267,870
Total		15,060,245	21,057,691

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XI. RELATED PARTY RELATIONSHIP AND TRANSACTIONS *(continued)*

7. Balance of amounts receivable from and payable to related parties *(continued)*

(2) Payables *(continued)*

Note 1: Other payables between the Group and Communications Investment Construction and Management represent the principal and interest of loans between Communications Investment Construction and Management and Chengdu Expressway Construction. The loan maturity date was 19 January 2025, with an interest rate of 3.45%. In January 2025, both parties signed a loan extension agreement, extending the term to 19 January 2026.

Except for the interest-bearing borrowings disclosed above, the remaining receivables and payables with related parties are non-interest-bearing and unsecured.

Certain related party transactions in respect of items 5(1), 5(2), 5(3) and 5(6) above also constituted continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

XII. COMMITMENTS AND CONTINGENT LIABILITIES

1. Commitments

	31 December 2024	31 December 2023
Capital commitments	663,098,131	84,860,553
Investment commitments	76,000,000	96,000,000
Total	739,098,131	180,860,553

As of 31 December 2024, the Group's capital commitments primarily include funds for land requisition and relocation related to the Chengwenqiong Expressway expansion construction project, survey and design fees, as well as funds for charging pile installation by Electric Power Construction.

In June 2023, Energy Development Company and Times Battery Services jointly established Battery Services-Communications Investment, please refer to Note VII.2 for details. Pursuant to the articles of association of Battery Services-Communications Investment, Energy Development Company subscribed a capital of RMB144,000,000, and as of 31 December 2024, Energy Development Company contributed RMB68,000,000 to the paid-in capital.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XII. COMMITMENTS AND CONTINGENT LIABILITIES *(continued)*

2. Contingent liabilities

Lawsuits between Zhenxing Company and Sichuan Tuochuang Construction Engineering Co., Ltd. ("Tuochuang Construction")

In 2021, Zhenxing Company and Tuochuang Construction entered into an engineering construction contract, pursuant to which Tuochuang Construction was responsible for the construction of the Ande Service Area Project (Phase I). In May 2024, Tuochuang Construction filed a lawsuit against Zhenxing Company with the Pidu District People's Court of Chengdu City, demanding payment of outstanding project fees and various compensations totaling RMB28,059,936.

Upon receiving the aforementioned complaint, Zhenxing Company filed a counterclaim with the Pidu District People's Court of Chengdu City on the grounds of delayed completion of the project in question, demanding Tuochuang Construction pay liquidated damages of RMB10,032,492 for overdue project delivery.

On 17 March 2024, a third-party agency entrusted by the People's Court of Pidu District, Chengdu, issued the Appraisal Opinion of Project Cost, and according to the appraisal opinion, Zhenxing Company should pay the project cost and other compensation totaling RMB24,850,020.

As of the date of this report, Pidu District People's Court of Chengdu City has not awarded any judgement regarding the case.

As of 31 December 2024, Zhenxing Company included project fees payable to Tuochuang Construction of RMB11,715,196 in other payables, and recognised provisions of RMB2,607,611 (Note V.30), totaling RMB14,322,807. The management did not recognise provisions regarding the remaining compensation demanded by Tuochuang Construction based on the progress of the case and advice from the solicitor.

XIII. EVENTS AFTER THE BALANCE SHEET DATE

The Group has no events after the balance sheet date that need to be disclosed during the year.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS

1. Segment reporting

Operating segment

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

- (1) the expressway segment is responsible for the operation and management of expressways in mainland China;
- (2) the energy segment is responsible for the operation and management of petrol stations and gas stations in mainland China.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted total profit from continuing operations. The adjusted total profit from continuing operations is measured consistently with the Group's total profit from continuing operations except that investment income and head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets as they are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and dividends payable as they are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the fair prices used for sales made to third parties.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS (continued)

1. Segment reporting (continued)

Operating segment (continued)

