

Sichuan Expressway Company Limited



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

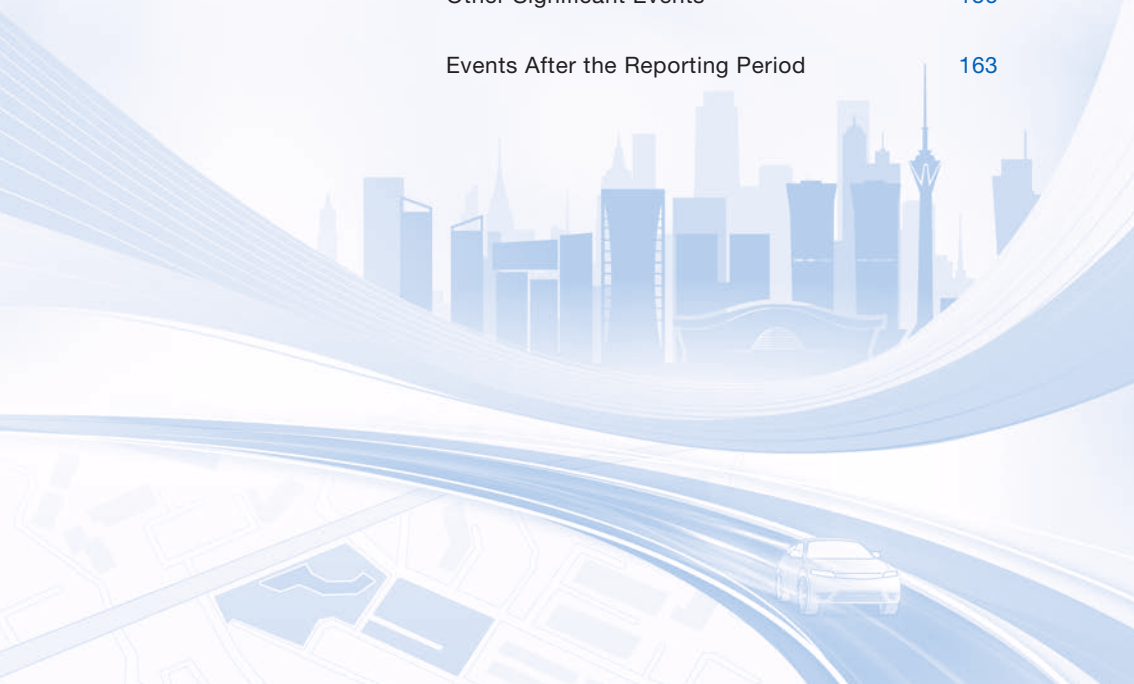
(Stock Code: 00107)

2024 Interim Report



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DEFINITIONS

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

I. NAME OF EXPRESSWAY PROJECTS

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



DEFINITIONS (CONTINUED)

II. BRANCHES, SUBSIDIARIES AND PRINCIPAL INVESTED COMPANIES

Airport Expressway Company	Chengdu Airport Expressway Company Limited
Chengbei Company	Chengdu Chengbei Exit Expressway Company Limited
Chengdu-Chongqing Yingchuang Investment	Chengdu-Chongqing Yingchuang Equity Investment Partnership (Limited Partnership)
Chengle Company	Sichuan Chengle Expressway Company Limited
Chengle Operation Branch	Operation and Management Branch of Sichuan Chengle Expressway Company Limited
Chengqiongya Company	Sichuan Chengqiongya Expressway Company Limited
Chengren Branch	Sichuan Expressway Company Limited Chengren Branch
Chengya Branch	Sichuan Expressway Company Limited Chengya Branch
Chengya Oil Company	Sichuan Chengya Expressway Oil Supply Company Limited



DEFINITIONS (CONTINUED)

Chengyu Advertising Company	Sichuan Chengyu Expressway Advertising Company Limited
Chengyu Branch	Sichuan Expressway Company Limited Chengyu Branch
Chengyu Development Fund	Sichuan Chengyu Development Equity Investment Fund Centre (Limited Partnership)
Chengyu Logistics Company	Sichuan Chengyu Logistics Company Limited
Chengyu Private Equity Fund Company	Sichuan Chengyu Private Equity Fund Management Co., Ltd. (四川成渝私募基金管理有限公司) (formerly known as “Chengdu Chengyu Jianxin Equity Investment Fund Management Co., Ltd.”) (成都成渝建信股權投資基金管理有限公司) (former abbreviation “Chengyu Jianxin Fund Company (成渝建信基金公司)”, with the change of shareholders and change of name on 25 January 2022)



DEFINITIONS (CONTINUED)

Chengyu Supply Chain Management Company	Sichuan Chengyu Xingshu Supply Chain Management Company Limited (四川成渝興蜀供應鏈管理有限公司) (formerly known as “Sichuan Chengyu Commercial Factoring Company Limited (四川成渝商業保理有限公司)”, “Tianyi United Commercial Factoring (Luzhou) Company Limited (天乙多聯商業保理(瀘州)有限公司)”, and the changes of name and scope of operations were completed on 28 June 2022)
Chengyu Xinneng Company	Sichuan Chengyu Xinneng Construction Co., Ltd.* (四川成渝新能建設有限公司) (formerly known as “Chengdu Shuhong Property Company Limited” and formerly abbreviated as “Shuhong Company”), and the changes of name and scope of operations were completed on 24 July 2024
CSI SCE	CSI SCE Investment Holding Limited
Lushan Shuhan Company	Lushan County Shuhan Engineering Construction Management Co., Ltd. (蘆山縣蜀漢工程建設管理有限公司)
Lushan Shunan Company	Lushan County Shunan Engineering Construction Project Management Co., Ltd. (蘆山縣蜀南工程建設項目管理有限公司)



DEFINITIONS (CONTINUED)

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



DEFINITIONS (CONTINUED)

Shudao New Energy Company	Sichuan Shudao New Energy Technology Development Co., Ltd.* (四川蜀道新能源科技發展有限公司) (formerly known as “Sichuan Chengyu Transportation Technology Development Co., Ltd.* (四川成渝交通科技發展有限公司)”, “Sichuan Chengyu Education Investment Co., Ltd. (四川成渝教育投資有限公司)”)
Shunan Chengxing Company	Ziyang Shunan Chengxing Project Construction & Management Co., Ltd.
Shunan Company	Sichuan Shunan Investment Management Company Limited
Shuxia Company	Sichuan Shuxia Industrial Company Limited
Suiguang Suixi Company	Sichuan Suiguang-Suixi Expressway Company Limited
Zhonglu Energy Company	Sichuan Zhonglu Energy Company Limited
Zhongxin Company	Sichuan Zhongxin Assets Management Co., Ltd.



DEFINITIONS (CONTINUED)

III. OTHERS

2023 AGM	the 2023 annual general meeting of the Company convened on Thursday, 23 May 2024, the poll results announcement of which was published on the website of the Stock Exchange on the same date
A Share(s)	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
Articles of Association	the Articles of Association of the Company, as amended from time to time
associate(s)	has the meaning as ascribed to it under the Listing Rules of the Stock Exchange
associated corporation(s)	has the meaning as ascribed to it under the SFO
Audit Committee	the Audit Committee under the Board
Board	the Board of Directors of the Company
BOT Project	build – operate – transfer project
BT Project	build – transfer project
China Everbright Bank	China Everbright Bank Company Limited



DEFINITIONS (CONTINUED)

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



DEFINITIONS (CONTINUED)

Group	the Company and its subsidiaries
H Share(s)	overseas-listed foreign share(s) in the ordinary share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange and/or the Rules Governing the Listing of Stocks on the SSE (as the case may be)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules of the Stock Exchange, which has been adopted by the Company as the code of conduct for securities transactions by Directors and Supervisors of the Company
Nomination Committee	the Nomination Committee under the Board
Period or Reporting Period	for the six months ended 30 June 2024



DEFINITIONS (CONTINUED)

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



DEFINITIONS (CONTINUED)

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

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



CORPORATE INFORMATION

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



CORPORATE INFORMATION (CONTINUED)

Stock Exchanges of the Listing Shares	A Shares: Shanghai Stock Exchange Stock Code: 601107 Stock Name: Sichuan Express H Shares: The Stock Exchange of Hong Kong Limited Stock Code: 00107 Stock Name: Sichuan Express
Newspapers Selected by the Company for Information Disclosure	China Securities Journal, Shanghai Securities News
Websites Designated for Publication of the Interim Report of the Company	http://www.sse.com.cn http://www.hkexnews.hk http://www.cygs.com
Place for Inspection of the Interim Report of the Company	PRC: 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC Hong Kong: Rooms 2201–2203, 22/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong
International Auditor	PricewaterhouseCoopers 22/F Prince's Building, Central, Hong Kong



CORPORATE INFORMATION (CONTINUED)

PRC Auditor	BDO China Shu Lun Pan Certified Public Accountants LLP 18/F, Building 8, Tianfu Xingu, No. 399, West Section, Fucheng Avenue, Hitech District, Chengdu, Sichuan Province, the PRC
Hong Kong Legal Adviser	Li & Partners Rooms 2201–2203, 22/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong
PRC Legal Adviser	Beijing Zhongyin (Chengdu) Law Firm (北京中銀(成都)律師事務所) 13th Floor, Block B, OCG International Center, No. 158 Tianfu 4th Avenue, Hitech District, Chengdu, Sichuan Province, the PRC
Domestic Shares Registrar and Transfer Office	China Securities Depository and Clearing Corporation Limited Shanghai Branch No. 188 South Yanggao Road, Pudong New Area, Shanghai, the PRC



CORPORATE INFORMATION (CONTINUED)

Hong Kong Shares Registrar and Transfer Office	Hong Kong Registrars Limited Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
Principal Place of Business in Hong Kong	Rooms 2201–2203, 22/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong
Initial Registration Date and Place	19 August 1997 Chengdu, Sichuan Province, the PRC
Unified Social Credit Code	9151000020189926XW
Principal Banker	China Construction Bank



COMPANY PROFILE

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

The Group is principally engaged in the investment, construction, operation and management of expressway and the expansion of traditional core businesses of derivative economy along the expressway, as well as the incubation and development of the green energy industry with a focus on “charging, battery bank + power replacement and hydrogen energy”. Currently, the Group mainly owns all or substantial interests in a number of expressways in Sichuan Province such as Chengyu Expressway, Chengya Expressway, Chengle Expressway, Chengren Expressway, Chengbei Exit Expressway, Suiguang Expressway, Suixi Expressway, Second Ring (Western) Expressway and Tianqiong Expressway under construction. As at 30 June 2024, the expressways mileage of the Group has reached approximately 858km in total, the length of Tianqiong Expressway which was under construction were approximately 42km, the length of expansion of Chengle Expressway, including the 86.4km of the original Chengle Expressway, was approximately 136.1km. The Group’s total asset and net asset were approximately RMB60,116,132,000 and RMB16,624,247,000, respectively.

INTERIM CONDENSED FINANCIAL INFORMATION

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

For the six months ended 30 June 2024

		Unaudited For the six months ended 30 June	
		2024	2023
	Notes	RMB'000	RMB'000
REVENUE	4	5,319,241	5,657,375
Cost		<u>(3,763,412)</u>	<u>(4,090,707)</u>
Gross profit		1,555,829	1,566,668
Other income and gains	4	102,788	145,162
Administrative expenses and selling expenses		(303,344)	(258,389)
Other expenses		<u>(30,320)</u>	<u>(19,718)</u>
Operating profit		1,324,953	1,433,723
Finance expenses – net	5	(439,201)	(465,255)
Share of net profits of investments accounted for using the equity method:			
Joint ventures		(106)	4,558
Associates		<u>17,327</u>	<u>25,825</u>
PROFIT BEFORE INCOME TAX		902,973	998,851
Income tax expenses	7	<u>(170,301)</u>	<u>(171,340)</u>

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

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

For the six months ended 30 June 2024

		Unaudited	
		For the six months ended	
		30 June	
		2024	2023
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
PROFIT FOR THE SIX MONTHS ENDED 30 JUNE		732,672	827,511
Profit attributable to:			
– Owners of the Company		698,095	780,353
– Non-controlling interests		34,577	47,158
		732,672	827,511
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	RMB0.228	RMB0.255

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

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

For the six months ended 30 June 2024

	For the six months ended	
	30 June	
	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Changes in the fair value of designated equity investments at fair value through other comprehensive income	7,601	(7,313)
Income tax effect	<u>(1,578)</u>	<u>1,404</u>
Total other comprehensive income/(loss) for the six months ended 30 June	<u>6,023</u>	<u>(5,909)</u>
Total comprehensive income for the six months ended 30 June	<u><u>738,695</u></u>	<u><u>821,602</u></u>

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

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

For the six months ended 30 June 2024

	For the six months ended	
	30 June	
	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total comprehensive income for the six months ended 30 June attributable to:		
Owners of the Company	703,914	775,233
Non-controlling interests	34,781	46,369
	<u>738,695</u>	<u>821,602</u>

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

Director

Director

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,096,634	991,823
Service concession arrangements	9	51,134,483	49,645,595
Right-of-use assets	9	261,147	278,395
Investments in joint ventures	10	27,181	27,287
Investments in associates	11	479,199	474,101
Equity investments designated at fair value through other comprehensive income	12	95,370	87,769
Financial assets at fair value through profit or loss	15	39,002	34,017
Trade and other receivables	14	1,486,784	1,539,212
Payments in advance	13	1,354,810	1,331,346
Deferred tax assets		108,048	112,259
Time deposits	16	120,000	–
Restricted deposits	16	129	128
		<hr/>	<hr/>
Total non-current assets		56,202,787	54,521,932

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION (CONTINUED)**

30 June 2024

		Unaudited	Audited
		30 June	31 December
		2024	2023
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
CURRENT ASSETS			
Inventories		194,073	119,821
Trade and other receivables	14	989,119	1,015,838
Financial assets at fair value through profit or loss	15	429	366
Cash and bank balances	16	<u>2,729,724</u>	<u>1,982,830</u>
Total current assets		<u>3,913,345</u>	<u>3,118,855</u>
Total assets		<u><u>60,116,132</u></u>	<u><u>57,640,787</u></u>
LIABILITIES			
Non-current liabilities			
Interest-bearing bank and other borrowings	18	35,836,066	34,393,017
Deferred tax liabilities		3,058	2,245
Deferred income	17	<u>254,350</u>	<u>254,492</u>
Total non-current liabilities		<u>36,093,474</u>	<u>34,649,754</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2024

		Unaudited	Audited
		30 June	31 December
		2024	2023
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Tax payable		116,565	91,211
Trade and other payables	17	2,707,223	2,819,312
Contract liabilities		58,278	19,569
Interest-bearing bank and other borrowings	18	4,280,867	3,387,660
Dividend payable		235,478	–
		<hr/> 7,398,411	<hr/> 6,317,752
TOTAL CURRENT LIABILITIES		7,398,411	6,317,752
TOTAL LIABILITIES		43,491,885	40,967,506

