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**安徽皖通高速公路股份有限公司**

**ANHUI EXPRESSWAY COMPANY LIMITED**

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

**(Stock Code: 995)**

**Announcement of Interim Results for  
the Six Months Ended 30 June 2022**

The board of directors (the “Board”) of Anhui Expressway Company Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 (the “Reporting Period”). The unaudited interim results were reviewed by the audit committee of the Company.

The unaudited condensed consolidated financial information prepared according to the Hong Kong Accounting Standards (“HKAS”) for the six months ended 30 June 2022 together with the unaudited comparative figures for the corresponding period in 2021, are as follows:

## I. FINANCIAL HIGHLIGHTS

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

### Interim condensed consolidated income statement

**For the six months ended 30 June 2022**

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

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2022</b>	2021 (Restated)
<b>Revenue</b>	3	<b>2,816,252</b>	1,947,814
Cost of sales		<u>(1,781,058)</u>	<u>(788,461)</u>
<b>Gross profit</b>		<b>1,035,194</b>	1,159,353
Other income and gains – net	12	<b>66,540</b>	81,098
Administrative expenses		<b>(69,352)</b>	(55,538)
Net impairment reversal on financial assets		<u><b>109</b></u>	<u>91</u>
<b>Operating profit</b>		<b>1,032,491</b>	1,185,004
Finance costs	4	<b>(118,045)</b>	(142,188)
Share of profits of associates		<u><b>8,196</b></u>	<u>6,595</u>
<b>Profit before income tax</b>		<b>922,642</b>	1,049,411
Income tax expenses	5	<u><b>(275,375)</b></u>	<u>(270,228)</u>
<b>Profit for the period</b>		<u><u><b>647,267</b></u></u>	<u><u>779,183</u></u>
<b>Attributable to:</b>			
Owners of the Company		<b>667,510</b>	764,241
Non-controlling interests		<u><b>(20,243)</b></u>	<u>14,942</u>
		<u><u><b>647,267</b></u></u>	<u><u>779,183</u></u>
<b>Basic and diluted earnings per share</b>	6		
(expressed in Renminbi per share)		<u><u><b>0.4025</b></u></u>	<u><u>0.4608</u></u>

**Interim condensed consolidated statement of comprehensive income**  
**For the six months ended 30 June 2022**

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
		<b>(Restated)</b>
<b>Profit for the period</b>	<b>647,267</b>	<b>779,183</b>
<b>Other comprehensive income/(loss) :</b>		
<i><u>Items that will not be reclassified subsequently</u></i>		
<i><u>to profit or loss</u></i>		
Change in value of financial assets at FVOCI, net of tax	<u>319</u>	<u>210</u>
<b>Total comprehensive income for the period</b>	<b><u>647,586</u></b>	<b><u>779,393</u></b>
<b>Attributable to:</b>		
Owners of the Company	<b>667,829</b>	<b>764,451</b>
Non-controlling interests	<u><b>(20,243)</b></u>	<u><b>14,942</b></u>
	<b><u>647,586</u></b>	<b><u>779,393</u></b>

# Interim condensed consolidated balance sheet

As at 30 June 2022

(All amounts in Renminbi thousands unless otherwise stated)

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

		Unaudited 30 June 2022	Audited 31 December 2021
<b>ASSETS</b>	<i>Note</i>		
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary share capital		1,658,610	1,658,610
Share premium		1,415,593	1,415,593
Other reserves		(727,879)	(728,178)
Retained earnings		8,833,923	9,078,629
		<u>11,180,247</u>	<u>11,424,654</u>
Non-controlling interests		778,521	555,169
		<u>11,958,768</u>	<u>11,979,823</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term payables		275,000	294,500
Borrowings		6,231,493	4,726,409
Deferred income tax liabilities		38,934	41,069
Deferred income		120,318	126,783
		<u>6,665,745</u>	<u>5,188,761</u>
<b>Current liabilities</b>			
Trade and other payables	11	1,946,035	2,154,283
Current income tax liabilities		63,832	215,824
Provision		121,682	77,844
Borrowings		435,728	348,934
		<u>2,567,277</u>	<u>2,796,885</u>
<b>Total liabilities</b>		<u>9,233,022</u>	<u>7,985,646</u>
<b>Total equity and liabilities</b>		<u>21,191,790</u>	<u>19,965,469</u>

**Interim condensed consolidated statement of changes in equity**  
**For the six months ended 30 June 2022**  
*(All amounts in Renminbi thousands unless otherwise stated)*