2024

	Expressway segment	Energy segment	Adjustment and eliminations	Total
Revenue from external customers	1,612,188,802	1,303,197,341	–	2,915,386,143
Revenue from inter-segment transactions	1,985,563	8,402,947	(10,388,510)	–
External transaction costs	731,832,273	1,102,908,839	–	1,834,741,112
Investment income from joint ventures and associates	19,285,886	9,640,092	–	28,925,978
Credit impairment loss	(1,651,423)	5,000	–	(1,646,423)
Depreciation and amortisation	341,269,522	37,616,206	–	378,885,728
Total profit	719,290,405	66,691,376	–	785,981,781
Income tax expense	189,646,988	24,851,653	1,828,745	216,327,386
Total assets	6,943,937,859	2,071,403,714	26,606,238	9,041,947,811
Total liabilities	3,097,958,606	159,938,624	192,113,097	3,450,010,327
Long-term equity investments in joint ventures and associates	130,662,230	375,826,094	–	506,488,324
Increase in other non-current assets other than long-term equity investments	(135,016,252)	210,823,917	(4,963,067)	70,844,598

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS (continued)

1. Segment reporting (continued)

Operating segment (continued)

2023

	Expressway segment	Energy segment	Adjustment and eliminations	Total
Revenue from external customers	1,593,531,284	1,300,509,697	–	2,894,040,981
Revenue from inter-segment transactions	1,085,855	3,098,071	(4,183,926)	–
External transaction costs	729,001,204	1,122,989,376	–	1,851,990,580
Investment income from joint ventures and associates	14,027,766	11,985,060	–	26,012,826
Credit impairment loss	11,571,837	1,086,932	–	12,658,769
Depreciation and amortisation	354,927,292	30,957,219	(747,328)	385,137,183
Total profit	729,963,854	76,902,823	–	806,866,677
Income tax expense	115,824,389	27,875,589	990,310	144,690,288
Total assets	7,529,159,946	1,694,017,725	31,569,305	9,254,746,976
Total liabilities	3,590,823,544	166,227,506	195,371,779	3,952,422,829
Long-term equity investments in joint ventures and associates	123,870,576	398,689,761	–	522,560,337
Decrease in other non-current assets other than long-term equity investments	(579,553,063)	157,986,587	3,092,327	(418,474,149)

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS (continued)

1. Segment reporting (continued)

Other information

Information about products and services

Revenue from external customers

	2024	2023
Toll income	1,432,748,797	1,470,432,380
Revenue from sales of refined oil	1,259,954,132	1,269,066,964
Revenue from operation and management services	106,979,454	70,426,406
Revenue from construction services	39,609,163	12,058,159
Revenue from convenience stores	25,662,995	17,372,516
Rental income	19,125,369	13,333,907
Revenue from maintenance services	17,942,870	17,299,626
Forward traffic volume compensation	7,107,691	3,697,111
Service fee income from charging piles	2,566,579	—
Gas refueling income	1,758,228	—
Traffic volume compensation for operation suspension at a toll station	—	13,283,433
Other revenue	1,930,865	7,070,479
Total	2,915,386,143	2,894,040,981

Geographical information

The Group's revenue is generated from and its non-current assets are located in Mainland China to the exception of financial assets and deferred tax assets.

Information about major customers

The Group has a diverse customer base and no revenue derived from a single customer contributed to 10% or more of the total revenue of the Group.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS *(continued)*

2. Remunerations of directors and supervisors and five highest paid employees

(1) *Remunerations of directors and supervisors*

Remunerations of directors and supervisors during the year are disclosed as follows:

	2024	2023
Fees	270,000	270,000
Other emoluments:		
Salaries, allowances and subsidies	1,524,480	1,577,976
Bonus	937,731	549,196
Pension insurance	204,601	197,827
Total	2,936,812	2,594,999

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS (continued)

2. Remunerations of directors and supervisors and five highest paid employees (continued)

(1) Remunerations of directors and supervisors (continued)

The names of the directors and supervisors and their remunerations during the year are as follows:

2024

	Fees	Salaries, allowances and subsidies	Bonus	Pension insurance	Total
Directors-Executive directors:					
Yang Tan	-	360,000	368,788	41,501	770,289
Ding Dapan	-	324,600	323,689	41,501	689,790
Xia Wei	-	324,600	159,888	41,501	525,989
Directors-Non-executive directors:					
Yang Bin ⁽¹⁾	-	-	-	-	-
Wu Haiyan ⁽¹⁾	-	-	-	-	-
Supervisors:					
Jiang Yan ⁽¹⁾	-	-	-	-	-
Xu Jingxian	-	281,220	72,059	41,501	394,780
Zhang Yi ⁽¹⁾	-	-	-	-	-
Zhang Chengyi ⁽¹⁾	-	-	-	-	-
Zheng Lifang	-	234,060	13,307	38,597	285,964
Independent directors:					
Leung Chi Hang Benson	150,000	-	-	-	150,000
Qian Yongjiu	60,000	-	-	-	60,000
Wang Peng	60,000	-	-	-	60,000
Total	270,000	1,524,480	937,731	204,601	2,936,812

Note 1: During the year, Mr. Yang Bin and Ms. Wu Haiyan, as non-executive directors, and Ms. Jiang Yan, Mr. Zhang Yi and Mr. Zhang Chengyi, as supervisors, did not receive remunerations in the Company.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS (continued)

2. Remunerations of directors and supervisors and five highest paid employees (continued)

(1) Remunerations of directors and supervisors (continued)

2023

	Fees	Salaries, allowances and subsidies	Bonus	Pension insurance	Total
Directors-Executive directors:					
Yang Tan	–	365,763	173,911	39,780	579,454
Luo Dan	–	196,810	101,888	22,798	321,496
Ding Dapan	–	337,507	128,771	39,780	506,058
Xia Wei	–	137,846	–	16,982	154,828
Directors-Non-executive directors:					
Yang Bin	–	–	–	–	–
Wu Haiyan	–	–	–	–	–
Supervisors:					
Jiang Yan	–	–	–	–	–
Xu Jingxian	–	279,269	59,407	39,780	378,456
Chen Yong	–	204,727	85,219	29,591	319,537
Zhang Yi	–	–	–	–	–
Zhang Chengyi	–	–	–	–	–
Zheng Lifang	–	56,054	–	9,116	65,170
Independent directors:					
Leung Chi Hang Benson	150,000	–	–	–	150,000
Qian Yongjiu	60,000	–	–	–	60,000
Wang Peng	60,000	–	–	–	60,000
Total	270,000	1,577,976	549,196	197,827	2,594,999

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the year. No emoluments were paid by the Group to any of the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office. There was no other remuneration due to independent non-executive directors during the year (2023: nil).

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XIV. OTHER EVENTS (continued)

2. Remunerations of directors and supervisors and five highest paid employees (continued)

(2) Five highest paid employees

An analysis of the headcounts of the five highest paid employees within the Group is as follows:

Number of employees

	2024	2023
Directors	2	2
Non-director and non-supervisor	3	3
Total	5	5

Details of the directors' and supervisors' remuneration are set out above.

Details of the remuneration of the above non-director and non-supervisor, highest paid employees are as follows:

	2024	2023
Salaries, allowances and subsidies	973,800	987,548
Bonus	562,688	389,326
Pension insurance	124,504	112,547
Total	1,660,992	1,489,421

Remunerations of the above non-director and non-supervisor, highest paid employees in 2024 and 2023 were below RMB1,000,000.

The Group has not paid any remuneration to any of the top five employees mentioned above as a bonus when joining or joining upon the Group or as compensation for resignation.

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XV. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY

1. Accounts receivable

An ageing analysis of accounts receivable is as follows:

	31 December 2024	31 December 2023
Within 1 year (inclusive)	7,391,315	9,610,306
Less: Provision for bad debts of accounts receivable	—	—
Total	7,391,315	9,610,306

As at 31 December 2024, balance of accounts receivable of the Company primarily represented clearing toll receivable from Sichuan Intelligent of RMB6,886,680, accounting for 93.17%. As at 31 December 2023, balance of accounts receivable of the Company primarily represented clearing toll receivable from Sichuan Intelligent of RMB9,245,306, accounting for 96.20%. Upon assessment, the management considered that the accounts receivable of the Company are generally collected within one year, and therefore no bad debt was provided.