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION (CONTINUED)**

30 June 2024

	Unaudited	Audited
	30 June	31 December
	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY		
Equity attributable to owners		
of the Company		
Issued capital	3,058,060	3,058,060
Reserves	<u>12,585,238</u>	<u>12,615,258</u>
	15,643,298	15,673,318
Non-controlling interests	<u>980,949</u>	<u>999,963</u>
Total equity	<u>16,624,247</u>	<u>16,673,281</u>
Total equity and liabilities	<u><u>60,116,132</u></u>	<u><u>57,640,787</u></u>

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

Director

Director

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

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

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2023

	Unaudited Attributable to owners of the Company												
	Issued capital	Share premium account	Statutory surplus reserve	Difference arising from changes in non- controlling interests	Fair value reserve from of financial assets at fair value through other comprehensive income	General risk reserve	Merger difference	Safety fund reserve	Capital reserve	Retained earnings	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022	3,058,060	2,654,601	6,851,280	(254,570)	(9,915)	7,421	(533,123)	16,869	1,127,725	4,887,319	17,805,667	914,952	18,720,619
Effect of adoption of amendments to HKAS 12	-	-	-	-	-	-	-	-	-	2,216	2,216	210	2,426
Effect of business combination under common control	-	-	-	-	-	-	4,680,230	-	-	(1,792,488)	2,887,742	-	2,887,742
Balance at 1 January 2023	3,058,060	2,654,601	6,851,280	(254,570)	(9,915)	7,421	4,147,107	16,869	1,127,725	3,097,047	20,695,625	915,162	21,610,787
Comprehensive income													
Profit for the six months ended 30 June	-	-	-	-	-	-	-	-	-	780,353	780,353	47,158	827,511
Other comprehensive income	-	-	-	-	(5,120)	-	-	-	-	-	(5,120)	(789)	(5,909)
Total comprehensive income	-	-	-	-	(5,120)	-	-	-	-	780,353	775,233	46,369	821,602

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2023

	Unaudited Attributable to owners of the Company												
	Issued capital	Share premium account	Statutory surplus reserve	Difference arising from changes in non- controlling interests	Fair value reserve of financial assets at fair value through other comprehensive income	General risk reserve	Merger difference	Safety fund reserve	Capital reserve	Retained earnings	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Establishment for safety fund reserve	-	-	-	-	-	-	-	1,738	-	(1,738)	-	-	-
Establishment for general risk reserve	-	-	-	-	-	(7,421)	-	-	-	7,421	-	-	-
Utilisation of safety fund reserve	-	-	-	-	-	-	-	(1,150)	-	1,150	-	-	-
Effect of business combination under common control	-	-	-	-	-	-	-	(5,903,000)	-	-	-	-	(5,903,000)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	17,560	17,560
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(51,984)	(51,984)
Dividends declared to shareholders	-	-	-	-	-	-	-	-	-	(305,806)	(305,806)	-	(305,806)
Balance at 30 June 2023	3,058,060	2,654,601	6,851,280	(254,570)	(15,035)	-	(1,755,893)	17,457	1,127,725	3,578,427	15,262,052	927,107	16,189,159

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

Director

Director

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited For the six months ended 30 June	
Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	47,828	144,358
Interest paid	-	(3,134)
Income tax paid	<u>(111,638)</u>	<u>(226,575)</u>
Net cash outflow from operating activities	<u>(63,810)</u>	<u>(85,351)</u>
Cash flows from investing activities		
Purchases of items of property, plant and equipment	(78,985)	(54,725)
Proceeds from disposal of items of property, plant and equipment	833	6,179
Interest received	15,350	62,545
Dividend received from a joint venture	-	4,709
Receipt of disposal of investment in a joint venture	-	50,000

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2024

	<i>Notes</i>	Unaudited	
		For the six months ended	
		30 June	
		2024	2023
		RMB'000	RMB'000
Dividend received from equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss		1,165	1,722
Repayment of loans to the ultimate holding company		-	2,200,000
Repayment of funds under centralised management		-	82,819
Repayment of loans to a related party		-	250,000
Increase in time deposits		<u>(50,000)</u>	<u>(30,605)</u>
Net cash (outflow)/inflow from investing activities		<u>(111,637)</u>	<u>2,572,644</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Unaudited	
	For the six months ended	
	30 June	
<i>Notes</i>	2024	2023
	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(703,948)	(669,048)
Proceeds from bank loans	3,455,602	6,544,692
Net proceeds from corporate bonds payables	1,999,200	-
Repayment of bank loans	(1,566,355)	(923,055)
Repayment of other borrowings	(723,942)	(424,082)
Repayment of medium-term notes	(900,000)	-
Proceeds from super short term commercial papers	-	1,200,000
Repayment of super short term commercial papers	-	(1,200,000)
Principal portion of lease payments	(16,585)	(24,797)
Business combination under common control	-	(5,903,000)
Repayment of guarantee fee	-	(103,725)
Capital injection by a non-controlling shareholder	-	17,560
Dividends paid to owners of the Company	(519,058)	(216,274)
Dividends paid to non-controlling shareholders	(33,193)	(51,984)
Net cash inflow/(outflow) from financing activities	991,721	(1,753,713)

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Unaudited	
	For the six months ended	
	30 June	
	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NET INCREASE IN CASH AND CASH EQUIVALENTS	816,274	733,580
Cash and cash equivalents at the beginning of the period	1,727,805	2,404,177
Effect of foreign exchange rate changes, net	-	-
Cash and cash equivalents at end of the period/year	2,544,079	3,137,757
Cash and cash equivalents	2,544,079	3,137,757
Non-pledged time deposits with original maturity of more than three months when acquired	305,645	214,404
Cash and bank balances at end of the period/year	2,849,724	3,352,161

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

Director

Director

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

1 GENERAL INFORMATION

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

During the six months ended 30 June 2024 (the “Period”), the Company and its subsidiaries (the “Group”) was involved in the following principal activities:

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

In the opinion of the directors, Shudao Investment Group Company Limited (“Shudao Investment”) is the parent and the ultimate holding company of the Company, which is established in the PRC.

1 GENERAL INFORMATION (CONTINUED)

This interim condensed consolidated financial information is presented in Chinese Renminbi (“RMB”), unless otherwise stated, and was approved for issue by the board of directors of the Company on 29 August 2024.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

The interim condensed financial information for the Period has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting. The interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended HKAS and Hong Kong Financial Reporting Standards (“HKFRS”) for the first time for the current period’s financial information standards as set out below.

2 BASIS OF PREPARATION (CONTINUED)

(i) New and amended standards adopted by the Group

Standards, Amendments or Interpretations	Subject
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants</i>
Hong Kong Interpretation 5 (Revised)	<i>Presentation of Financial Statements –Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>
Amendments to HKFRS 16	<i>Lease Liability in Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of these standards and new accounting policies disclosed did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

2 BASIS OF PREPARATION (CONTINUED)

(ii) **New standards and amendments not yet effective for the financial period beginning on 1 January 2024 and not early adopted by the Group**

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

Standards, Amendments or Interpretations	Subject
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Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The Group has already commenced an assessment of the impact of these new or revised standards, interpretation, and amendments. According to the preliminary assessment made by the directors, no significant impact on the financial performance and position of the Group is expected when they become effective.

2 BASIS OF PREPARATION (CONTINUED)

The Group had net current liabilities of RMB3,485,066,000 as of 30 June 2024 (31 December 2023: RMB3,198,897,000). In view of the net current liabilities position, the board of directors has given the careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

Having considered the unutilised banking facilities, the directors are satisfied that the Group is able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the directors have prepared the interim condensed financial information on a going concern basis.

3 SEGMENT AND REVENUE INFORMATION

(i) Description of segments

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

- the expressways segment comprises the operation of expressways and a high-grade toll bridge in Mainland China;
- the construction services segment comprises the provision of construction and upgrade services under the service concession arrangements and construction contracts;

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(i) Description of segments (Continued)

- the transportation services segment comprises the provision of advertising services, the rental of properties along expressways, the operation of gas stations along expressways and the sale of oil products;
- the transportation logistics segment comprises the sale of commodity logistics trade business;
- the new energy technologies segment comprises the provision of charging services for electric vehicles and the sale of charger modules; and
- others segment mainly comprises financial investments.

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

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(i) Description of segments (Continued)

Segment assets exclude deferred tax assets, restricted deposits, cash and bank balances(including time deposits), equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss as these assets are managed on a group basis.

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

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

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information

For the six months ended 30 June 2024

	Construction Expressways	Transportation Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEGMENT REVENUE	2,325,982	1,783,253	1,041,825	107,614	60,567	-	5,319,241
SEGMENT RESULTS	955,192	38,021	118,885	346	15,289	20,242	1,147,975
<i>Reconciliation:</i>							
Unallocated income and gains							46,287
Other unallocated expenses							<u>(291,289)</u>
Profit before tax							<u><u>902,973</u></u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information (continued)

For the six months ended 30 June 2023

	Expressways	Construction Services	Transportation Service	Transportation Logistics	New Energy Technologies	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEGMENT REVENUE	2,361,466	2,032,462	936,568	312,177	14,702	-	5,657,375
SEGMENT RESULTS	1,033,579	(1,959)	89,456	42,029	3,073	29,504	1,195,682
<i>Reconciliation:</i>							
Unallocated income and gains							52,363
Other unallocated expenses							(249,194)
Profit before tax							<u>998,851</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information (continued)

30 June 2024

	Construction	Transportation	Transportation	New Energy			
Expressways	Services	Services	Logistics	Technologies	Others	Total	
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
SEGMENT ASSETS	53,437,660	2,085,418	467,162	343,899	325,627	363,664	57,023,430
<i>Reconciliation:</i>							
Equity investments designated at fair value through other comprehensive income							95,370
Financial assets at fair value through profit or loss							39,431
Deferred tax assets							108,048
Restricted deposits							129
Cash and bank balances (including time deposits)							<u>2,849,724</u>
 Total assets							 <u><u>60,116,132</u></u>

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

**3 SEGMENT AND REVENUE INFORMATION
(CONTINUED)**

(ii) Segment information (continued)

30 June 2024 (Continued)

	Construction Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEGMENT LIABILITIES	41,277,130	1,581,052	142,643	95,593	127,841	29,090	43,253,349
<i>Reconciliation:</i>							
Dividend payable							235,478
Deferred tax liabilities							3,058
Total liabilities							<u>43,491,885</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information (continued)

30 June 2024 (Continued)

	Construction	Transportation	Transportation	New Energy	Others	Total
Expressways	Services	Services	Logistics	Technologies		
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

OTHER SEGMENT

INFORMATION

FOR THE SIX MONTHS ENDED

30 JUNE 2024

Share of profits and losses of

associates	6,208	-	-	(1,248)	-	12,367	17,327
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Share of profits and losses of joint

ventures	(106)	-	-	-	-	-	(106)
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Finance costs – net

	438,279	194	466	-	262	-	439,201
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Depreciation and amortisation

	615,696	3,360	12,104	273	9,527	167	641,127
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Capital expenditure*

	2,037,668	45	1,454	86,173	78,638	-	2,203,978
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30 June 2024

Investments in associates

	64,849	-	-	71,892	-	342,458	479,199
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Investments in joint ventures

	27,181	-	-	-	-	-	27,181
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* Capital expenditure consists of additions to service concession arrangements and property, plant and equipment.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information (continued)

31 December 2023

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
SEGMENT ASSETS	52,026,786	2,085,498	299,077	435,824	228,045	348,188	55,423,418
<i>Reconciliation:</i>							
Equity investments designated at fair value through other comprehensive income							87,769
Financial assets at fair value through profit or loss							34,383
Deferred tax assets							112,259
Restricted deposits							128
Cash and bank balances (including time deposits)							<u>1,982,830</u>
Total assets							<u><u>57,640,787</u></u>

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information (continued)

31 December 2023 (Continued)

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
SEGMENT LIABILITIES	39,064,874	1,573,637	111,502	75,025	115,153	25,070	40,965,261
<i>Reconciliation:</i>							
Deferred tax liabilities							<u>2,245</u>
Total liabilities							<u><u>40,967,506</u></u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(ii) Segment information (continued)

31 December 2023 (Continued)

	Construction Expressways <i>RMB'000</i>	Transportation Services <i>RMB'000</i>	Transportation Services <i>RMB'000</i>	Transportation Logistics <i>RMB'000</i>	New Energy Technologies <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
OTHER SEGMENT INFORMATION							
FOR THE SIX MONTHS ENDED							
30 JUNE 2023							
Share of profits and losses of associates	6,735	-	-	(135)	-	19,225	25,825
Share of profits and losses of joint ventures	4,558	-	-	-	-	-	4,558
Reversal of impairment loss of trade receivables	-	-	-	33,923	-	-	33,923
Finance costs – net	460,210	4,344	596	-	105	-	465,255
Depreciation and amortisation	607,119	3,272	6,714	204	2,992	149	620,450
Capital expenditure*	2,288,514	152	5,840	1,750	40,839	3	2,337,098
31 December 2023							
Investments in associates	70,870	-	-	73,140	-	330,091	474,101
Investments in joint ventures	27,287	-	-	-	-	-	27,287

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

3 SEGMENT AND REVENUE INFORMATION (CONTINUED)

(iii) Geographical information

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

(iv) Information about major customers

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

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

4 REVENUE, OTHER INCOME AND GAINS

(i) An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	5,302,153	5,640,437
<i>Revenue from other sources:</i>		
Gross rental income from operating leases	<u>17,088</u>	<u>16,938</u>
	<u>5,319,241</u>	<u>5,657,375</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) An analysis of revenue is as follows: (Continued)

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

	Expressways	Construction Services	Transportation Services	Transportation Logistics	New Energy Technologies	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of goods or services						
Toll income	2,325,982	-	-	-	-	2,325,982
Construction services	-	1,783,253	-	-	-	1,783,253
Sale of products	-	-	1,006,713	107,614	9,234	1,123,561
Charging services for electric vehicles	-	-	-	-	51,333	51,333
Others	-	-	18,024	-	-	18,024
	<u>2,325,982</u>	<u>1,783,253</u>	<u>1,024,737</u>	<u>107,614</u>	<u>60,567</u>	<u>5,302,153</u>
Total revenue from contracts with customers	<u>2,325,982</u>	<u>1,783,253</u>	<u>1,024,737</u>	<u>107,614</u>	<u>60,567</u>	<u>5,302,153</u>
Timing of revenue recognition						
Goods transferred at a point in time	2,325,982	-	1,024,737	107,614	60,567	3,518,900
Services transferred over time	-	1,783,253	-	-	-	1,783,253
	<u>2,325,982</u>	<u>1,783,253</u>	<u>1,024,737</u>	<u>107,614</u>	<u>60,567</u>	<u>5,302,153</u>
Total revenue from contracts with customers	<u>2,325,982</u>	<u>1,783,253</u>	<u>1,024,737</u>	<u>107,614</u>	<u>60,567</u>	<u>5,302,153</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) An analysis of revenue is as follows: (Continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2023