	Attributable to equity holders of the Company					
	Ordinary share capital	Share premium	Other reserves	Retained earnings	Non-controlling interests	Total
<b>Balance at 1 January 2021 (restated)</b>	<u>1,658,610</u>	<u>1,415,593</u>	<u>518,952</u>	<u>7,948,104</u>	<u>637,193</u>	<u>12,178,452</u>
<b>Comprehensive income</b>						
Profit for the period (unaudited)	-	-	-	764,241	14,942	779,183
Other comprehensive income (unaudited)						
– Fair value change on financial assets at FVOCI, net of tax (unaudited)	<u>-</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>-</u>	<u>210</u>
<b>Total comprehensive income (unaudited)</b>	<u>-</u>	<u>-</u>	<u>210</u>	<u>764,241</u>	<u>14,942</u>	<u>779,393</u>
<b>Transactions with owners</b>						
Dividends relating to 2020(unaudited)	-	-	-	(381,480)	-	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2020 (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,172)</u>	<u>(113,172)</u>
Others (unaudited)	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>20</u>	<u>-</u>	<u>-</u>
<b>Balance at 30 June 2021 (unaudited)</b>	<u><u>1,658,610</u></u>	<u><u>1,415,593</u></u>	<u><u>519,142</u></u>	<u><u>8,330,885</u></u>	<u><u>538,963</u></u>	<u><u>12,463,193</u></u>

	Attributable to equity holders of the Company					Total
	Ordinary share capital	Share premium	Other reserves	Retained earnings	Non-controlling interests	
Balance at 1 January 2022 (audited)	1,658,610	1,415,593	(728,178)	9,078,629	555,169	11,979,823
<b>Comprehensive income</b>						
Profit for the period (unaudited)	-	-	-	667,510	(20,243)	647,267
Other comprehensive income (unaudited)						
– Fair value change on financial assets at FVOCI, net of tax (unaudited)	-	-	319	-	-	319
<b>Total comprehensive income (unaudited)</b>	-	-	319	667,510	(20,243)	647,586
<b>Transactions with owners</b>						
Dividends relating to 2021 (unaudited)	-	-	-	(912,236)		(912,236)
Dividends paid to a non-controlling interest of subsidiaries relating to 2021 (unaudited)	-	-	-	-	(201,246)	(201,246)
Capital injection by minority shareholders					444,841	444,841
Others (unaudited)	-	-	(20)	20	-	-
<b>Balance at 30 June 2022 (unaudited)</b>	<b>1,658,610</b>	<b>1,415,593</b>	<b>(727,879)</b>	<b>8,833,923</b>	<b>778,521</b>	<b>11,958,768</b>

**Interim condensed consolidated cash flow statement****For the six months ended 30 June 2022***(All amounts in Renminbi thousands unless otherwise stated)*

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2022</b>	<b>2021</b>
			<b>(Restated)</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations		<b>1,504,074</b>	1,155,293
Interest paid		<b>(112,466)</b>	(61,692)
Income tax paid		<b>(420,000)</b>	(413,829)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>971,608</b>	679,772
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	<b>(23,930)</b>	(3,231)
Purchase of intangible assets	9	<b>(327)</b>	(75)
Additions to service concession arrangements		<b>(1,044,503)</b>	–
Net increase in restricted cash		<b>(500,000)</b>	(89,981)
Proceeds from disposal of financial assets at FVPL		<b>76,379</b>	3,127,357
Payments for purchase of financial assets at FVPL		<b>(33,208)</b>	(2,500,000)
Proceeds from sales of property, plant and equipment		<b>790</b>	11,121
Interest received		<b>11,776</b>	22,797
Dividend received from financial assets at FVPL		<b>13,283</b>	17,933
Dividend received from financial assets at FVOCI		<b>10,384</b>	6,291
		<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,489,356)</b>	592,212
		<hr/>	<hr/>



	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
		<b>(Restated)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	<b>1,791,107</b>	1,753,342
Repayments of bank borrowings	<b>(246,058)</b>	(748,773)
Capital injection by minority shareholders	<b>444,841</b>	–
Repayments of long-term payables	<b>(19,500)</b>	(238,428)
Dividends paid to the non-controlling interests	<b>(201,246)</b>	–
Payment of consideration acquisition of a subsidiary under common control	<b>(1,105,000)</b>	–
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>664,144</b>	766,141
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>146,396</b>	2,038,125
Cash and cash equivalents at beginning of the period	<b>3,359,918</b>	1,973,718
Exchange gains on cash and cash equivalents	<b>–</b>	(44)
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>3,506,314</b>	4,011,799
	<hr/>	<hr/>

**Notes:**

**1 BASIS OF PREPARATION**

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

**2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

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

Amendments to HKFRS 3 Reference to the Conceptual Framework

Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2022

Amendments to HKAS 16 Property, Plant and Equipment: Proceeds before Intended Use

Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to IFRS Amendments to IFRS 1, IFRS 9, Illustrative Examples Standards 2018–2020 accompanying IFRS 16, and IAS 41.