2. Other receivables

	31 December 2024	31 December 2023
Interest receivable	9,124,160	10,399,242
Other receivables	473,683,603	103,166,428
Total	482,807,763	113,565,670

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XV. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other receivables (continued)

An ageing analysis of other receivables is set out below:

	31 December 2024	31 December 2023
Within 1 year (inclusive)	400,268,322	51,985,998
1 to 2 years (inclusive of 2 years)	24,428,032	39,132,200
2 to 3 years (inclusive of 3 years)	37,676,644	1,500
Over 3 years	11,310,605	12,567,045
	473,683,603	103,686,743
Less: Provision for bad debts of other receivables	–	520,315
Total	473,683,603	103,166,428

Movements of bad debt provided for other receivables are set out below:

	Opening balance	Provision during the year	Written-off during the year	Closing balance
2024	520,315	–	(520,315)	–
2023	520,315	–	–	520,315

Notes: As of 31 December 2024, the total amount of related party funds within the scope of consolidation was RMB453,648,050, mainly due to the loans provided by the Company to its subsidiaries Chengwenqiong Expressway and Chengming Expressway.

On 11 December 2024, the Company provided a loan of RMB400,000,000 to Chengwenqiong Expressway Company, with a term of one year from the actual drawdown date, an annual interest rate of 2.35%, and principal and interest to be repaid in a lump sum at maturity.

On 10 January 2020 and 20 January 2020, the Company extended loans of RMB310,000,000 and RMB83,750,600, respectively, to Chengming Expressway Company for a term of five years from the date of receipt at an annual interest rate of five-year loan interest rate published by the People's Bank of China. Interests shall be repayable in installments and principal shall be repayable upon maturity. In June 2020, Chengming Expressway Company repaid RMB346,719,930. Pursuant to the loan agreements, the Company shall have the right to demand early repayment from Chengming Expressway Company based on its actual operating condition. Therefore, the loans were included in current assets. On 17 June 2022, the Company extended loan of RMB35,000,000 to Chengming Expressway Company for a term of one year from the date of receipt at an annual interest rate of 2.8% with interest and principal repayable in one lump sum upon maturity. In 2023, Chengming Expressway Company repaid interest and principal of the loan of RMB37,749,540 to the Company. As at 31 December 2024, the principal and interest of the loans granted to Chengming Expressway Company totaled RMB53,438,860 (31 December 2023: RMB53,438,860).

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XV. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments

2024

	Opening balance	Additional investment	Movements during the year			Closing balance	Provision for impairment at the end of the year
			Investment income or loss under the equity method	Cash dividend declared	Provision for impairment		
Subsidiaries							
Chengwenqiong Expressway Company	755,552,237	-	-	-	-	755,552,237	-
Chengpeng Expressway Company	680,935,943	-	-	-	-	680,935,943	-
Chengdu Airport Expressway Company	201,484,177	-	-	-	-	201,484,177	-
Chengming Expressway Company	485,142,600	-	-	-	-	485,142,600	(16,578,653)
Operation Company	20,000,000	-	-	-	-	20,000,000	-
Zhenxing Company	80,000,000	-	-	-	-	80,000,000	-
Energy Development Company	851,295,275	210,708,686	-	-	-	1,062,003,961	-
Chuanlutong Company	-	15,000,000	-	-	-	15,000,000	-
Subtotal	3,074,410,232	225,708,686	-	-	-	3,300,118,918	(16,578,653)
Associate							
Chengbei Exit Expressway Company	123,870,576	-	19,285,886	(12,494,232)	-	130,662,230	-
Total	3,198,280,808	225,708,686	19,285,886	(12,494,232)	-	3,430,781,148	(16,578,653)

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XV. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