	Expressways	Construction Services	Transportation Service	Transportation Logistics	New Energy Technologies	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of goods or services						
Toll income	2,361,466	-	-	-	-	2,361,466
Construction services	-	2,032,462	-	-	-	2,032,462
Sale of products	-	-	882,285	312,177	1,012	1,195,474
Charging services for electric vehicles	-	-	-	-	13,690	13,690
Others	-	-	37,345	-	-	37,345
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue from contracts with customers	<u>2,361,466</u>	<u>2,032,462</u>	<u>919,630</u>	<u>312,177</u>	<u>14,702</u>	<u>5,640,437</u>
Timing of revenue recognition						
Goods transferred at a point in time	2,361,466	-	919,630	312,177	14,702	3,607,975
Services transferred over time	-	2,032,462	-	-	-	2,032,462
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue from contracts with customers	<u>2,361,466</u>	<u>2,032,462</u>	<u>919,630</u>	<u>312,177</u>	<u>14,702</u>	<u>5,640,437</u>

4 REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(ii) An analysis of other income and gains is as follows:

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income from bank deposits	19,497	30,773
Interest income from funds under centralised management	–	115
Interest income from discontinuing long term compensation receivables	–	426
Interest income from financial assets arising from construction contracts	37,113	–
Interest income from loans to the ultimate holding company	–	28,475
Interest income from loans to a related party	–	1,868
Rental income from operating leases of other lease payments, including fixed payments	3,747	1,351
Government grants*	17,383	14,164
Road damage compensation income	7,898	13,614

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

**4 REVENUE, OTHER INCOME AND GAINS
(CONTINUED)**

(ii) An analysis of other income and gains is as follows:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividend income from equity investments designated at fair value through other comprehensive income	5,805	6,833
Dividend income from financial assets at fair value through profit or loss	25	13
Fair value changes on financial assets at fair value through profit or loss	5,048	7,189
Reversal of impairment losses of trade receivables	—	33,923
Gain on disposal of property, plant and equipment	612	—
Gain on disposal of right-of-use assets	—	343
Miscellaneous	5,660	6,075
	102,788	145,162

* There were no unfulfilled conditions or contingencies relating to these grants.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

5 FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	673,578	641,325
Interest on super short term commercial papers	–	2,354
Interest on corporate bonds payables	4,663	–
Interest on medium-term notes	28,752	25,938
Interest on lease liabilities	2,593	3,134
	709,586	672,751
Less:		
Interest capitalised in respect of:		
Service concession arrangements (<i>note 9(iv)</i>)	(270,385)	(207,496)
	439,201	465,255
Interest rate of borrowing costs capitalised	3.47% – 3.65%	3.57% – 3.75%

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

6 PROFIT BEFORE TAX

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

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Construction costs in respect of:		
Service concession arrangements*	1,760,325	1,993,363
Construction works performed for other parties*	20,822	35,184
Cost of sales	987,483	1,086,873
Cost of charging services	24,653	7,411
Depreciation of property, plant and equipment	68,167	60,683
Amortisation of service concession arrangements	541,822	529,904

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

6 PROFIT BEFORE TAX (CONTINUED)

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

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets	31,138	29,863
Employee benefit expenses	514,406	471,863
Repairs and maintenance	67,362	63,691
Lease payments not included in the measurement of lease liabilities	591	508
Late fees relating to unpaid taxes	605	4,074
Impairment loss on goodwill	–	7,583
Loss on disposal of property, plant and equipment	69	1,012
	<u>69</u>	<u>1,012</u>

* For the six months ended 30 June 2024, employee costs of RMB32,901,000 (six months ended 30 June 2023: RMB26,399,000) and depreciation and amortisation charges of RMB3,181,000 (six months ended 30 June 2023: RMB2,992,000) were included in the construction costs.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

7 INCOME TAX EXPENSES

Taxation in the interim condensed consolidated statement of profit or loss represents:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the period	163,490	159,115
Under provision in prior years	3,365	1,128
Deferred	3,446	11,097
	<u>170,301</u>	<u>171,340</u>

(i) Hong Kong

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong by the Group during the Period.

(ii) Mainland China

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

7 INCOME TAX EXPENSE (CONTINUED)

(ii) Mainland China (Continued)

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

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

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

The calculation of the basic earnings per share amounts is based on the profit for the Period attributable to equity holders of the Company, and the weighted average number of ordinary shares of 3,058,060,000 (six months ended 30 June 2023: 3,058,060,000) in issue during the Period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the Period.

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

	Property, plant and equipment	Right-of-use assets	Service concession arrangements
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amounts as of			
31 December 2023 (Audited)	991,823	278,395	49,645,595
Six months ended			
30 June 2024 (Unaudited)			
Additions	173,268	13,890	2,030,710
Disposals	(290)	–	–
Depreciation/amortisation charged for the Period <i>(note 6)</i>	<u>(68,167)</u>	<u>(31,138)</u>	<u>(541,822)</u>
Carrying amounts as of			
30 June 2024 (Unaudited)	<u>1,096,634</u>	<u>261,147</u>	<u>51,134,483</u>

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

- (i) As of 30 June 2024 and 31 December 2023, the concession rights pertaining to certain expressways with net carrying amounts listed below were pledged to secure bank loans granted to the Group (note 18):

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Chengle Expressway	13,164,516	12,155,168
Chengren Expressway	5,800,540	5,903,036
Tianqiong Expressway	6,504,921	5,522,506
Suiguang Expressway and Suixi Expressway	10,993,512	11,095,731
Second Ring (Western) Expressway	13,056,317	13,165,127
	<u>49,519,806</u>	<u>47,841,568</u>

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

- (ii) For the six months ended 30 June 2024, the Group was mainly in the construction of the Chengle Expressway Expansion Construction Project and Tianqiong Expressway Build-Operate-Transfer (“BOT”) Project. Total cost of RMB2,030,710,000 (six months ended 30 June 2023: RMB2,200,859,000), including construction costs of RMB1,760,325,000 (six months ended 30 June 2023: RMB1,993,363,000) and borrowing costs of RMB270,385,000 (six months ended 30 June 2023: RMB207,496,000) were incurred, among which RMB1,760,325,000 (six months ended 30 June 2023: RMB1,993,363,000) was sub-contracted to third party subcontractors.
- (iii) Construction revenue of RMB1,760,325,000 (six months ended 30 June 2023: RMB1,993,363,000) was recognised mainly in respect of the construction services provided by the Group for the Chengle Expressway Expansion Construction Project, Tianqiong Expressways BOT Project using the input method during the six months ended 30 June 2024. Construction revenue was included in the additions to service concession arrangements which should be amortised upon the Group is granted the rights to charge the users under the service concession arrangements of the abovementioned projects.

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

- (iv) Additions to service concession arrangements during the Period include interest capitalised in respect of bank loans amounting to RMB270,385,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB207,496,000) (note 5).
- (v) As of 30 June 2024, other than land with a site area of approximately 2,971,680 square metres, the Group has not obtained land use right certificates of certain land occupied by Rongcheng Second Ring Company. In the opinion of the directors, there are no major obstacles for the Group to obtain these certificates, and the normal operation of Rongcheng Second Ring Company will not be adversely affected before obtaining these certificates.

10 INVESTMENT IN JOINT VENTURES

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Share of net assets	<u>27,181</u>	<u>27,287</u>

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

Particulars of the Group's joint ventures, which were established and operate in Mainland China as of 30 June 2024, are as follows:

Name	Percentage of Ownership interest of the Group	Principal activities
Sichuan Chengyu Development Equity Investment Fund Centre	49.84% (direct 49.18%, indirect 0.66%)	Asset management
Sichuan Communications Network Technology Company Limited	49% (direct)	Technology service

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

11 INVESTMENT IN ASSOCIATES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Share of net assets	<u>479,199</u>	<u>474,101</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

11 INVESTMENT IN ASSOCIATES (CONTINUED)

Particulars of the Group's associates, which were established and operate in Mainland China as of 30 June 2024, are as follows:

Name	Percentage of Ownership interest of the Group	Principal activities
Chengdu Airport Expressway (i)	25%	Operation of Chengdu Airport Expressway
Sichuan Renshou Rural Commercial Bank Co., Ltd. (ii)	7.474%	Banking operations
Sichuan Zhongxin Assets Management Company Limited(ii)	5%	Asset management
Shudao Financial Leasing (Shenzhen) Company Limited	25.05%	Finance lease
Chengdu Communications Investment Supply Chain Management International Co., Ltd.	29%	Business services

11 INVESTMENT IN ASSOCIATES (CONTINUED)

- (i) The Group's shares in Chengdu Airport Expressway are held by the Company. The Group's shares in other associates are held by the subsidiaries of the Company.
- (ii) According to the article of association of Sichuan Renshou Rural Commercial Bank Co., Ltd. and Sichuan Zhongxin Assets Management Company Limited, a subsidiary of the Group has the representation in the board of directors and therefore can participate in the financial and operating policy decisions of Sichuan Renshou Rural Commercial Bank Co., Ltd. and Sichuan Zhongxin Assets Management Company Limited so as to have significant influence in its activities.
- (iii) The Group's investments in associates are accounted for using the equity method.

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

**12 EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE
THROUGH OTHER COMPREHENSIVE INCOME**

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Equity investments designated at fair value through other comprehensive income:		
Listed equity investments, at fair value		
China Everbright Bank	<u>85,480</u>	<u>78,199</u>
Unlisted equity investments, at fair value		
Sichuan Intelligent Transportation System Management Company Limited	570	850
Chengdu Chengbei Expressway Gas Station Co., Ltd.	<u>9,320</u>	<u>8,720</u>
	<u>9,890</u>	<u>9,570</u>
	<u>95,370</u>	<u>87,769</u>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

13 PAYMENTS IN ADVANCE

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
<i>In respect of:</i>		
Sandstones (i)	352,261	324,026
Construction (ii)	<u>1,002,549</u>	<u>1,007,320</u>
	<u><u>1,354,810</u></u>	<u><u>1,331,346</u></u>

- (i) Pursuant to contracts governing the construction of Lushan County Tourist Road Construction Project, trade receivables arising from the construction service will be used to settle the purchase of sandstones arranged by the local government authorities, for a period over one year.
- (ii) Pursuant to contracts governing the relevant construction projects, prepayments were mainly made by the Group to ensure the continuous construction of Chengle Expressway Expansion Construction Project.

Included in payments in advance in respect of construction, prepayments amounting to RMB891,876,000 and RMB17,176,000 (31 December 2023: RMB852,514,000 and RMB17,176,000) were made to fellow subsidiaries under control of Shudao Investment and Road and Bridge International Co., Ltd. ("Road and Bridge"), a non-controlling shareholder of a subsidiary within the Group, respectively, for Chengle Expressway Expansion Construction Project and Lushan Country Long Bao Da Construction Project.

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

14 TRADE AND OTHER RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Trade receivables		
Trade receivables	1,654,680	1,870,018
Impairment	(3,678)	(3,678)
	1,651,002	1,866,340
Trade receivables, net (i)	1,651,002	1,866,340
Bills receivable	–	2,100
	1,651,002	1,868,440
Other receivables		
Deposit and other receivables (ii)	687,778	722,406
Impairment (iii)	(134,406)	(134,406)
	553,372	588,000
Prepayments	271,529	98,610
Total trade and other receivables	<u>2,475,903</u>	<u>2,555,050</u>
Less: Current portion	<u>(989,119)</u>	<u>(1,015,838)</u>
Non-current portion	<u>1,486,784</u>	<u>1,539,212</u>

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

According to the contracts governing the relevant construction works, as of 30 June 2024, trade receivables of RMB1,132,160,000 (31 December 2023: RMB1,106,441,000) are to be settled by instalments within two to thirteen years upon completion of the relevant construction works and bear interest at rates ranging from 4.75% to 8.5% (31 December 2023: 4.75% to 8.5%) per annum. The remaining trade receivables are non-interest-bearing.

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) (Continued)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 3 months	52,644	271,256
3 to 6 months	5,139	32,096
6 to 12 months	31,295	19,683
Over 1 year	<u>1,561,924</u>	<u>1,543,305</u>
	<u><u>1,651,002</u></u>	<u><u>1,866,340</u></u>

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) (Continued)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
At beginning of period/year	3,678	37,601
Reversal of loss allowance (<i>note 4</i>)	<u>—</u>	<u>(33,923)</u>
At end of period/year	<u>3,678</u>	<u>3,678</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Up-front payment of construction contracts	40,866	40,866
Interest receivables on temporary advances and construction revenue	2,452	2,452
Toll income receivables	109,002	136,155
Deductible input value-added tax	292,475	254,940
Prepaid income tax	325	7,847
Deposits	8,226	5,729
Dividend receivables	33,386	16,492
Miscellaneous	201,046	257,925
	687,778	722,406
Impairment allowance	(134,406)	(134,406)
	553,372	588,000

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

- (iii) The movement in the loss allowance for impairment of financial assets in prepayments, deposits and other receivables is as follows:

	30 June	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
At beginning of period/year	134,406	134,406
Provision for loss allowance	<u>—</u>	<u>—</u>
At end of period/year	<u>134,406</u>	<u>134,406</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

- (iv) Amounts due from related parties, which are repayable on credit terms similar to those offered to the independent major customers of the Group, included in trade and other receivables as at the end of the reporting period are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Fellow subsidiaries under control of		
Shudao Investment		
Other receivables	124,727	134,972
Prepayments	792	1,681
Trade receivables	767	3,903
	126,286	140,556

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<i>Non-current assets</i>		
Investment in private equity fund	<u>39,002</u>	<u>34,017</u>
<i>Current assets</i>		
Investments in listed equity	<u>429</u>	<u>366</u>

The investment in private equity fund is mandatorily measured at fair value through profit or loss.

The listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

INTERIM CONDENSED
FINANCIAL INFORMATION (CONTINUED)

16 CASH AND BANK BALANCES AND RESTRICTED DEPOSITS

	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash and bank balances	2,544,208	1,707,933
Time deposits with original maturity of:		
– less than three months	–	20,000
– more than three months	305,645	255,025
	2,849,853	1,982,958
Less: Restricted deposits	(129)	(128)
	2,849,724	1,982,830

Time deposits are made for periods of three months, six months, two years and three years and earn interest at the respective deposit rates. Except for time deposits, other bank balances earn interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. As of 30 June 2024, the time deposits RMB120,000,000 of the actual maturity after twelve months from 30 June 2024 have been recorded as a non-current asset.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

17 TRADE AND OTHER PAYABLES

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Trade payables (i)	118,724	123,638
Other payables (ii)	2,556,137	2,590,364
Interest payables (iii)	–	72,061
Deferred income (iv)	<u>286,712</u>	<u>287,741</u>
	2,961,573	3,073,804
Less: Non-current portion	<u>(254,350)</u>	<u>(254,492)</u>
Portion classified as current liabilities	<u><u>2,707,223</u></u>	<u><u>2,819,312</u></u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

17 TRADE AND OTHER PAYABLES (CONTINUED)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 3 months	58,495	94,402
3 to 6 months	16,871	13,475
6 to 12 months	31,236	2,787
Over 1 year	12,122	12,974
	118,724	123,638

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

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

17 TRADE AND OTHER PAYABLES (CONTINUED)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Advances	28,123	14,913
Inter-network toll collection (a)	13,949	32,804
Payroll and welfare payables	332,006	335,539
Taxes and surcharge payables	65,456	74,714
Progress billing payables (b)	1,456,840	1,531,774
Retention payables and deposits (c)	277,441	271,416
Late fees for unpaid other taxes (d)	27,590	27,590
Others	354,732	301,614
	<u>2,556,137</u>	<u>2,590,364</u>

17 TRADE AND OTHER PAYABLES (CONTINUED)

- (ii) Other payables at the end of the reporting period mainly include the following balances: (Continued)
 - (a) The balance represented the expressway tolls pending for allocation to other expressway operators.
 - (b) As of 30 June 2024, included in the progress billing payables, an amount of RMB1,214,514,000 (31 December 2023: RMB1,163,560,000) related to the construction of the Chengren Expressway BOT Project, Suiguang-Suixi Expressways BOT Project, the Chengle Expressway Expansion Construction Project, Tianqiong Expressway BOT Project and Rongcheng Second Ring Construction Project.
 - (c) As of 30 June 2024, included in retention payables and deposits, an amount of RMB168,278,000 (31 December 2023: RMB155,500,000) related to the construction of the Chengren Expressway BOT Project, Suiguang-Suixi Expressways BOT Project, the Chengle Expressway Expansion Construction Project, Tianqiong Expressway BOT Project and Rongcheng Second Ring Construction Project.
 - (d) The balance represented late fees relating to unpaid value-added tax arising from the interest income generated from the loans to the ultimate holding company.
- (iii) The balance as of 31 December 2023 consisted of interest payables in respect of medium-term notes and interest-bearing bank and other borrowings of RMB30,535,000 and RMB41,526,000, respectively.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

17 TRADE AND OTHER PAYABLES (CONTINUED)

- (iv) Deferred income as at the end of the reporting period mainly include the following items:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Leasing income received in advance	6,069	6,621
Management fee received in advance for operation of a bridge	26,178	30,205
Various deferred compensation income received in advance	77,832	80,884
Subsidy funds for demolishing the provincial boundary toll station	59,437	67,142
Government grants for Suiguang- Suixi Expressways BOT Project	91,209	92,095
Longquan gas station demolition subsidy	6,786	6,786
Subsidy fund for Puxing logistics centre project	16,709	–
Others	2,492	4,008
	<u>286,712</u>	<u>287,741</u>

Deferred income of the Group to be released to profit or loss after twelve months from 30 June 2024 with a total amount of RMB254,350,000 (31 December 2023: RMB254,492,000) has been recorded as a non-current liability.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

17 TRADE AND OTHER PAYABLES (CONTINUED)

- (v) Amounts due to related parties included in trade and other payables as at the end of the reporting period, which are on credit terms similar to those offered by independent major suppliers of the Group, are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Fellow subsidiaries under control of		
Shudao Investment		
Advances	1,117	1,006
Trade payables	6,098	5,403
Other payables	<u>1,041,768</u>	<u>995,207</u>
	1,048,983	1,001,616
Road and bridge		
Other payables	<u>301,991</u>	<u>252,548</u>
	<u><u>1,350,974</u></u>	<u><u>1,254,164</u></u>

Except for the performance guarantee deposits and retention payables which have a longer repayment term of approximately two years, other payables are non-interest-bearing and have an average term of three months.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Bank loans:		
Secured and guaranteed	9,084,000	9,091,500
Secured	19,923,309	18,464,713
Unsecured	6,158,800	5,720,650
	35,166,109	33,276,863
Medium-term notes	390,000	1,290,000
Corporate bonds payables	2,000,000	–
Other borrowings, guaranteed	2,373,946	3,091,016
Lease liabilities	122,695	122,798
	40,052,750	37,780,677
Interest accrued	64,183	–
Subtotal	40,116,933	37,780,677
Portion classified as current liabilities	(4,280,867)	(3,387,660)
Non-current portion	35,836,066	34,393,017

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Analysed into:

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Bank loans repayable:		
Within one year	2,829,649	2,306,899
In the second year	1,877,669	1,581,049
In the third to fifth years, inclusive	7,073,429	6,553,462
Beyond five years	23,385,362	22,835,453
	<u>35,166,109</u>	<u>33,276,863</u>
Medium-term notes repayable:		
Within one year	290,000	290,000
In the second year	100,000	–
In the third to fifth years, inclusive	–	1,000,000
	<u>390,000</u>	<u>1,290,000</u>
Corporate bonds payables:		
Within one year	–	–
In the second year	–	–
In the third to fifth years, inclusive	2,000,000	–
	<u>2,000,000</u>	<u>–</u>

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Other borrowings and lease liabilities repayable:		
Within one year	1,097,035	790,761
In the second year	1,274,859	1,102,061
In the third to fifth years, inclusive	113,925	1,299,377
Beyond five years	10,822	21,615
	2,496,641	3,213,814
	40,052,750	37,780,677

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

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

18 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(i) Bank loans were secured by:

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
	(bank loans amount)	
Secured by concession rights of:		
Chengle Expressway	7,605,320	6,719,230
Chengren Expressway	1,199,651	1,281,655
Tianqiong Expressway	5,008,338	4,053,828
Suiguang Expressway and Suixi Expressway	6,110,000	6,410,000
Second Ring (Western) Expressway	9,084,000	9,091,500
	<u>29,007,309</u>	<u>27,556,213</u>

(ii) As of 30 June 2024, the Company had two (31 December 2023: two) tranches of outstanding medium-term notes totalling RMB390,000,000 (31 December 2023: RMB1,290,000,000) issued to domestic institutional investors participating in the PRC interbank debt market. The effective interest rates for these medium-term notes ranged from 3.43% to 6.30% (31 December 2023: 3.49% to 6.30%) per annum. The medium-term notes were issued at a par value of RMB100 per unit and will be repaid in May 2026 with an original maturity period of five years.

18 INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

- (iii) As of 30 June 2024, the Company had one (31 December 2023: nil) corporate bonds payables RMB2,000,000,000 (31 December 2023: nil). The effective interest rate for these corporate bonds payables is 2.33% (31 December 2023: nil) per annum. These corporate bonds payables were issued at a par value of RMB100 per unit. These corporate bonds payables will be repaid in May 2029, with an original maturity period of five years with issuer's redeem option and investor's putback option in the end of the third year.
- (iv) The balance as of 30 June 2024 consisted of interest accrued in respect of medium-term notes, corporate bonds payables and interest-bearing bank and other borrowings of RMB23,586,000, RMB4,663,000 and RMB35,934,000, respectively.
- (v) As of 30 June 2024, the bank loans of RMB9,084,000,000 (31 December 2023: RMB9,091,500,000) were guaranteed by Shudao Investment (note 21).
- (vi) As of 30 June 2024, other borrowings of RMB2,373,946,000 (31 December 2023: RMB3,091,016,000) were guaranteed by Shudao Investment (note 21).

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

19 DIVIDENDS

At a meeting of the board of directors held on 29 August 2024, the directors of the Company resolved not to pay an interim dividend to shareholders of the Company (six months ended 30 June 2023: nil).

The proposed final dividend of RMB0.24 per ordinary share for the year ended 31 December 2023 (2022: RMB0.10) was declared during the Period and fully paid as of 11 July 2024.

20 COMMITMENTS

	30 June 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Construction	516,222	431,122
Property, plant and equipment	153,363	90,107
Service concession arrangements	<u>4,886,618</u>	<u>9,030,948</u>
	<u><u>5,556,203</u></u>	<u><u>9,552,177</u></u>

21 RELATED PARTY TRANSACTION

The Group had the following transactions with related parties during the Period:

- (i) For the six months ended 30 June 2024, the aggregate service fee payable to Sichuan Zhineng Transportation System Management Company Limited, a fellow subsidiary under control of Shudao Investment, in relation to the provision of a computer system of the highway toll fee collection networks and the supportive technological services to the Group amounted to RMB9,541,000 (six months ended 30 June 2023: RMB9,634,000). The fee was determined based on a service charge of 0.4% of toll income or RMB35,000,000 per annum, whichever is lower.

- (ii) For the six months ended 30 June 2024, fellow subsidiaries under control of Shudao Investment were engaged by the Group to provide construction and maintenance works. The prices of such works are usually determined through public tender and bidding process. Construction and maintenance costs recognised by the Group for such services aggregated RMB273,595,000 (six months ended 30 June 2023: RMB497,562,000).

21 RELATED PARTY TRANSACTION (CONTINUED)

- (iii) For the six months ended 30 June 2024, a fellow subsidiary under control of Shudao Investment was engaged by the Group to provide property management services. Property management services costs recognised by the Group for such services during the year aggregated RMB6,378,000 (six months ended 30 June 2023: RMB4,053,000). The directors consider that the amount paid for the property management services from a related company was determined based on prices similarly available to the related party's third-party customers.

- (iv) For the six months ended 30 June 2024, Road and Bridge provided construction service for Tianqiong Expressway BOT Project. Construction cost recognised by the Group for such services during the Period amounted to approximately RMB863,371,000 (six months ended 30 June 2023: RMB1,020,755,000). The directors consider that the amount paid for the construction services from a related company was determined based on prices similarly available to the related party's third-party customers

- (v) For the six months ended 30 June 2024, the Group purchased refined oil products aggregating to approximately RMB531,548,000 (six months ended 30 June 2023: RMB543,239,000) from Sichuan sales branches of PetroChina Company Limited, a non-controlling shareholder of a subsidiary within the Group. The prices were determined by adding transportation fee to the selling price of the refined oil by reference to market price.

21 RELATED PARTY TRANSACTION (CONTINUED)

- (vi) For the six months ended 30 June 2024, the Group purchased refined oil products aggregating to approximately RMB169,876,000 (six months ended 30 June 2023: RMB57,943,000) from a subsidiary of Sinochem Oil Sales Company Limited, the holding company of a non-controlling shareholder of a subsidiary within the Group. The prices were determined by market wholesale price.

- (vii) For the six months ended 30 June 2024, Sichuan Intelligent Expressway Technology Co., Ltd., a fellow subsidiary under control of Shudao Investment, was engaged by the Group to provide smart highway construction. The price of the construction is determined through public tender and bidding process. No construction cost was recognised by the Group for such services for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB70,300,000).

- (viii) For the six months ended 30 June 2024, the Group purchased certain charging station assets, from Sichuan Shujiao New Energy Co., Ltd., an indirect subsidiary of Shudao Investment, for an aggregate cash consideration of RMB70,355,000. The directors considered the consideration was determined after arm's length negotiation with reference to the market value appraised by Beijing North Asia Asset Assessment Firm (Special General Partnership), an independent qualified valuer.

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

21 RELATED PARTY TRANSACTION (CONTINUED)

- (ix) For the six months ended 30 June 2023, the Group acquired 81% and 19% equity interests in Rongcheng Second Ring Company from Sichuan Shudao Expressway Group Co., Ltd. (“Shudao Expressway”) and Sichuan Road & Bridge (Group) Corporation Ltd. (“SRB Group”) for an aggregate consideration of RMB5,903,000,000. The directors considered the consideration of acquisition was determined after arm’s length negotiation with reference to the market value appraised by Beijing North Asia Asset Assessment Firm (Special General Partnership), an independent qualified valuer.
- (x) Details of interest-bearing loans provided to/(collected from) related parties:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Collection of loans from:		
Shudao Investment (a)	-	(2,200,000)
Shudao Expressway (b)	-	(250,000)
	<u>-</u>	<u>(2,450,000)</u>
	<u>-</u>	<u>(2,450,000)</u>
Interest income from:		
Shudao Investment (a)	-	28,475
Shudao Expressway (b)	-	1,868
Funds under centralised management (c)	-	115
	<u>-</u>	<u>30,458</u>
	<u>-</u>	<u>30,458</u>

21 RELATED PARTY TRANSACTION (CONTINUED)

- (x) Details of interest-bearing loans provided to/(collected from) related parties: (Continued)
- (a) On 8 June 2016, Rongcheng Second Ring Company provided a loan of RMB1,700,000,000 to Shudao Investment with instalment repayments of RMB170,000,000, RMB340,000,000, RMB510,000,000 and RMB680,000,000 on the respective maturity dates of 8 June 2023, 8 June 2024, 8 June 2025 and 8 June 2026. On 22 February 2017, Rongcheng Second Ring Company provided a loan of RMB800,000,000 to Shudao Investment with instalment repayments of RMB80,000,000, RMB160,000,000, RMB240,000,000 and RMB320,000,000 on the respective maturity dates of 22 February 2024, 22 February 2025, 22 February 2026 and 8 June 2026. On 16 March 2020 and 7 April 2023, an aggregate amount of RMB300,000,000 and RMB2,200,000,000 was early repaid by Shudao Investment, respectively. The above-mentioned loans provided to Shudao Investment bear interest at the rate of 5.15% per annum. The directors are of the view that interest charged to Shudao Investment has been determined according to the borrowing agreements by reference to the prevailing interest rate of similar bank loans.

21 RELATED PARTY TRANSACTION (CONTINUED)

- (x) Details of interest-bearing loans provided to/(collected from) related parties: (Continued)
- (b) On 17 June 2022 and 11 October 2022, Rongcheng Second Ring Company provided loans of RMB300,000,000 and RMB150,000,000 to Shudao Expressway for a term of one year and six months, respectively, at annual interest rate of 3.10%. Interest thereof shall be paid on a quarterly basis and the principal shall be repaid in one lump sum upon maturity. On 28 December 2022, 17 March 2023 and 7 April 2023, an aggregate amount of RMB200,000,000, RMB10,000,000 and RMB240,000,000 was early repaid by Shudao Expressway, respectively. The directors are of the view that interest charged to Shudao Expressway has been determined according to the borrowing agreements by reference to the prevailing interest rate of similar bank loans.
- (c) The ultimate holding company sets up a group cash pool bank account to centrally manage working capital of entities within the group. Before the acquisition (note 23), Rongcheng Second Ring Company's deposits in the group cash pool bank account bear the same interest rate as demand bank deposit.
- (xi) As of 30 June 2024, the bank loans of RMB9,084,000,000 (31 December 2023: RMB9,091,500,000) were guaranteed by Shudao Investment (note 18).

INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)

21 RELATED PARTY TRANSACTION (CONTINUED)

(xii) As of 30 June 2024, other borrowings of RMB2,373,946,000 (31 December 2023: RMB3,091,016,000) were guaranteed by Shudao Investment (note 18).

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

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fees	133	160
Other emoluments:		
Salaries, allowances, and benefits in kind	2,838	2,974
Pension scheme contributions	245	280
Supplementary pension scheme contributions	271	367
	3,354	3,621
	3,487	3,781

These transactions were carried out in accordance with the terms of agreements governing such transactions.

22 FAIR VALUE MEASUREMENT AND OTHER INFORMATION OF FINANCIAL INSTRUMENTS

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

(i) Fair value hierarchy

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

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

(i) Fair value hierarchy (Continued)

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2024 and 31 December 2023 on a recurring basis:

As of 30 June 2024

	Level 1 <i>RMB'000</i> (Unaudited)	Level 2 <i>RMB'000</i> (Unaudited)	Level 3 <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Financial assets				
Equity investments designated at fair value through other comprehensive income				
– Listed equity investments	85,480	-	-	85,480
– Unlisted equity investments	-	-	9,890	9,890
Financial assets at fair value through profit or loss				
– Listed equity investments	429	-	-	429
– Unlisted equity investments	-	-	39,002	39,002
	<u>85,909</u>	<u>-</u>	<u>48,892</u>	<u>134,801</u>

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

(i) Fair value hierarchy (continued)

As of 31 December 2023

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)	(Audited)
Financial assets				
Equity investments				
designated at fair				
value through other				
comprehensive income				
– Listed equity investments	78,199	–	–	78,199
– Unlisted equity				
investments	–	–	9,570	9,570
Financial assets at fair value				
through profit or loss				
– Listed equity investments	366	–	–	366
– Unlisted equity				
investments	–	–	34,017	34,017
	<u>78,565</u>	<u>–</u>	<u>43,587</u>	<u>122,152</u>

There were no transfers among levels 1, 2 and 3 for the six months ended 30 June 2024 and 2023. There were no other changes in valuation techniques for the six months ended 30 June 2024 and 2023.

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

(i) Fair value hierarchy (continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity investment.

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

(i) Fair value hierarchy (Continued)

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves;
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the reporting date;
- for foreign currency options – option pricing models (e.g. Black-Scholes model); and
- for other financial instruments – discounted cash flow analysis.

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

(i) Fair value hierarchy (Continued)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation (“EV/EBITDA”) multiple and price to earnings (“P/E”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

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

(i) Fair value hierarchy (Continued)

The fair value of investment in private equity fund at fair value through profit or loss was based on the net asset of the private equity fund, which take into consideration the fair value of underlying assets and liabilities of the unlisted private equity fund.

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

	Equity investments designated at fair value through other comprehensive income-unlisted equity investment <i>RMB'000</i>	Financial assets at fair value through profit or loss -unlisted equity investment <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2023 (Audited)	9,570	34,017	43,587
Changes in fair value	320	4,985	5,305
30 June 2024 (Unaudited)	9,890	39,002	48,892

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

(iii) Fair values of other financial instruments (unrecognised)

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

The fair values of the interest-bearing bank and other borrowings, corporate bonds payables and medium-term notes are secondary market trading prices near balance sheet date or have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, adjusted by the Group's or the subsidiaries' own non-performance risk where appropriate.

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

(iii) Fair values of other financial instruments (unrecognised) (Continued)

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Carrying amount		
Financial liabilities		
– Bank loans	35,166,109	33,276,863
– Medium-term notes	390,000	1,290,000
– Corporate bonds payables	2,000,000	–
– Other borrowings	2,373,946	3,091,016
	<u>39,930,055</u>	<u>37,657,879</u>

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

(iii) Fair values of other financial instruments (unrecognised) (Continued)

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Fair value		
Financial liabilities		
– Bank loans	32,447,139	30,782,122
– Medium-term notes	391,719	1,218,984
– Corporate bonds payables	2,000,600	–
– Other borrowings	2,411,419	2,966,729
	<u>37,250,877</u>	<u>34,967,835</u>

23 BUSINESS COMBINATION UNDER COMMON CONTROL

On 30 April 2023, the Company completed the acquisition of 81% and 19% equity interests in Rongcheng Second Ring Company from Shudao Expressway and SRB Group, respectively, with an aggregate consideration of RMB5,903,000,000 settled during the Period. Rongcheng Second Ring Company is involved the management and operation of Second Ring (Western) Expressway in Chengdu. The acquisition promotes the sustainable development of the Company and is in line with the development strategy of the Company, which could enhance the overall management of the Group's toll expressways in Sichuan Province, create synergies of the expressway network and thereby strengthen the core competitiveness of the Group.

As the Group and Rongcheng Second Ring Company are under the common control of Shudao Investment before and after the acquisition, the business combination has been accounted for in the interim condensed financial information of the Group as a business combination under common control based on the principles of merger accounting in accordance with AG 5 issued by the HKICPA as if the acquisition had occurred when Rongcheng Second Ring Company established by the ultimate holding company. Upon the business combination under common control effected on 30 April 2023, Rongcheng Second Ring Company has also become a subsidiary of the Group since its establishment date on 20 April 2010.

Under the principles of merger accounting, the assets and liabilities of Rongcheng Second Ring Company are consolidated in the Group's financial statements using the existing book values as stated in the consolidated financial statements of Shudao Investment immediately prior to the combination.

23 BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

The carrying amounts of the assets and liabilities of Rongcheng Second Ring Company as at the transaction date on 30 April 2023 were as follows:

	Book value as at 30 April 2023 <i>RMB'000</i>
Property, plant and equipment	79,110
Service concession arrangements	13,336,295
Deferred tax assets	68,514
Trade and other receivables	24,190
Cash and bank balances	2,486,662
Trade and other payables	(455,918)
Interest-bearing bank and other borrowings	(12,541,001)
Due to the ultimate holding company	(153)
Deferred income	(84,380)
	2,913,319
Total net assets at book value	2,913,319
Difference recognised in equity	2,989,681
	5,903,000
Total purchase consideration	5,903,000

The Group incurred transaction costs of RMB2,300,000 for this acquisition. These transaction costs have been expensed and included in administrative expenses in the interim condensed consolidated statements of profit or loss.

24 EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) the capital increase of the investment in associates

As at 18 July 2024, Shudao Financial Leasing (Shenzhen) Company Limited (“the Target”), the investment in associates of the Company, entered into a capital increase agreement with all its shareholders, namely Shudao Capital Holding Group Co., Ltd., Chengdu International Aviation Hub Development and Construction Co., Ltd. and the wholly-owned subsidiary of the Company, CSI SCE Investment Holding Limited, pursuant to which, Shudao Capital Holding Group Co., Ltd. agreed to increase its capital to the Target (i.e. Shudao Capital Holding Group Co., Ltd. will subscribe for RMB1,000,000,000 of the additional registered capital of the Target in the amount of RMB1,209,200,000. The RMB209,200,000 in excess of the registered capital will be included in the capital reserve of the Target as a capital premium). Upon the completion of the above transaction, the Group’s equity interests in the Target will be diluted from 25.0455% to approximately 8.6545% accordingly.

24 EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

(ii) the acquisition transaction

The Company is planning to issue A-shares and pay cash to purchase 85% equity of Hubei Jingyi Expressway Co., Ltd. held by Shudao (Sichuan) Innovation Investment Development Co., Ltd. (the “Acquisition”).

Up to the date of this report issued, the Acquisition is still in the planning stage and the transaction parties have not yet signed a formal agreement.

25 APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the board of directors on 29 August 2024.



CHANGES IN SHARE CAPITAL AND SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

- I. DURING THE REPORTING PERIOD, THERE WAS NO CHANGE IN THE TOTAL NUMBER OF SHARES AND CAPITAL STRUCTURE OF THE COMPANY.**

- II. AS AT 30 JUNE 2024, THE COMPANY HAD A TOTAL OF 37,640 SHAREHOLDERS, INCLUDING 37,393 HOLDERS OF A SHARES AND 247 HOLDERS OF H SHARES.**

- III. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2024, so far as the Company and Directors, having made reasonable enquiries, are aware, the following parties (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the shares or underlying shares, which is required to be disclosed to the Company under the provisions of

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

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

Name of substantial shareholders	Type of Shares	Long position/ short position	Number of the Company's Shares held	Approximate percentage in the total issued share capital of the Company	Approximate percentage in the share capital of A Shares/ H Shares	Nature of interest and capacity
Shudao Investment	A Shares	Long position	1,035,915,462	33.87%	47.90%	Beneficial owner
	H Shares	Long position	183,064,200	5.99%	20.45%	Beneficial owner
		Total:	1,218,919,662	39.86%		Beneficial owner
China Merchants Expressway Company	A Shares	Long position	664,487,376	21.73%	30.72%	Beneficial owner
	H Shares	Long position	96,458,000 ⁽²⁾	3.15%	10.77%	Interest in controlled corporation
		Total:	760,945,376	24.88%		



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

Notes:

- (1) According to the disclosure of interests forms submitted by Shudao Investment as at 30 June 2024, the number of H Shares held by Shudao Investment in long position in the Company was 136,150,200 (the form dated 26 June 2023), representing approximately 4.45% of the total issued share capital of the Company and approximately 15.21% of the H Shares. In the event that the shareholding of Shudao Investment in the Company changes, Shudao Investment is not required to notify the Company and the Stock Exchange unless certain conditions are fulfilled, and therefore the latest shareholding of Shudao Investment in the Company as at 30 June 2024 may be different from the shareholding disclosed on the Stock Exchange. The shareholding of Shudao Investment set out in this report was as at 30 June 2024 and, to the best of the knowledge of the directors of the Company who have made reasonable inquiries, are provided by Shudao Investment.

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

Save as disclosed above, as at 30 June 2024, the Company was not aware of any other person (other than the Directors, Supervisors and chief executives of the Company) having registered interests or short positions in the Shares and underlying Shares of the Company which were required to be recorded in the register in accordance with Section 336 of the SFO.



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

IV. CHANGE IN THE CONTROLLING SHAREHOLDER OF THE COMPANY

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

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

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

VI. ISSUE AND LISTING OF SECURITIES

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

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 30 June 2024, interests and short positions held by Directors, Supervisors and chief executives of the Company in Shares, underlying shares or bonds of the Company or its associated corporation (as defined in Part XV of the SFO) that, by virtue of Divisions 7 and 8 of the SFO, which shall be reported to the Company and the Stock Exchange (including interests and short positions, by virtue of such provisions of the SFO or other regulations, deemed or taken to be held by Directors, Supervisors and chief executives of the Company); or any interests or short positions that shall be recorded in the register required to be kept under the provisions of Section 352 of the SFO; or interests or short positions that, by virtue of Model Code as set out in Appendix C3 to the Listing Rules, shall be notified to the Company and the Stock Exchange, are as follows:

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

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 4 January 2024, Mr. Zhang Qinghua has tendered his resignation from his positions as an independent non-executive Director, a chairman of the Remuneration and Appraisal Committee under the Board, a member of the Audit Committee under the Board and a member of the Strategic Committee under the Board of the Company due to personal work adjustment. The resignation of Mr. Zhang Qinghua shall be affective until the vacancy resulting from such resignation is filled up by a succeeding independent non-executive Director and member of the relevant committees under the Board. Until then, Mr. Zhang Qinghua will continue to perform his duties as an independent non-executive Director of the Company and a member of the relevant committees under the Board in accordance with the relevant laws, regulations and the Articles of Association. For details, please refer to the announcement of the Company dated 4 January 2024.

On 1 February 2024, subject to the consideration and approval at the first extraordinary general meeting of the Company in 2024 (the “2024 First EGM”), Mr. Zhou Hua was elected as an independent non-executive Director of the eighth session of the Board of the Company. From 1 February 2024, Mr. Yan Qixiang has tendered his resignation from his positions as an independent non-executive Director of the Company, a member of the Audit Committee under the Board and a member of the Nomination Committee under the Board due to personal work changes.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

On the same date, the Board is pleased to announce that at the twelfth meeting of the eighth session of the Board of the Company held immediately after the 2024 First EGM, the Board has passed, among others, a resolution on the appointment of Mr. Zhou Hua as a member of the Audit Committee and a member of the Nomination Committee under the Board of the Company, with a term of office from 1 February 2024 to the expiry of the eighth session of the Board. For details, please refer to the announcement of the Company dated 12 June 2023 and the poll results announcement of the Company dated 1 February 2024.

On 8 March 2024, Mr. Li Wenhui has tendered his resignation from the positions as an executive Director, the vice chairman (acting as chairman), the general manager and the authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules on the Stock Exchange due to the change of his work arrangements. For details, please refer to announcement of the Company dated 8 March 2024.

On 15 March 2024, the Company convened the thirteenth meeting of the eighth session of the Board, at which the Board, among others, considered and agreed the appointment of Mr. You Zhiming, one of the incumbent executive Directors, as the vice chairman of the eighth session of the Board and the general manager of the Company, for a term of office with effect from 15 March 2024 until the expiry of the term of office of the eighth session of the Board of the Company; and agreed to elect Mr. You Zhiming as the acting chairman of the Board for a term commencing from 15 March 2024 and ending on the date of appointment of the new chairman. For details, please refer to the announcement of the Company dated 15 March 2024.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

On 9 April 2024, subject to the consideration and approval at the second extraordinary general meeting of the Company in 2024. Mr. Luo Zuyi was elected as an executive Director of the eighth session of the Board of the Company. On the same date, the Company convened the fifteenth meeting of the eighth session of the Board, at which the Board considered and agreed the appointment of Mr. Luo Zuyi as an authorised representative of the Company under Rule 3.05 of the Listing Rules on the Stock Exchange, the chairman of the Board, the committee chairman of the Strategic Committee under the Board and a member of the Nomination Committee under the Board of the Company, with effect from 9 April 2024 until the expiry of the term of office of the eighth session of the Board of the Company. For details, please refer to the announcement of the Company dated 15 March 2024 and the poll results announcement of the Company dated 9 April 2024.