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

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

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

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

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

### 3 REVENUE

	Unaudited	
	For the six months ended 30 June	
	2022	2021
Toll roads income, rental income and others	1,824,618	1,914,453
Revenue from construction or upgrade work under Service Concessions	991,634	32,951
Interest income from pawn loans to customers	—	410
	<u>2,816,252</u>	<u>1,947,814</u>

### 4 FINANCE COSTS

	Unaudited	
	For the six months ended 30 June	
	2022	2021
Interest expenses	118,533	142,188
Including: amortisation of long-term payables	4,431	73,091
Less: capitalised interest expenses ( <i>Note 9</i> )	488	—
	<u>118,045</u>	<u>142,188</u>

### 5 TAXATION

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

	Unaudited	
	For the six months ended 30 June	
	2022	2021
Current taxation – CIT ( <i>a</i> )	268,007	297,087
Deferred taxation credited to the consolidated income statement	7,368	(26,859)
	<u>275,375</u>	<u>270,228</u>

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

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

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

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The Group will fulfill the obligation of WHT in 2022 for dividends related to 2021 which will be paid to foreign shareholders.

**6 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. No diluted earnings per share is presented, as the Company has no dilutive potential shares.

	<b>Unaudited</b>	
	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Profit attributable to equity holders of the Company	<b>667,510</b>	764,241
Weighted average number of ordinary shares in issue (thousand)	<b>1,658,610</b>	1,658,610
Basic earnings per share (expressed in RMB per share)	<b>0.4025</b>	0.4608

**7 DIVIDENDS**

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

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

## 8 COMMITMENTS

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

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

## 9 CAPITAL EXPENDITURES

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

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

## 10 RECEIVABLES AND PREPAYMENTS

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

The ageing analysis of the other receivables were as follows:

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

- (a) As at 30 June 2022, toll roads income receivable mainly represented receivable from Anhui Expressway Network Operations Co., Ltd. (“安徽高速公路聯網運營有限公司”, “AENO”, the toll settlement centre of Anhui Province) of RMB117,585 thousand (31 December 2021: RMB81,795 thousand) for uncollected toll roads income.

(b) Pawn loans to customers

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

	30 June 2022 (unaudited)	31 December 2021 (audited)
Pawn loans to customers		
– Principal	28,579	28,579
– Interest	–	–
	<u>28,579</u>	<u>28,579</u>
Less: Impairment allowances	<u>(20,005)</u>	<u>(20,005)</u>
Pawn loans to customers, net	<u><u>8,574</u></u>	<u><u>8,574</u></u>

Pawn loans to customers are arising from the Group's pawn loans business. The loan periods granted to customers are six months and bore fixed interest rates ranging from 10.92% to 13.20% for the six months ended 30 June 2022 (2021: bore fixed interest rates ranging from 10.92% to 12.00%). The Group ceased interest accrual once pawn loans were over due.

Reconciliation of provision account for loss on pawn loans to customers is as follows:

	Unaudited For the six months ended 30 June 2022	2021
Beginning of the period (audited)	(20,005)	(31,949)
Impairment losses reversed (unaudited) (Note 2)	<u>–</u>	<u>83</u>
End of the period (unaudited)	<u><u>(20,005)</u></u>	<u><u>(31,866)</u></u>

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

	Unaudited For the six months ended 30 June 2022	2021
Beginning of the period (audited)	(15,943)	(5,228)
Impairment losses recognised (unaudited)	<u>110</u>	<u>8</u>
End of the period (unaudited)	<u><u>(15,833)</u></u>	<u><u>(5,220)</u></u>

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

As at 30 June 2022 and 31 December 2021, the fair values of the other receivables of the Group approximated their carrying amounts.



## 11 TRADE AND OTHER PAYABLES

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

As at 30 June 2022, trade and other payables of RMB298,174 thousand were aged over one year (31 December 2021: RMB430,371 thousand). These payables were mainly payables for construction projects which will be settled after project completion and current portion of long-term payables.

As at 30 June 2022 and 31 December 2021, the fair values of trade and other payables, except for staff salaries and welfare, other taxation payables and advance rent receipts approximated their carrying amounts.

## 12 OTHER INCOME AND GAINS – NET

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

## II. INTERIM RESULTS AND DIVIDENDS

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

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

*Note:*

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

The 2021 profit appropriation plan of the Company was approved at the 2021 annual general meeting held by the Company on 20 May 2022 (the “Annual General Meeting”), details of which are as follows: To pay a final cash dividend of RMB912,235.50 thousand on the basis of RMB5.5 for every 10 shares (tax inclusive) based on the total number of 1,658,610,000 shares of the Company.