2023

		Movements during the year					
	Opening balance	Additional investment	Investment income or loss under the equity method	Cash dividend declared	Provision for impairment	Closing balance	Provision for impairment at the end of the year
Subsidiaries							
Chengwenqiong Expressway Company	755,552,237	—	—	—	—	755,552,237	—
Chengpeng Expressway Company	680,935,943	—	—	—	—	680,935,943	—
Chengdu Airport Expressway Company	201,484,177	—	—	—	—	201,484,177	—
Chengming Expressway Company	485,142,600	—	—	—	—	485,142,600	(16,578,653)
Operation Company	20,000,000	—	—	—	—	20,000,000	—
Zhenxing Company	80,000,000	—	—	—	—	80,000,000	—
Energy Development Company	629,247,996	222,047,279	—	—	—	851,295,275	—
Subtotal	2,852,362,953	222,047,279	—	—	—	3,074,410,232	(16,578,653)
Associate							
Chengbei Exit Expressway Company	125,686,347	—	14,027,766	(15,843,537)	—	123,870,576	—
Total	2,978,049,300	222,047,279	14,027,766	(15,843,537)	—	3,198,280,808	(16,578,653)

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XV. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

Provision for impairment of long-term equity investments:

2024 and 2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Chengming Expressway Company	16,578,653	—	—	16,578,653

4. Revenue and cost of sales

	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal business	491,009,372	180,472,412	474,844,867	188,042,132
Other business	26,279,488	17,659,916	34,852,100	15,878,280
Total	517,288,860	198,132,328	509,696,967	203,920,412

NOTES TO FINANCIAL STATEMENTS

2024 Unit: RMB

XV. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Revenue and cost of sales (continued)

A breakdown of revenue is as follows:

	2024	2023
Major types of revenue		
Toll income	425,818,567	412,444,388
Revenue from operation and management services	65,190,805	62,400,479
Revenue from maintenance services	17,942,870	17,299,626
Forward traffic volume compensation	7,107,691	3,697,111
Rental income	1,224,997	570,204
Traffic volume compensation for operation suspension at a toll station	—	13,283,433
Others	3,930	1,726
Total	517,288,860	509,696,967
Time of recognition of revenue		
At a point in time	443,765,367	429,745,740
Over time	73,523,493	79,951,227
Total	517,288,860	509,696,967

5. Investment income

	2024	2023
Income from long-term equity investments under cost method	143,514,390	278,470,146
Income from long-term equity investments under equity method	19,285,886	14,027,766
Distribution on other non-current financial assets	2,800,000	525,800
Total	165,600,276	293,023,712

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Yang Tan (*Chairman of the Board*)
Mr. Ding Dapan (*General Manager*)
Mr. Xia Wei

Non-executive Directors

Ms. Wu Haiyan
Mr. Jiang Xinliang

Independent non-executive Directors

Mr. Leung Chi Hang Benson
Mr. Qian Yongjiu
Mr. Wang Peng

COMPANY SECRETARY

Ms. Kwong Yin Ping, Yvonne

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Leung Chi Hang Benson (*Chairman*)
Ms. Wu Haiyan
Mr. Wang Peng

NOMINATION COMMITTEE

Mr. Qian Yongjiu (*Chairman*)
Mr. Yang Tan
Mr. Wang Peng

REMUNERATION AND EVALUATION COMMITTEE

Mr. Wang Peng (*Chairman*)
Ms. Wu Haiyan
Mr. Qian Yongjiu

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. Yang Tan (*Chairman*)
Mr. Leung Chi Hang Benson
Mr. Qian Yongjiu

SUPERVISORY COMMITTEE

Ms. Jiang Yan
(*Chairlady of the Supervisory Committee and shareholder representative Supervisor*)
Mr. Zhang Chengyi
(*shareholder representative Supervisor*)
Mr. Zhang Yi (*shareholder representative Supervisor*)
Ms. Xu Jingxian (*employee representative Supervisor*)
Ms. Zheng Lifang (*employee representative Supervisor*)

AUTHORISED REPRESENTATIVES

Mr. Yang Tan
Mr. Xia Wei

AUDITOR

Ernst & Young Hua Ming LLP
(*Recognised Public Interest Entity Auditor*)

LEGAL ADVISERS

As to Hong Kong Law:
DLA Piper Hong Kong

As to PRC Law:
Tahota Law Firm (泰和泰律師事務所)

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China Construction Bank Chengdu No.1 Sub-branch
Industrial and Commercial Bank Chengdu Binjiang
Wuhouci Sub-branch

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