I. BUSINESS REVIEW AND ANALYSIS

(I) Results Overview

The Group is principally engaged in the investment, construction, operation and management of expressways and the expansion of traditional core businesses of derivative economy along the expressways, as well as the fostering and development of the green energy industry with a focus on “charging, battery bank + power replacement and hydrogen energy”. In the first half of 2024, the national economy remained generally stable, but the complexity, severity and uncertainty of the external environment increased significantly, and the deep adjustment of the domestic economic structure also brought new and indispensable challenges. The Group adhered to the goal orientation, focused on the development and implementation of development path, mechanism reform, market value management and so on, and made efforts and worked together with one heart and mind to promote the steady and orderly development of the Company.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

During the Reporting Period, the revenue of the Group amounted to approximately RMB5,319,241,000, representing a year-on-year decrease of approximately 5.98%. In particular, the revenue from expressway segment amounted to approximately RMB2,325,982,000, representing a year-on-year decrease of approximately 1.50%; the revenue from construction services segment amounted to approximately RMB1,783,253,000, representing a year-on-year decrease of approximately 12.26%; the revenue from transportation service segment amounted to approximately RMB1,041,825,000, representing a year-on-year increase of approximately 11.24%; the revenue from transportation logistics segment amounted to approximately RMB107,614,000, representing a year-on-year decrease of approximately 65.53%; and the revenue from new energy technology segment amounted to approximately RMB60,567,000, representing a year-on-year increase of approximately 311.96%. The profit attributable to the owners of the Company was approximately RMB698,095,000, representing a year-on-year decrease of approximately 10.54%. Basic earnings per share was approximately RMB0.228 (the same period in 2023: approximately RMB0.255). As at 30 June 2024, the Group had total assets of approximately RMB60,116,132,000 and net assets of approximately RMB16,624,247,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

(II) Data on operation of the toll roads and bridges business of the Group

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

Item	Shareholding percentage (%)	Average daily traffic flow (vehicles)			Toll income (RMB'000)		
		For the Period	Same period in 2023	Increase/ (decrease) (%)	2024		
					For the Period	Same period in 2023	Increase/ (decrease) (%)
Chengyu Expressway	100.00	21,189	20,636	2.68	419,848	411,956	1.92
Chengya Expressway	100.00	38,407	37,796	1.62	504,116	505,658	(0.30)
Chengren Expressway	100.00	34,277	36,542	(6.20)	433,559	477,746	(9.25)
Chengle Expressway	100.00	39,526	34,316	15.18	293,275	262,766	11.61
Chengbei Exit Expressway (including Qinglongchang Bridge)	60.00	46,852	47,880	(2.15)	50,306	56,649	(11.20)
Suiguang Expressway	100.00	11,928	12,487	(4.48)	131,484	142,641	(7.82)
Suixi Expressway	100.00	10,107	9,585	5.45	85,734	84,347	1.64
Second Ring (Western) Expressway	100.00	27,767	/	/	407,660	428,967	(4.97)

Notes: 1. Since the Company merged Rongcheng Second Ring Company under common control in April 2023, upon consolidation, the statistics source for traffic flow of Second Ring (Western) Expressway changes and therefore there is no comparable data for its average daily traffic flow.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

2. The statistics source for traffic flow of Chengbei Exit Expressway (including Qinglongchang Bridge) changes. In order to maintain the comparability, the statistics source of the same period last year shall be adjusted accordingly.
3. During the Reporting Period, the number of major holidays exempted from tolls for passenger vehicles increased by 4 days compared with the same period last year.
4. The toll operation period of Chengyu Expressway, Chengya Expressway, Chengbei Exit Expressway, Chengle Expressway, Chengren Expressway, Suixi Expressway, Suiguang Expressway and Second Ring (Western) Expressway is up to 2027, 2029, 2025, 2029, 2042, 2046, 2046 and 2046, respectively.

During the Reporting Period, the toll income of the Group was approximately RMB2,325,982,000, representing a decrease of approximately 1.89% as compared with the same period last year. The toll income accounted for approximately 43.73% of the Group's operating revenue, representing an increase of approximately 1.99 percentage points as compared with the same period last year. During the Reporting Period, the overall operating performance of the Group's expressways was affected by the combined effects of the following factors:

1. Economic factors

In the first half of 2024, the national economy has generally maintained a good trend of continuous recovery and remained stable while making progress. China's gross domestic product amounted to RMB61,683.6 billion, representing a year-on-year increase of 5.0%¹ at constant prices. The People's government of Sichuan Province has insisted on striving for progress while maintaining stability, focusing on the work of economic construction centre and high-quality development, and accelerating the cultivation and development of new-quality productive forces. The economic operation of the whole province remained stable while making progress. In the first half of 2024, the regional GDP of the whole province was RMB2,946.33 billion, representing a year-on-year increase of 5.4%² at constant prices. However, it is worth noting that although the national economy has generally maintained a stable operation, the external environment has shown an increasingly complex situation, and the severity and uncertainty have been significantly enhanced. Coupled with the continuous deepening of domestic structural adjustment, these external and internal factors jointly formed new challenges and constituted a double test for the Group and various economic entities. In this context, the overall operation and performance of the Group were inevitably affected to varying degrees.

¹ Source: Preliminary audit results issued by the National Bureau of Statistics

² Source: Preliminary audit results issued by the Sichuan Provincial Bureau of Statistics

2. Policy factors

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

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

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

3. Road network changes and road construction

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

Chengya Expressway: Ehan (Mount Emei-Hanyuan) Expressway was officially opened to traffic on 29 December 2023, and is still in the zero-rate operation stage until now. Vehicles that traveled to Hanyuan or Xichang via Chengya-Yaxi may now choose the Chengle-Lehan route, which will divert vehicles from Chengya Expressway.

Chengren Expressway: On 26 December 2023, Chengyi (Chengdu-Yibin) high-speed rail was opened, and diversified transportation methods intensified competition in the passenger transport market. At the same time, as the frequency of Chengdu-Yibin high-speed rail increases, more vehicles are diverted from Chengren Expressway; on 23 March 2024, Renmuxin (Renshou—Muchuan—Xinshi) Expressway, the extended section of Chengren Expressway, commenced toll collection, and drivers and passengers may choose alternative routes in order to save toll costs.

Chengle Expressway: From 16 February 2023 to 5 July 2023, the section from Mianzhu North Hub Interchange to Guli Dam Interchange was closed to one-half from Chengdu to Leshan for expansion and construction, while no similar construction was implemented during the same period this year, leading to a substantial increase in traffic volume as compared to the same period of last year.

Suiguang Expressway: On 4 February 2024, the Wusheng County Government issued the Temporary Traffic Announcement of the Guang'an Zaoshan to Wusheng County Road Reconstruction Project on G350 Line (《G350線廣安棗山至武勝縣城段公路改建工程臨時通車公告》), announcing that the main project of the G350 Line Guang'an Zaoshan to Wusheng County Road Reconstruction Project was mostly completed, and it has been temporarily opened in two lanes and two ways during the period from 00:00 on 6 February 2024 to 24:00 on 25 February 2024 (20 days). As it is a local road with no toll collection, most vehicles from Guang'an to Wusheng and from Wusheng to Guang'an ceased to choose Suiguang Expressway for their passage, resulting in the diversion of Suiguang Expressway.

Chengbei Exit Expressway: From 15 April 2024 to 7 November 2024, traffic control has been implemented on the Guanghan-Second Ring section of G5 Chengdu-Mianyang Expressway due to reconstruction, and such long-term closure for construction and traffic control resulted in a decrease in traffic volume in respect of Chengbei Exit Expressway.

(III) Major financing and investment projects, major acquisitions and disposals of the Group

1. Chengle Expressway Expansion Construction Project

The proposal in respect of investment in the expansion construction of Chengle Expressway and relevant matters was considered and approved at the extraordinary general meeting of the Company held on 30 October 2017. According to the opinion on approval of the project from the Ministry of Transport, the total mileage of the project was 130 km, and the estimated total investment was approximately RMB22.16 billion. According to the Reply on Adjustment to the Approval of the Chengdu to Leshan Expressway Expansion Construction Project issued by the Sichuan Provincial Development and Reform Commission (Chuan Fa Gai Ji Chu [2022] No. 298) (《關於調整成都至樂山高速公路擴容建設項目核准事項的批覆》(川發改基礎[2022]298號)), the adjusted total mileage of the project was 136.1 km and the estimated total investment was RMB25.15 billion. After the completion of the project, it will help ease the traffic pressure on Chengle Expressway, and improve the overall traffic capacity and service level of Chengle Expressway. On 27 November 2019, the established tasks for the Chengle Expressway Expansion Construction Project Pilot Section were completed and the pilot section was opened to two-way traffic. On 18 December 2019, the new Qinglong Toll Station of Chengle Expressway officially opened to traffic. On 2 August 2021, in order to standardize the approval procedures of PPP projects' inclusion and reclassification in the database, Chengdu Transportation Bureau has

entered into the Investment Agreement for the Expansion Construction Project of Chengdu-Leshan Expressway and the Public-Private-Partnership (PPP) Project Contract for the Expansion Construction Project of Chengdu-Leshan Expressway with Chengle Company. On 27 January 2022, the 81 km section from Meishan to Leshan fully realized two-way eight-lane passage. On 11 May 2023, Leshan city transit double-track section of Chengle Expressway Expansion Project was put into operation. From the date of construction commencement to 30 June 2024, the cumulative investment in Chengle Expressway expansion and construction project was approximately RMB12.750 billion.

2. Tianqiong Expressway BOT Project

On 30 October 2019, the resolution in relation to the investment in the Chengdu Tianfu New Area to Qionglai Expressway Project was considered and approved by the Board. The consortium established by the Company and Road & Bridge International Co., Ltd. participated in bidding for the Tianfu New Area to Qionglai Expressway Project and won the bid. The total length of the project is approximately 42 km, with an estimated total investment of approximately RMB8.685 billion.

On 4 March 2020, Sichuan Chengqionggya Expressway Company Limited was incorporated in Qionglai of Sichuan Province as a project company to take charge of the investment, construction and operation of Tianqiong Expressway, with project company's registered capital of RMB1.737 billion, of which the Company contributed RMB1.424 billion. From the commencement date of construction to 30 June 2024, an accumulated investment of approximately RMB6.505 billion had been invested in the Tianqiong Project.

II. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

Summary of the Group's Operating Results

	For the six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Revenue	5,319,241	5,657,375
Including: Expressways segment revenue	2,325,982	2,361,466
Construction services segment revenue	1,783,253	2,032,462
Transportation services segment revenue	1,041,825	936,568
Transportation logistics segment revenue	107,614	312,177
New energy technologies segment revenue	60,567	14,702
Others segment revenue	—	—
Profit before tax	902,973	998,851
Profit attributable to owners of the Company	698,095	780,353
Earnings per share attributable to owners of the Company (<i>RMB</i>)	0.228	0.255

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Summary of the Group's Financial Position

	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Total assets	60,116,132	57,640,787
Total liabilities	43,491,885	40,967,506
Non-controlling interests	980,949	999,963
Equity attributable to owners of the Company	<u>15,643,298</u>	<u>15,673,318</u>
Equity per share attributable to owners of the Company (RMB)	<u>5.115</u>	<u>5.125</u>

ANALYSIS OF OPERATING RESULTS

Revenue

The Group's revenue for the Period amounted to RMB5,319,241,000 (the same period in 2023: RMB5,657,375,000), representing a year-on-year decrease of 5.98%, of which:

- (1) The expressway segment revenue was RMB2,325,982,000 (the same period in 2023: RMB2,361,466,000), representing a decrease of 1.50% compared with the corresponding period of the previous year. During the Period, due to the preferential policies of differentiated charges, the holiday effect in the first half of the year and the improvement of the Company's operating services, the toll revenue of Chengyu Expressway and Chengle Expressway increased to varying degrees, in particular, the toll revenue of Chengyu Expressway increased by RMB7,892,000 or 1.92% compared with the corresponding period of the previous year; the toll revenue of Chengle Expressway increased by RMB30,509,000 or 11.61% compared with the corresponding period of the previous year. The toll revenue of other road sections has decreased to varying degrees, which was mainly due to the decrease in traffic volume under the influence of factors including the diversion to adjacent expressways in the road network, the diversion to Chengyi High-speed Railway and the current social economy, resulting in year-on-year decrease in toll revenue, of which: the toll revenue of Chengya Expressway decreased by RMB1,542,000 or 0.30% compared with the corresponding period of the previous year; the toll revenue of Chengren Expressway decreased by RMB44,187,000 or 9.25% compared with the corresponding period of the previous year; the toll revenue of Chengbei Exit Expressway decreased by RMB6,343,000 or 11.20% compared with the corresponding period of the previous year; the toll revenues of

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Suiguang-Suixi Expressways decreased by RMB9,770,000 or 4.30% compared with the corresponding period of the previous year; and the toll revenue of the Second Ring (Western) Expressway decreased by RMB21,307,000 or 4.97% compared with the corresponding period of the previous year. Please refer to “operating conditions of the toll roads and bridges business of the Group” in this announcement for details of the main factors affecting the toll income of the Group during the Reporting Period;

- (2) The construction services segment revenue was RMB1,783,253,000 (the same period in 2023: RMB2,032,462,000), representing a decrease of 12.26% compared with the corresponding period of the previous year, which was mainly due to that: (1) the construction contract revenue in respect of service concession arrangements was RMB1,760,325,000 (the same period in 2023: RMB1,993,363,000), representing a decrease of 11.69% compared with the corresponding period of the previous year, which was primarily the construction contract revenue from Chengle Expressway Expansion Construction Project and Tianqiong Expressways BOT Project recognized under the input method; (2) construction contract revenue in respect of construction works performed for third parties amounted to RMB22,928,000 (the same period in 2023: RMB39,255,000), representing a decrease of 41.59% compared with the corresponding period of the previous year, which was primarily the construction services revenue from Ziyang Jiaozi Avenue Project and Tourism Highway Project in Dachuan River Scenic Spot in Lushan County recognized under the input method;



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (3) The transportation service segment revenue was RMB1,041,825,000 (the same period in 2023: RMB936,568,000), representing an increase of 11.24% compared with the corresponding period of the previous year, which was mainly due to the increase in sales revenue of commodities and trade caused by business expansion for the Period;
- (4) The transportation logistics segment revenue was RMB107,614,000 (the same period in 2023: RMB312,177,000), representing a decrease of 65.53% compared with the corresponding period of the previous year, which was mainly due to the year-on-year decrease in transaction volume of North-South Grain Transportation Project of the Company for the Period;
- (5) The new energy technology segment revenue was RMB60,567,000 (the same period in 2023: RMB14,702,000), representing an increase of 311.96% compared with the corresponding period of the previous year, which was mainly due to the increase in the operating scale of charging stations, the implementation of differentiated charging for on-road charging stations, and the Company's active expansion of trade, introduction of partners, interconnection, escrow and other business models, resulting in the increase in charging service revenue and other revenue of electric vehicles.

Other Income and Gains

The Group's other income and gains for the Period amounted to RMB102,788,000 (the same period in 2023: RMB145,162,000), representing a decrease of 29.19% compared with the corresponding period of the previous year, mainly due to that in 2023, Shudao Investment has already returned the loan of Rongcheng Second Ring Company in advance, resulting in no interest income from this loan of the Group in 2024.