Pursuant to the authorization given by the Annual General Meeting, the Board published the voting results announcement of the 2021 Annual General Meeting on 21 May 2022 in the Shanghai Securities News, China Securities Journal and on 20 May 2022 on the website of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), and determined a final dividend for H shares of HK\$0.6376 (tax inclusive) per share, which was priced in RMB and paid in HKD. The Company would pay dividends in respect of the H shares to the holders of H shares of the Company whose names appeared in the register of members of the Company on 27 May 2022. Cheques for the H Share dividends were despatched by ordinary post to holders of H Shares at their own risk on or before 20 July 2022. On 13 July 2022, the Company published the 2021 profit appropriation implementation announcement in the Shanghai Securities News and China Securities Journal and determined that for holders of domestic shares, the record date was 19 July 2022, the ex-dividend date was 20 July 2022 and the dividend payout date was 20 July 2022.

The 2021 profit appropriation plan of the Company has been implemented in July 2022.

The Board recommends that the Company will neither pay the dividends for the six months ended 30 June 2022 (six months ended 30 June 2021: nil) nor convert the capital reserve to share capital.

### III. REPORT OF THE BOARD

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

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

The COVID-19 pandemic has had significant impact on the Group's production and business activities since 2020. From January to the first ten days of March 2022, the toll revenue increased steadily year on year. Since the middle of March, affected by the economic downturn, the pandemic situation in surrounding provinces and the prevention and control measures, the cross regional flow of people and vehicles has decreased, and the total traffic volume and toll revenue of the road network have decreased compared with the same period of last year. During the Reporting Period, the Group achieved a total revenue of RMB1,781,735 thousand (after tax) (2021: RMB 1,872,217 thousand), representing a decrease of 4.83% as compared with the same period last year.

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

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

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

the toll for a total of 93,600 green channel vehicles were reduced or exempted, the exemption amount was about RMB78.97 million; During major holidays, the exiting volume of small passenger cars (7 seats or less) reached 1,765,400, and the exemption amount was about RMB75.91 million; ETC discount or reduction amounted to RMB136.28 million, including discount or reduction for trucks with Anhui Transportation Card amounting to about RMB86.35 million; Other policy reductions were about RMB8.22 million.

The operating performance of the toll road is affected by changes in the surrounding competing or synergistic road network, linking or parallel road expansion and other factors. The impact varies according to each road project.

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2022	First half of 2021	Flux (%)	First half of 2022	First half of 2021	Flux (%)
Hening Expressway	100%	32,868	36,271	-9.38	562,646	584,199	-3.69
New Tianchang Section of National Trunk 205	100%	4,631	6,076	-23.78	26,598	33,888	-21.51
Gaojie Expressway	100%	25,650	24,080	6.52	448,490	433,449	3.47
Xuanguang Expressway	55.47%	23,894	32,040	-25.43	278,313	322,785	-13.78
Lianhuo Expressway Anhui Section	100%	16,306	18,536	-12.03	135,447	133,176	1.71
Ninghuai Expressway Tianchang Section	100%	36,926	42,455	-13.02	57,896	59,126	-2.08
Guangci Expressway	55.47%	30,149	38,153	-20.98	58,219	67,140	-13.29
Ningxuanhang Expressway	51%	3,755	5,128	-26.77	40,147	62,311	-35.57
Anqing Yangtze River Expressway Bridge	100%	28,733	28,568	0.58	157,456	168,201	-6.38
Yuewu Expressway Anhui Section	100%	8,909	8,448	5.46	70,482	64,754	8.85
Total					<u>1,835,694</u>	<u>1,929,029</u>	<u>-4.83</u>

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

*Notes:*

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

*Henning Expressway*

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

*Ninghuai Expressway*

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

*New Tianchang Section of National Trunk 205*

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

*Lianhuo Expressway Anhui Section*

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

### *Gaojie Expressway*

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

### *Xuanguang Expressway and Guangci Expressway*

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

### *Ningxuanhang Expressway*

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

### *Anqing Yangtze River Expressway Bridge*

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



## *Yuewu Expressway Anhui Section*

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

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

*Unit: RMB'000*

Name of company	Equity capital the Group possesses	Registered Capital	30 June 2022		The six months ended 30 June 2022		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Expressway Company Limited (“Xuanguang Company”)	55.47%	111,760	2,337,272	1,569,283	1,263,825	136,837	The construction, management and operation of Xuanguang Expressway
Anhui Ningxuanhang Expressway Investment Company Limited	51%	300,000	4,277,388	-75,498	43,390	-199,878	Highway’s construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Xuancheng City Guangci Expressway Limited Liability Company	55.47%	56,800	241,454	227,195	57,381	35,111	The construction, management and operation of Guangci Expressway
Anhui Anqing Yangtze River Expressway Bridge Limited Liability Company	100%	150,000	3,160,666	1,296,871	222,311	53,404	Construction, management and operation of Anqing Yangtze River Expressway Bridge and Yuewu Expressway
Anhui Expressway Media Company Limited	38%	50,000	475,347	362,010	65,132	20,845	Design, making, publication of and agency for domestic advertisements
Anhui Xin’an Financial Group Company Limited	6.62%	1,900,000	3,061,145	2,685,206	57,939	58,164	Financial investment, equity investment, management consulting
Anhui Xin’an Capital Operation Management Company Limited	6.62%	1,120,000	2,828,726	1,454,240	115,552	78,076	Internet financial services, network information services, pawn business, etc.
Hefei Wantong Pawn Company Limited (“Wantong Pawn”)	71.43%	157,500	89,690	87,860	0	-182	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service



Name of company	Equity capital the Group possesses	Registered Capital	30 June 2022		The six months ended 30 June 2022		Main business
			Total assets	Net assets	Revenue	Net profit	
Hefei Wantong MicroCredit Company Limited	10%	150,000	122,794	121,670	3,143	2,698	Distributing petty loans, small size enterprises management consulting and financial advisory
Anhui Expressway (H.K.) Limited	100%	1817	1,710	1,614	0	-27	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin
Anhui Transportation China Merchants Industrial Fund (Limited Partnership) ("China Merchants Fund")	6.64%	3,000,000	1,045,381	1,008,086	-58,999	-68,705	Investment in energy conservation and environmental protection in transportation services
Anhui Transportation Jinshi Merger and Acquisition Fund (Limited Partnership) ("Jinshi Merger and Acquisition Fund")	6.64%	3,000,000	2,091,246	1,825,773	186,773	169,216	Equity investment, asset management, enterprise management consulting
Anhui Transportation Jinshi Equity Fund (Limited Partnership) ("Jinshi Equity Fund")	6.64%	1,500,000	997,320	990,636	733	-638	Equity investment, asset management, enterprise management consulting
Anhui Transportation China Merchants Private Investment Management Co., Ltd	2.5%	30,000	59,230	57,597	7,259	5,302	Daily management and investment consultation of Anhui Transportation China Merchants Industrial Fund
Anhui Transportation Jinshi Private Fund Management Co., Ltd.	2.5%	30,000	108,201	102,773	15,562	11,481	Daily management and investment consultation of Anhui Transportation Jinshi Merger and Acquisition Fund
Anhui Transportation Information Industry Co., Ltd.	10%	60,000	128,363	75,289	28,055	2,748	Construction, operation and service of traffic charging system; Computer software development; Information system integration services, etc.

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

*Unit: yuan Currency: RMB*

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

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

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

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

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

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

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

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

Unit: yuan Currency: RMB

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

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

Principal businesses in terms of regions						
In terms of regions	Revenue	Cost of sales	Gross profit rate	Change in revenue (compared with the previous year)	Change in cost of sales (compared with the previous year)	Change in gross profit rate (compared with the previous year)
			(%)	(%)	(%)	(%)
Anhui Province	2,795,556,193.50	1,758,570,811.96	37.09	47.92	141.28	-24.34

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

As at 30 June 2022, the Company and its main subsidiaries employed approximately 2,025 employees (as at 30 June 2021: 2,109 employees), which included 1,393 production staff, 151 technicians, 42 financial staff and 439 administrative staff (as at 30 June 2021, the numbers were 1,487, 169, 42 and 411 respectively).

The Company adopts annual salary system and monthly salary system, and integrates broadband payment system and salary-point system. The Company has formulated remuneration scales for different positions, and makes different classifications according to the characteristics of each job. By making close connections between the labor remuneration of employees and factors such as value of positions, accumulated contributions and work performance, it has built multiple channels of career development and pay promotion for employees. Through the establishment of salary promotion standards, the formulation of performance appraisal system, and the combination of appraisal and salary distribution, the enthusiasm of employees has been mobilized and the incentive effect of the implementation of the salary system was ensured. During the Reporting Period, the salary of employees was RMB194,531.7 thousand (Same period in 2021: RMB185,829.0 thousand). In strict compliance with the various social insurance policies of the PRC, the Company has arranged the old-age insurance, unemployment insurance, basic medical insurance and injury insurance for the staff.

The Company attaches great importance to the education and training of employees, and constantly optimizes the training system. At the beginning of the year, according to the relevant system requirements combined with the training needs survey, the Company formulated the “Wantong Company 2022 Education and Training Plan”, and carried out various kinds of training in an orderly manner according to the training plan to promote the continuous improvement of the training level.