Operating Expenses

The Group's operating expenses for the Period amounted to RMB4,097,076,000 (the same period in 2023: RMB4,368,814,000), representing a decrease of 6.22% compared with the corresponding period of the previous year, of which:

- (1) During the Period, construction contract cost recognized under the input method in respect of service concession arrangements was RMB1,760,325,000 (the same period in 2023: RMB1,993,363,000), representing a decrease of 11.69% compared with the corresponding period of the previous year, which was primarily the construction costs of the service concession arrangements;
- (2) Depreciation and amortization expenses were RMB641,127,000 (the same period in 2023: RMB620,450,000), representing an increase of 3.33% compared with the corresponding period of the previous year, mainly attributable to the increase in amortization for service concession arrangements, and depreciation of property, plant and equipment for the Period;
- (3) The cost of sales of goods was RMB987,483,000 (the same period in 2023: RMB1,086,873,000), representing a decrease of 9.14% compared with the corresponding period of the previous year, which was mainly due to the decrease in the cost of sales attributable to the decrease in North-South Grain Transportation Project for the Period;
- (4) The cost of charging services included for the current year was RMB24,653,000 (the same period in 2023: RMB7,411,000), representing an increase of 232.65% compared with the corresponding period of the previous year, which was mainly due to the increase in the cost of electricity attributable to further efforts to lay out the charging network of new energy vehicles this year;



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (5) Repair and maintenance costs were RMB67,362,000 (the same period in 2023: RMB63,691,000), representing an increase of 5.76% compared with the corresponding period of the previous year, which was the daily maintenance costs of the ancillary facilities of all expressways of the Group;
- (6) Late fees relating to unpaid taxes were RMB605,000 (the same period in 2023: RMB4,074,000), representing a decrease of 85.15% compared with the corresponding period of the previous year; the impairment loss on goodwill decreased by RMB7,583,000 compared with the corresponding period of the previous year (the same period in 2023: RMB7,583,000), representing a decrease of 100.00% compared with the corresponding period of the previous year; and the loss on disposal of property, plant and equipment was RMB69,000 (the same period in 2023: RMB1,012,000), representing a decrease of 93.18% compared with the corresponding period of the previous year.

Finance Costs

The Group's finance costs for the Period amounted to RMB709,586,000, of which expensed interest expenditure amounted to RMB439,201,000 (the same period in 2023: RMB672,751,000, of which expensed interest expenditure amounted to RMB465,255,000), representing an increase of 5.48% compared with the corresponding period last year. The increase in finance costs for the Period was mainly due to the increase in the size of bank loans and the newly issued corporate bonds during the Period.

Income Tax

The income tax expense of the Group for the Period amounted to RMB170,301,000, representing a decrease of approximately 0.61% compared with RMB171,340,000 in the corresponding period of 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Profit

The Group's profit for the Period amounted to RMB732,672,000 (the same period in 2023: RMB827,511,000), representing a decrease of RMB94,839,000 compared with the corresponding period of the previous year, of which the profit attributable to owners of the Company was RMB698,095,000 (the same period in 2023: RMB780,353,000), representing a decrease of RMB82,258,000 compared with the corresponding period of the previous year. This was mainly due to:

- (1) The profit of the expressways segment for the Period was approximately RMB955,192,000 (the same period in 2023: RMB1,033,579,000), representing a decrease of 7.58% compared with the corresponding period of the previous year, which was mainly due to the decrease of RMB44,748,000 in toll revenue of the expressway business for the Period compared with the corresponding period of the previous year as a result of the decrease in traffic volume under the influence of factors including the diversion to adjacent expressways in the road network, the diversion to Chengyi High-speed Railway and the social economy, as well as the natural increase in depreciation and amortization for service concession arrangements;
- (2) The profit of the construction services segment for the Period was approximately RMB38,021,000 (the same period in 2023: loss of RMB1,959,000), representing an increase of 2,040.84% compared with the corresponding period of the previous year, which was mainly due to the income of Ziyang Jiaozi Avenue Project and Renshou Project is net income, and there is no corresponding cost, resulting in an increase in profits;



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (3) The profit of the transportation services segment for the Period was approximately RMB118,885,000 (the same period in 2023: RMB89,456,000), representing an increase of 32.90% compared with the corresponding period of the previous year, which was mainly due to the increase in profit with the growth of retail sales and gross profit per ton of oil products for the Period;
- (4) The profit of the transportation logistics segment for the Period was approximately RMB346,000 (the same period in 2023: RMB42,029,000), representing a decrease of 99.18% compared with the corresponding period of the previous year, which was mainly due to the receipt of all receivables from the judicial restructuring of the Weston Project and the reversal of the impairment provision of RMB33,922,740 in the same period of last year, and no similar business occurred for the Period;
- (5) The profit of the new energy technologies segment for the Period was approximately RMB15,289,000 (the same period in 2023: RMB3,073,000), representing an increase of 397.53% compared with the corresponding period of the previous year, which was mainly due to the increase of gross profit resulting from the expansion of business scale and business sector for the Period;
- (6) The profit of the others segment for the Period was approximately RMB20,242,000 (the same period in 2023: RMB29,504,000), representing a decrease of 31.39% compared with the corresponding period of the previous year, which was mainly due to the decrease in investment income of Renshou Rural Commercial Bank and Zhongxin Company Project in the first half of the year.

ANALYSIS OF FINANCIAL POSITION

Non-current Assets

As at 30 June 2024, the Group's non-current assets amounted to RMB56,202,787,000, representing an increase of 3.08% as compared with the amount at the end of 2023, mainly attributable to:

- (1) An increase of RMB1,488,888,000 in service concession arrangements as compared with the end of 2023, which included an increase of approximately RMB2,030,710,000 in the service concession carrying value and the provision for amortization of service concession arrangements of approximately RMB541,822,000;
- (2) A decrease of RMB17,248,000 in right-of-use assets as compared with the end of 2023, mainly due to the provision for amortization of approximately RMB31,138,000 and addition of right-of-use assets of approximately RMB13,890,000 for the Period;
- (3) An increase of RMB104,811,000 in property, plant and equipment as compared with the end of 2023, which was mainly the addition of property, plant and equipment of approximately RMB173,268,000 and the provision for depreciation of approximately RMB68,167,000 for the Period;
- (4) An increase of RMB4,992,000 in investment in associates and joint ventures as compared with the end of 2023, mainly attributable to: (1) the decrease of approximately RMB12,229,000 in the total carrying value resulting from the receipt of dividends of RMB12,229,000 from Airport Expressway Company; (2) the increase in carrying amount following the recognition of income from investment in a total amount of RMB17,221,000 during the Period;



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (5) An increase of RMB7,601,000 in equity investments designated at fair value through other comprehensive income as compared with the end of 2023, which was mainly due to the changes in fair value of equity investments in China Everbright Bank Co., Ltd.;
- (6) An increase of RMB4,985,000 in financial assets at fair value through profit or loss as compared with the end of 2023, which was mainly due to the changes in fair value of equity investments in Chuanshang Fund;
- (7) An increase of RMB23,464,000 in prepayments as compared with the end of 2023, which was mainly due to the increase in prepayments to ensure the sandstone procurement arranged by local government departments.

Current Assets and Current Liabilities

As at 30 June 2024, the current assets of the Group amounted to RMB3,913,345,000, representing an increase of 25.47% as compared with the amount at the end of 2023, mainly attributable to:

- (1) An increase of RMB746,894,000 in the cash and bank balances as compared with the amount at the end of 2023, mainly attributable to the increase in cash flow generated from financing activities due to the issuance of corporate bonds during the Period;
- (2) A decrease of RMB26,719,000 in trade and other receivables included in current items as compared with the amount at the end of 2023, mainly due to a decrease in trade receivables (including bill receivables) of RMB165,011,000, a decrease in other receivables of RMB34,626,000 and an increase in prepayment of RMB172,918,000;



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- (3) An increase of RMB74,252,000 in inventories as compared with the end of 2023, mainly due to the increase of purchase of oil products for the Period;

As at 30 June 2024, the Group's current liabilities amounted to RMB7,398,411,000, representing an increase of 17.11% as compared with the amount at the end of 2023, mainly attributable to an increase of RMB25,354,000 in tax payable; a decrease of RMB112,089,000 in trade and other payables; an increase of RMB38,709,000 in contract liabilities; an increase of RMB893,207,000 in current portion of interest-bearing bank and other borrowings; and an increase of RMB235,478,000 in dividend payable.

Non-current Liabilities

As at 30 June 2024, the non-current liabilities of the Group amounted to RMB36,093,474,000, representing an increase of 4.17% as compared with the amount at the end of 2023, which was principally attributable to an increase of RMB1,443,049,000 in non-current portion of interest-bearing bank and other borrowings as compared with the amount at the end of last year; an increase of RMB813,000 in deferred tax liabilities as compared with the amount at the end of last year; and a decrease of RMB142,000 in deferred income as compared with the amount at the end of last year.

Equity

As at 30 June 2024, the Group's equity amounted to RMB16,624,247,000, representing a decrease of 0.29% as compared with the amount of RMB16,673,281,000 at the end of 2023, mainly attributable to: (1) profit of RMB732,672,000 for the Period, which increased the equity; (2) an increase in equity of RMB6,023,000 due to the adjustment to the fair value of equity investments designated at fair value through other comprehensive income; (3) dividends of RMB53,795,000 paid to non-controlling shareholders, which decreased the equity; and (4) the final dividend for 2023 declared in the Period amounting to RMB733,934,000, which decreased the equity.

Capital Structure

As at 30 June 2024, the Group had total assets of RMB60,116,132,000 and total liabilities of RMB43,491,885,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 72.35% (31 December 2023: 71.07%).

Cash Flow

As at 30 June 2024, the cash and cash equivalents of the Group amounted to RMB2,544,079,000, representing an increase of approximately RMB816,274,000 as compared with the amount at the end of 2023. It comprised approximately HKD113,000 (equivalent to approximately RMB104,000) of deposits in Hong Kong dollars, and RMB2,543,975,000 of cash and cash equivalents in Renminbi.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

During the Period, net cash outflow generated from operating activities of the Group amounted to RMB63,810,000 (the same period in 2023: net cash outflow of RMB85,351,000), representing a decrease of RMB21,541,000 in net cash outflow compared with the same period last year, which was mainly attributable to the decrease of RMB95,878,000 in cash inflow for the Period as compared with the same period last year due to profit before tax; the additions to service concession arrangements resulted in a decrease of RMB193,608,000 in cash outflow as compared with the same period last year; the increase in restricted deposits resulted in an increase in cash inflow of RMB5,000 for the Period as compared with the same period last year; the increase in long-term prepayments resulted in a decrease in cash outflow of RMB167,326,000 for the Period as compared with the same period last year; the increase in deferred income resulted in a decrease of RMB5,678,000 in cash outflow for the Period as compared with the same period last year; the decrease in trade and other receivables resulted in a decrease of RMB114,908,000 in cash inflow for the Period as compared with the same period last year; the increase in inventories resulted in an increase of RMB69,756,000 in the cash outflow for the Period as compared with the same period last year; the increase in contract liabilities resulted in an increase of RMB9,956,000 in the cash inflow for the Period as compared with the same period last year; the increase in trade and other payables resulted in an increase of RMB270,865,000 in cash outflow for the Period as compared with the same period last year; the decrease in payables to ultimate holding company resulted in the decrease of RMB74,000 in cash outflow for the Period as compared with the same period last year.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Net cash outflow from investing activities of the Group amounted to RMB111,637,000 (the same period in 2023: net cash inflow of RMB2,572,644,000), representing an increase in net cash outflow of RMB2,684,281,000 as compared with the same period last year, mainly due to an increase of RMB24,260,000 in cash outflow from the purchase of property, plant and equipment during the Period as compared with the same period last year; a decrease of RMB5,346,000 in cash inflow for proceeds from disposal of property, plant and equipment during the Period as compared with the same period last year; a decrease of RMB47,195,000 in cash inflow from interest received during the Period as compared with the same period last year; a decrease of RMB4,709,000 in cash inflow for dividends received from joint ventures during the Period as compared with the same period last year; a decrease of RMB557,000 in cash inflow for dividends from equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss during the Period as compared with the same period last year; a decrease of RMB50,000,000 in cash inflow for the recovery of proceeds from the disposal of investments in joint ventures during the Period as compared with the same period last year; an increase of RMB19,395,000 in cash outflow from the increase in time deposits during the Period as compared with the same period last year; a decrease of RMB2,200,000,000 in cash inflow for repayment of loans received from the ultimate holding company during the Period as compared with the same period last year; a decrease of RMB82,819,000 in cash inflow from the recovery of centralized management funds during the Period as compared with the same period last year; and a decrease of RMB250,000,000 in cash inflow for the repayment of loans received from related parties during the Period as compared with the same period last year.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Net cash inflow generated from financing activities was RMB991,721,000 (the same period in 2023: net cash outflow of RMB1,753,713,000), representing an increase in net cash inflow of RMB2,745,434,000 as compared with the same period last year, which was mainly due to a decrease of RMB2,289,890,000 in cash inflow from new bank loans, other loans, corporate bonds and super short-term commercial papers as compared with the same period last year; a decrease of RMB634,948,000 in cash outflow for repayment of bank loans, other loans, medium-term notes, super short-term commercial papers and payment of lease principal as compared with the same period last year; an increase of RMB34,900,000 in cash outflow from interest paid as compared with the same period last year; an increase of RMB302,784,000 in cash outflow from dividend paid to the owners of the Company compared with the same period last year; a decrease of RMB17,560,000 in cash inflow from investment by non-controlling shareholders as compared with the same period last year; a decrease of RMB18,791,000 in cash outflow from dividend paid to non-controlling shareholders as compared with the same period last year; a decrease of RMB5,903,000,000 in cash outflow of business combination under common control as compared with the same period last year; and a decrease of RMB103,725,000 in cash outflow from payment of guarantee fees as compared with the same period last year.