During the Reporting Period, the Company actively carried out online and offline training. In order to implement the spirit of the Sixth Plenary Session of the 19th CPC Central Committee and the eleventh Provincial Party Congress, further improve the professional quality of employees, and enhance the awareness of honesty and self-discipline, the Company held a lecture “New Year’s First Lesson”, and conducted special training about the construction of Party style, clean government and capital operation; in combination with the actual work needs and the department’s business functions, each department has carried out various business training such as operation management, which has effectively improved the management, skills and professional knowledge level of employees. In addition, taking into account the factors of COVID-19, the Company has actively used online education tools, explored online education resources, and encouraged employees to increase online learning exchanges focusing on self-learning on platforms such as “Xuexi.cn” and online business schools. The course content covers Party building, enterprise management and pandemic prevention and control.

## **IV. MAJOR EVENTS**

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

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

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

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

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

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

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

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

### **5. Major Related Party/Connected Transactions**

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

Item overview	Indexes of announcements
To provide expressway section entrusted management service	22 January 2021 “Announcement – Continuing Connected Transactions: Entrusted Management Agreements”, 10 February 2021 “Supplemental announcement- Continuing Connected Transactions: Entrusted Management Agreements”, 29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》) 22 June 2022 “Announcement – Continuing Connected Transaction: Entrusted Operation Management Agreement”
To receive networking charging service	31 December 2021 “Announcement – Continuing Connected Transactions: Entering into New Network Services Agreements”, 29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
To receive construction management service	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》), 15 June 2022 “Announcement – Continuing Connected Transactions: Sewage Treatment Work Contracts”, 22 June 2022 “Announcement – Continuing Connected Transactions: Service Areas “Toilets Revolution” Special Upgrading Work”
To receive construction supervision service	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
To receive construction inspection service	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
To receive property management service	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)

Item overview	Indexes of announcements
To provide the house rental services	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
To provide service area rental services	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》), 29 April 2022 “Announcement – Continuing Connected Transaction: Operating Rights Lease Agreement”
To provide gas stations rental services	31 December 2021 “Announcement – Continuing Connected Transaction: Lease of Operating Rights of Gas Stations”, 29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
To provide venue rental and conference services	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
Purchase products	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)
To receive vehicle maintenance	29 March 2022 “Announcement in relation to Contemplated 2022 Daily Related Party Transactions”* (《關於預計2022年度日常關聯交易的公告》)

**(2) Items which has been disclosed with further changes**

<b>Item overview</b>	<b>Indexes of announcements</b>
<p>The Company proposed to form a joint venture company in Hong Kong through joint contribution together with the other consortium members namely China Merchants Expressway Network &amp; Technology Holdings Co., Ltd., China Merchants Union (BVI) Limited, Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司), Jiangsu Expressway Company Limited* (江蘇寧滬高速公路股份有限公司), and Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), for the purpose of establishing a joint venture company to acquire 51% of the shares and the relevant portion of shareholder loans of the Turkish company ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş., and 51% equity of Eurasia Motorway Maintenance and Operations Limited, a company incorporated in Hong Kong (i.e. the O&amp;M Target Company). The Company proposed to contribute 48.195 million US dollars and hold 7% of the shares of the joint venture company. The matter has been deliberated and adopted at the 17th meeting of the 8th board of directors held on 20 December 2019.</p>	<p>23 December 2019 “Joint Announcement-Connected Transaction: Formation of Joint Venture”</p>
<p>The seventeenth meeting of the ninth session of the board of directors of the Company was convened on 27 January 2022, at which the Resolution in relation to the Termination of the Acquisition of Overseas Assets by the Company and the Parties to the Consortium was considered and approved, and the Termination Agreement In Relation to the Acquisition of 51% equity interest in ICA IC İçtaş Astaldi Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş. and 51% equity interest in Eurasia Motorway Maintenance and Operations Limited was entered into among the parties on 9 March 2022. During the Reporting Period, the termination agreement had been signed and performed, and deregistration of the SPV companies was underway.</p>	<p>28 January 2022 “The Resolutions of the seventeenth Meeting of the ninth Board”* (《第九屆董事會第十七次會議決議公告》) (LIN 2022–005).</p> <p>11 March 2022 “Voluntary announcement – Announcement of Progress of the Transaction relating to the Formation of a Joint Venture by the Company and Members of the Consortium for the Acquisition of Overseas Assets”</p>



## Item overview

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

On 2 December 2021, the consortium formed by Anhui Transportation Holding Group and Xuanguang Company received the notice of award from the tenderer for the Public-Private-Partnership (PPP) project relating to the reconstruction and expansion of the G50 ShanghaiChongqing Expressway Guangde to Xuancheng Section\* (G50滬渝高速廣德至宣城段改擴建工程PPP項目) (the “**Project**”). In order to ensure the smooth progress of the Project, the Company and its related party namely Xuancheng Transportation Investment Group Company Limited\* (宣城市交通投資集團有限公司) ( “**Xuancheng Transportation**”) intended to increase the investment in Xuanguang Company in proportion to their shareholdings. The Company shall increase the investment by RMB1,513.78 million and Xuancheng Transportation shall increase the investment by RMB1,215.22 million. The matter was considered and approved at the 15th meeting of the ninth session of the Board and the 2022 first extraordinary general meeting of the Company. During the Reporting Period, the Company has increased the capital of RMB549 million to Xuanguang Company in accordance with the shareholding ratio, and Xuancheng Transportation has increased the capital of RMB441 million to Xuanguang Company as the project capital to be undertaken by Xuanguang Company.

## Indexes of announcements

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

Announcement on Resolutions of the Fifteenth Meeting of the Ninth Session of the Board of Directors on 1 January 2022 (LIN 2022–043), Announcement on Connected Transactions in relation to the Joint Establishment of a Joint Venture by a Holding Company and a Controlling Shareholder of the Company (LIN 2022–044), Announcement of Increased Investment in a Holding Subsidiary of Anhui Expressway and Connected Transactions (LIN 2022–045)

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

### Item overview

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

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

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

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

In July 2022, the Company paid the initial investment of RMB19,925,000 yuan to the second phase of China Merchants Fund.

### Indexes of announcements

“Announcement on the progress of participating in the investment and establishment of the phase II of Anhui Transportation Jinshi Equity Investment Fund” \*《關於參與投資設立交控金石二期股權投資基金合夥企業的進展公告》 (LIN 2021-022) dated 10 July 2021

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

### (3) *Items which has not been disclosed*

☐

Applicable

☒

Not applicable

## 6. Material Contracts and their Implementation

☐ Applicable      ☒ Not applicable

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

During the Reporting Period, the Company was not involved in any material custody, subcontracting and leasing.

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

During the Reporting Period, the Company did not have any unfulfilled or uncompleted major guarantees.

## 7. Fulfillment of Commitments

The commitments for the Company's actual controllers, shareholders, related persons, purchasers and other related parties during the Reporting Period or lasting until the Reporting Period

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

## **V. OTHER MAJOR EVENTS**

### **Adjustment to Calculation Method and Standard of Toll Payment**

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

### **ETC users no difference 5% discount policy**

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

### **Proposed Liquidation and Dissolution of Wantong Pawn**

Due to the adverse industry operating environment, intensified market competition and other factors, the risks of the Company’s financial projects have gradually become prominent. In order to further optimize the industrial structure of the Company, strengthen risk management and control, and safeguard the legitimate rights and interests of the Company and shareholders, the Board approved the liquidation and dissolution of Wantong Pawn at the ninth meeting of the ninth Board of Directors held on June 21, 2021, and authorized the management of the Company to handle all matters related to the liquidation and dissolution. As at the date of this announcement, the main project of the liquidation of Wantong Pawn has been basically completed, and the next step is to handle tax registry cancellation and industrial and commercial registry cancellation.

## **Payment of toll for Wan R and Wan H licenses small passenger cars Passing Through Anqing Yangtze River Highway Bridge**

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

## **Change of accounting firm**

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

## **Corporate Governance Code**

During the Reporting Period, save and except that both the duties of the remuneration committee and the nomination committee are performed by the Company's Human Resources and Remuneration Committee (as the Company considers the long established mode of Human Resources and Remuneration Committee has so far been effective and suits the needs of the Company better, and most of the members of the Human Resources and Remuneration Committee are independent directors, which can ensure the protection of the interests of shareholders), the Company has always complied with the Corporate Governance Code as contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “CG Code”) in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders.

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

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

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

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

## **Audit Committee**

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

### **Independent Non-executive Directors**

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

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

For the six months ended 30 June 2022, the Company, with respect to securities transactions by directors and supervisors, has adopted a code of conducts on terms no less exacting than the provisions in the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code for Securities Transactions”) as set out in the Appendix 10 of the Listing Rules. After making specific enquiries, all directors and supervisors confirmed that they have fully complied with the Model Code for Securities Transactions during the six months ended 30 June 2022.