Foreign Exchange Fluctuation Risks

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Borrowings and Solvency

As at 30 June 2024, the Company's interest-bearing bank and other borrowings amounted to RMB40,116,933,000, all of which bore fixed interest rates. In particular, the balance of bank loans was RMB35,166,109,000, with annual interest rates ranging from 2.18% to 3.98%; the balance of medium-term notes amounted to RMB390,000,000, with annual interest rates ranging from 3.43% to 6.30%; the balance of corporate bonds amounted to RMB2,000,000,000, with annual interest rates of 2.33%; the balance of sum of other loans and lease liabilities amounted to RMB2,496,641,000, with annual interest rates of 4.26% to 5.10%, and the balance of accrued interest amounted to RMB64,183,000. The relevant balances are set out as follows:

Interest-Bearing Bank and other Borrowings

	Total Amount	Within 1 year	1 to 5 years	Over 5 years
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans	35,166,109	2,829,649	8,951,098	23,385,362
Medium-term notes	390,000	290,000	100,000	–
Corporate bonds	2,000,000	–	2,000,000	–
Other borrowings and lease liabilities	2,496,641	1,097,035	1,388,784	10,822
Interest accrued	64,183	64,183	–	–
	<u>40,116,933</u>	<u>4,280,867</u>	<u>12,439,882</u>	<u>23,396,184</u>
Total (as at 30 June 2024 (unaudited))	<u>40,116,933</u>	<u>4,280,867</u>	<u>12,439,882</u>	<u>23,396,184</u>
Total (as at 31 December 2023 (audited))	<u>37,780,677</u>	<u>3,387,660</u>	<u>11,535,949</u>	<u>22,857,068</u>



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

With the Group's steady cash flow, solid capital structure and sound credit records, the Group has established and maintained favorable credit relations with financial institutions and enjoyed most preferential interest rates for its loans. The Group has acquired bank facilities of RMB64,152 million from financial institutions available for use in the following one to two years. In addition, in 2010, China CITIC Bank Corporation Limited (Chengdu Branch) as leader and other eight banks carrying on businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long-term loan of RMB4,890 million. Such loan is specially used for construction of Chengren Expressway BOT Project. In 2019, China CITIC Bank Corporation Limited (Chengdu Branch) transferred the entire loan balance under the Syndicated Contract to China Construction Bank Corporation (Sichuan Branch), and China Construction Bank Corporation (Sichuan Branch) became the leader in 2020. As at 30 June 2024, the balance of the syndicated loan for the project was RMB1,200 million.

In 2013, China Development Bank (Sichuan Branch) as leader formed a bank consortium with other four banks carrying out businesses in the PRC, which signed a loan contract with the Group for a medium-and long-term loan of RMB4,950 million. Such loan is specially used for construction of Suiguang Expressways BOT Project. As at 30 June 2024, the balance of the syndicated loan for the project amounted to RMB3,740 million. In 2013, China Development Bank (Sichuan Branch) as leader formed a bank consortium with other two banks carrying out businesses in the PRC, which signed a loan contract with the Group for a medium-and long-term loan of RMB3,380 million. Such loan is specially used for construction of Suixi Expressways BOT Project. As at 30 June 2024, the balance of the syndicated loan for the project amounted to RMB2,370 million.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

In 2019, China Construction Bank Corporation (Sichuan Branch) and China Development Bank (Sichuan Branch) as leaders formed a bank consortium with five other banks carrying out businesses in the PRC, which signed a loan contract with the Group for a medium-long-term loan of RMB10,400 million. Such loan is specially used for Chengle Expressway Expansion Construction Project. As at 30 June 2024, the balance of the syndicated loan for the project was RMB5,834 million; in 2021, China Construction Bank Corporation (Sichuan Branch) and China Development Bank (Sichuan Branch) as leaders and other three banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB6,920 million. As at 30 June 2024, the balance of the syndicated loan for the project amounted to RMB1,771 million. The above-mentioned two loans are specially used for construction of Chengle Expressway Expansion Construction Project.

In 2020, China Construction Bank Corporation (Sichuan Branch) and China Merchants Bank Co., Ltd. (Chengdu Branch) as leaders formed a bank consortium with five other banks carrying out businesses in the PRC, which signed a loan contract with the Group for a medium-long-term loan of RMB6,948 million. Such loan is specially used for construction of the Tianqiong Expressway BOT Project. As at 30 June 2024, the balance of the syndicated loan for the project was RMB5,008 million.

In 2020, China Development Bank (Sichuan Branch) as leader formed a bank consortium with other six banks carrying out businesses in the PRC, which signed a loan contract with the Company for a medium-and long-term loan of RMB9,809 million. Such loan is specially used for the financing rearrangement for the Second Ring (Western) Expressway Loan Project. As at 30 June 2024, the balance of the syndicated loan for the project amounted to RMB9,084 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Pledge of assets

As at 30 June 2024, the concession right of the Group to collect toll pertaining to Chengle Expressway with net carrying value of RMB13,164,516,000 (31 December 2023: RMB12,155,168,000) was pledged to secure the syndicated loan amounting to RMB7,605,320,000 (31 December 2023: RMB6,719,230,000); the concession right to collect toll pertaining to Chengren Expressway with net carrying value of RMB5,800,540,000 (31 December 2023: RMB5,903,036,000) was pledged to secure the syndicated loan amounting to RMB1,199,651,000 (31 December 2023: RMB1,281,655,000); the concession right to collect toll pertaining to SuiguangSuixi Expressways with net carrying value of RMB10,993,512,000 (31 December 2023: RMB11,095,731,000) was pledged to secure the syndicated loan amounting to RMB6,110,000,000 (31 December 2023: RMB6,410,000,000); the concession right to collect toll pertaining to Tianqiong Expressway with net carrying value of RMB6,504,921,000 (31 December 2023: RMB5,522,506,000) was pledged to secure the syndicated loan amounting to RMB5,008,338,000 (31 December 2023: RMB4,053,828,000); and the concession right to collect toll pertaining to the Second Ring (Western) Expressway with net carrying value of RMB13,056,317,000 (31 December 2023: RMB13,165,127,000) was pledged to secure the syndicated loan amounting to RMB9,084,000,000 (31 December 2023: RMB9,091,500,000).

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at 30 June 2024.

BUSINESS DEVELOPMENT PLAN

Based on the forecast and judgement of future economic situation, policy environment and developments of the industry and our business in the second half of 2024, we have formulated the following work plan with a focus on the basic development ideas of "14th Five-Year" Plan and business objectives for the year of 2024:

1. Strengthening the foundation of the core business and driving the rapid transformation of the industry

Focusing on the responsibility and core of the highway, relying on the transportation network advantages of Sichuan, the Company adopts strategies such as upgrading and expanding existing roads, asset integration, and acquiring high-quality road assets to strengthen the foundation of the core business from multiple dimensions, open up new growth paths, and accelerate the pace of industrial transformation and upgrading. On the one hand, we aim to improve the existing assets and increase quality and efficiency. We adhere to strict engineering quality and accelerate the construction of key projects such as Chengde expansion and Tianqiong Expressway to optimize asset quality and efficiency. On the other hand, we aim to expand and develop new assets and increase development space. Firstly, we closely follow the expansion and improvement of our existing high-quality road assets to extend the operating cycle of existing assets. Secondly, based on the provincial highway construction plan and investment situation, we actively strive for high-quality new construction projects to expand our asset scale. Thirdly, we proactively explore the market and seek to acquire high-quality road assets to expand our industry map.

2. Accelerating the cultivation of new energy businesses and planning for the layout of comprehensive energy industries

As a key industry for the Company's transformation and development, the green energy business is being actively planned and developed. The Company is accelerating the layout of energy industries and moving from "connecting points" to "weaving lines into a network". Next, the Company will focus on two key cultivation directions: first, deepening the expansion of the new energy industry chain, and achieving a comprehensive upgrade from back-end services to front-end research and development to form a diversified profit structure. Second, relying on the existing road network advantages, we will accelerate the construction of a new ecological energy service system. Through the coordinated development of the Company's traditional oil and gas energy business and new energy businesses such as charging and swapping, hydrogenation, and energy storage, we will achieve coexistence of multiple energy formats and seek high growth in comprehensive services for the energy industry.

3. Grasping both industrial operation and capital operation, building a new pattern of “dual-wheel drive” development

The Company focuses on the “dual-wheel drive” core, which is to give equal weight to both industrial operation and capital operation, aiming to create a new development situation. On the one hand, the Company will deepen its industrial operations and strive to dig and create intrinsic value. Through accelerating industrial layout optimization, strengthening management efficiency, deepening internal mechanism reforms, and seizing the opportunities of digital transformation, intelligent upgrading, and green development, we will lead our business towards emerging scenarios and formats, achieve transformation and upgrading, and create sustained value.

On the other hand, the Company will focus on capital operation, with market value management as the core, to fully build a high-quality brand image on the capital market. The Company will continuously optimize our market value management mechanism, strengthen investor relations management, and promote effective value transmission through efficient information disclosure and various forms of interaction with investors. At the same time, we will resolutely implement our shareholder return plan, demonstrating the Company's growth potential and value creation capabilities.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

4. Multi-dimensional cost control to improve efficiency, deepening cost management

We establish a long-term mechanism to reduce costs and improve efficiency, strictly control costs, and refine cost standards; strengthen supervision of large special expenses and implement hierarchical management; scientifically control highway maintenance costs, strictly follow budget and project approval processes; comprehensively reduce financial expenses and optimize financing structures; At the same time, we will centrally integrate inefficient assets, efficiently utilize idle land and real estate, and promote cost savings by revitalizing idle assets.

5. Strictly controlling risks, strengthening defense lines, and solidifying operational guarantee systems

We strengthen safety management, clarify safety responsibilities at all levels, optimize the direct reporting mechanism for information, ensure the rapid transmission of safety information and timely response, and effectively handle all types of safety hazards. We comprehensively review and investigate safety hazards, strengthen monitoring and inspections of key areas and critical processes, and ensure that safety measures are effectively implemented. We strictly adhere to the bottom line of risk control, establish a comprehensive risk assessment and control system, comprehensively identify, scientifically evaluate, effectively control, and continuously monitor potential risks.



OTHER SIGNIFICANT EVENTS

I. PROFIT DISTRIBUTION

1. 2024 Interim Dividend

The Board of the Company resolved not to pay an interim dividend for the six months ended 30 June 2024 nor transfer capital reserve into share capital.

2. Profit Distribution Plan for the Year 2023 and its Implementation

As approved at the 2023 AGM of the Company, the Company paid a cash dividend of RMB0.24 per Share (tax inclusive) calculated based on the total share capital of 3,058,060,000 Shares as at the end of 2023, amounting to an aggregate of approximately RMB733,934,000 (tax inclusive), on 15 June 2024 and 11 July 2024 to holders of A Shares and holders of H Shares respectively, representing 60.22% of the distributable profit (calculated according to China Accounting Standards) earned by the Company for 2023, and 61.83% of the profit (calculated according to China Accounting Standards) attributable to the owners of the Company in the consolidated financial statements for 2023.

OTHER SIGNIFICANT EVENTS (CONTINUED)

II. EMPLOYEES, REMUNERATION AND TRAINING

As at 30 June 2024, details of the Group's employees were as follows:

Number of in-service employees of the Company (including its branches)	2,193
Number of in-service employees of major subsidiaries	2,412
Total number of in-service employees	<u>4,605</u>
Number of retired employees for which the Company (including its branches) and its major subsidiaries are liable to bear costs	<u>–</u>

Composition of Expertise

Type of Expertise	Number of employees
Production	3,221
Sales	–
Technical	686
Financial	133
Administrative	<u>565</u>
Total	<u>4,605</u>

OTHER SIGNIFICANT EVENTS (CONTINUED)

Education Level

Type of Education Level	Number of employees
Postgraduate	249
University graduate	1,811
Junior college graduate	1,766
Technical secondary school and below	<u>779</u>
Total	<u><u>4,605</u></u>

1. Employees' Remuneration

The total remuneration of the Company's employees is linked to the operating results of the Company. Employees' salaries comprise basic salaries (including salary determined based on position and that based on seniority) and performance-based emoluments, which are determined as per such policy as "based on their individual positions, and performance". During the Reporting Period, employees' salaries incurred by the Group amounted to approximately RMB354,616,000, of which approximately RMB174,077,000 was for the employees of the Company (including its branches).



OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Employees' Insurance and Welfare

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

3. Staff Training

The Company places high importance on staff training and provides trainings of various aspects and types to improve the comprehensive quality and business standard of its staff. During the Reporting Period, the Company has organized various centralized and specific trainings such as job-specific skills for technicians and continuing education for professional technical staff. A total of 20,388 attendances of the employees of the Group was recorded for the above training courses, of which a total of 13,838 attendances of employees of the Company (including its branches) was recorded for the same mentioned above.

III. CORPORATE GOVERNANCE

1. Corporate Governance

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



OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Corporate Governance Code

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

3. Audit Committee

As at 30 June 2024, the Audit Committee of the Company comprises three independent non-executive Directors including Madam Bu Danlu, Mr. Zhang Qinghua and Mr. Zhou Hua, all of whom are professionals experienced in finance and transportation fields. The Audit Committee has reviewed and confirmed the unaudited interim condensed financial information and interim results report of the Group for the six months ended 30 June 2024.



OTHER SIGNIFICANT EVENTS (CONTINUED)

4. Model Code for Securities Transactions by Directors and Supervisors

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

IV. MEMBERS OF THE BOARD

As at the date of this report, the Board comprises Mr. Luo Zuyi (Chairman), Mr. You Zhiming (Vice Chairman) and Madam Ma Yonghan as executive Directors, Mr. Wu Xinhua (Vice Chairman), Mr. Li Chengyong and Mr. Chen Chaoxiong as non-executive Directors, Mr. Yu Haizong, Madam Bu Danlu, Mr. Zhang Qinghua and Mr. Zhou Hua as independent non-executive Directors.



EVENTS AFTER THE REPORTING PERIOD

I. CHANGES OF DIRECTORS AND SUPERVISORS

Reference is made to the announcement of the Company dated 18 July 2024 in respect of, among other things, the proposed appointment of independent non-executive Director, wherein Mr. Jiang Tao has been nominated as a candidate for independent non-executive Director of the eighth session of the Board of the Company. Such nomination shall be subject to the consideration and approval at the general meeting of the Company. For details, please refer to the circular of the Company dated 14 August 2024.

On 23 July 2024, Mr. Ling Xiyun, resigned as a Supervisor of the eighth session of the Supervisory Committee of the Company, whose resignation letter has been served on the Supervisory Committee of the Company and has taken effect on the same day.

II. POSSIBLE TRANSACTION

(i) Possible Notifiable and Connected Transaction – the Proposed Acquisition and the Agreement of Intent; and (ii) Possible Application for Whitewash Waiver.

References are made to the announcements of the Company dated 1 August 2024, 5 August 2024 and 15 August 2024, respectively, in relation to, among other things, (i) the trading suspension in the A Shares and the trading halt in the H Shares; (ii) the Company and Shudao (Sichuan) Innovation Investment Development entered into the non-legally binding agreement of intent in relation to, among other things, the Proposed Acquisition; and (iii) the trading halt in the H



EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

Shares and resumption of trading in the A shares. Shareholders and potential investors of the Company should be aware that the terms of the Proposed Acquisition are subject to further negotiations between the Parties. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Hong Kong Code on Takeovers and Mergers.

By order of the Board

Sichuan Expressway Company Limited*

Yao Jiancheng

Joint Company Secretary

Chengdu, Sichuan Province, the PRC
29 August 2024

* *For identification purpose only*