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

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

## **VI. EVENTS AFTER THE REPORTING PERIOD**

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



## VII. OUTLOOK

In the future strategic development, the Company will pay close attention to the following risk issues and actively take effective responding measures:

### **Changes in Macroeconomic Environment and Industry Policies**

The toll road industry is sensitive to change in macro-economy. Macroeconomic changes directly affect the demand for highway transport, which in turn affects the traffic flow performance of all toll projects and results of operation of the Group. Against the backdrop of severe pandemic prevention and control, China's GDP in the first half of 2022 increased by 2.5% year on year with a relatively slow economic recovery; however, the current international situation is complex, and there is still great uncertainty on the whole. The 2022 National Transportation Working Conference pointed out that this year's transportation industry should adhere to the general tone of seeking progress while maintaining stability, completely, accurately and comprehensively implement the new development concept, accelerate the construction of a new development pattern, and comprehensively deepen reform and opening up; continue to pursue innovation-driven development, promote high-quality development, prioritize supply-side structural reform, coordinate pandemic prevention and control, economic and social development and transportation, and coordinate development and safety; continue to ensure the "stability on the six fronts" and implement the "security in the six areas", provide services and guarantees for stabilizing the macro-economic situation, maintaining the economic operation within a reasonable range, and maintaining the stability of the overall social situation, accelerate the construction of a transportation power, and strive to be a pioneer in China's modernization. In addition, the implementation of policies such as national road network connection switching, increased ETC utilization rate, toll billing methods adjustment of truck and differential toll collection for expressways will help improve the efficiency of toll roads in the long run, but in the short and medium term, the policies will result in continued increase in the costs of expressways, which is expected to have an impact on the Company's business performance.

Responding measures: the Group adheres to the implementation of various work requirements to further ensure the high quality and sustainable development of the Company, actively promotes various business development work to ensure the completion of various objectives and tasks while normalizing pandemic prevention and control; the Group actively faces the changes in operation management, and carefully studies and judges the characteristics of traffic flow and vehicle model structure changes on the road network, study policy points in depth, improve the management model for toll collection, enhance the capacity of traffic and lower the management costs and expenses for executing the policies through fine management.

## **The Growth Space of the Main Business Revenue Narrowed**

With the further perfected intensification of highway networks, parallel routes and alternative routes will continue to increase, and network diversion will have a negative impact on the growth of toll revenue of the Company. In addition, the total length of high-speed railway in Anhui province has entered the first tier in China, the integration of private cars and urban and rural passenger transport has also developed rapidly, the substitution diversion of highway passenger transport is serious, and the diversification of freight has a negative impact on the Company. At present, most highway sections of the Company have been open to traffic for a long time and have entered the mature stage, with increasingly serious damage to road condition and increasing road maintenance cost in the later stage. The amount of various policy exemptions continues to rise. All of them have had an impact on the operating performance of toll road projects of the Group.

Responding measures: All road sections of the Group were the trunk highways across the Anhui region. The Group will strengthen communication with the government and major shareholders, and keep abreast of the network planning and project construction schedule so as to conduct a special analysis of the highway network in advance and put a reasonable forecast for the impact of the relevant projects on the existing traffic flow of the Company's expressways. We will make full use of regional traffic advantage in Anhui province and, through the improvement of road signs, expansion of the promotion of the routing publicity, turn passive to active through use of the advantages of informationization to carry out road segment marketing.

## **The Risk of the Expiry of Franchise**

Toll road assets have a relatively monopolistic nature due to their franchise mode of operation. However, their franchises are subject to a certain toll collection period after the expiration of which the road operation enterprises will face significant challenge in their sustainable development. At present, the Company major road resources have entered a mature period. If the Company's existing highway toll collection period expires and no other newly built or acquired operational highway projects are replenished in time, it will have a negative impact on the sustainable development of the Company.

Responding measures: The Group will seize the national strategic opportunity of the integration of the Yangtze River Delta, accelerate the promotion of opening the “missing links” across the provincial boundary, accelerate the reconstruction and expansion of some high-speed sections and improve the negative impact of the project on the Company’s performance. After the epidemic, the country has accelerated the construction of 5G, data center and other new infrastructure, which has set off a new round of infrastructure investment boom nationwide and provided new development opportunities for the Company to carry out related diversified development.

By Order of the Board  
安徽皖通高速公路股份有限公司  
**Anhui Expressway Company Limited**  
**Xiang Xiaolong**  
*Chairman*

Hefei, Anhui, the PRC  
26 August 2022

*As at the date of this announcement, the Board comprises: Xiang Xiaolong (chairman), Yang Xiaoguang, Tao Wensheng, Chen Jiping, being the executive directors; Yang Xudong and Du Jian, being the non-executive directors; and Liu Hao, Zhang Jianping and Fang Fang, being the independent nonexecutive directors.*

*This announcement is originally prepared in Chinese. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.*

\* For identification purpose only