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Chengdu Expressway Co., Ltd.
成都高速公路股份有限公司

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

(Stock Code: 01785)

2024 INTERIM RESULTS ANNOUNCEMENT

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

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

Chengdu, the PRC, 27 August 2024

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



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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Battery Services-Communications Investment”	Chengdu Battery Services-Communications Investment Energy Technology Co., Ltd. (成都電服交投能源科技有限公司), a company incorporated in the PRC with limited liability and a 48%-owned joint venture of Energy Development Company
“Board”	the board of Directors of the Company
“Cangba Expressway”	a section of Sichuan Chengmian Cangba Expressway designated to be operated and managed by Operation Company, starting from Cangxi County of Guangyuan and ending at Bazhong
“charging pile(s)”	charging equipment that provides charging service for electric vehicles, primarily including floor-mounted charging piles and wall-mounted charging piles with fees to be charged based on the time, power consumption or pre-determined price for charging
“Chengbei Exit Expressway Company”	Chengdu Chengbei Exit Expressway Co., Ltd. (成都城北出口高速公路有限公司), a company incorporated in the PRC with limited liability, which is an associate of the Company with 40% of its equity interests held by the Company
“Chengdu Airport Expressway Company”	Chengdu Airport Expressway Co., Ltd. (成都機場高速公路有限責任公司), a company incorporated in the PRC with limited liability, which is a non-wholly-owned subsidiary of the Company with 55% of its equity interests held by the Company
“Chengdu Communications Investment”	Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司), a company incorporated in the PRC with limited liability on 16 March 2007, which is one of the controlling shareholders of the Company
“Chengdu Communications Investment Group”	Chengdu Communications Investment and its subsidiaries, excluding the Group
“Chengdu Jiaoyun CNG”	Chengdu Jiaoyun Compressed Natural Gas Development Co., Ltd. (成都交運壓縮天然氣發展有限公司), a company incorporated in the PRC with limited liability and a 25%-owned associate of Energy Development Company
“Chengdu Jiuhe”	Chengdu Jiuhe Oil Management Co., Ltd. (成都九河石油經營有限公司), a company incorporated in the PRC with limited liability and a 43%-owned associate of Energy Development Company

DEFINITIONS

“Chengdu Tongneng”	Chengdu Tongneng Compressed Natural Gas Co., Ltd. (成都通能壓縮天然氣有限公司), a company incorporated in the PRC with limited liability and a 30%-owned associate of Energy Development Company
“Chengluo Petrol Station”	Chengdu Xinyuanli Chengluo Petrol Station Co., Ltd. (成都新源裡成洛加油站有限責任公司), formerly known as Chengdu Municipal Shiling Petrol Station (成都市市政十陵加油站), which has changed from a collectively-owned enterprise to an incorporated enterprise in January 2024, and is a 100%-owned subsidiary of Huamin Petrol Station and currently under entrusted management by Xinyuanli Energy
“Chengmian Cangba Company”	Sichuan Chengmian Cangba Expressway Co., Ltd. (四川成綿蒼巴高速公路有限責任公司), a company incorporated in the PRC with limited liability, with its 40% equity interest indirectly held by Shudao Investment Group Co., Ltd. (蜀道投資集團有限責任公司) through Sichuan Expressway Construction and Development Group Co., Ltd. (四川高速公路建設開發集團有限公司)
“Chengming Expressway Company”	Sichuan Chengming Expressway Co., Ltd. (四川成名高速公路有限公司), a company incorporated in the PRC with limited liability, which is a non-wholly-owned subsidiary of the Company with 51% of its equity interests held by the Company
“Chengpeng Expressway Company”	Chengdu Chengpeng Expressway Co., Ltd. (成都成彭高速公路有限責任公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Chengwenqiong Expressway Company”	Chengdu Chengwenqiong Expressway Co., Ltd. (成都成溫邛高速公路有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Chengwenqiong Expressway Expansion Construction Project”	the expansion and renovation construction project of Chengdu-Wenjiang-Qionglai expressway
“Chengyu Expressway Company”	Sichuan Expressway Company Limited (四川成渝高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, a substantial shareholder of Chengdu Airport Expressway Company and a controlling shareholder of Chengbei Exit Expressway Company
“Chuanlutong Company”	Chengdu Expressway Chuanlutong Operation Management Co., Ltd. (成都高速川路通運營管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company

DEFINITIONS

“Communications Investment Construction and Management”	Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司), formerly known as Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a company incorporated in the PRC with limited liability, which is one of the controlling shareholders of the Company
“Communications Investment Energy”	Chengdu Communications Investment Energy Development Co., Ltd. (成都交投能源發展有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Energy Development Company with 55% of its equity interests held by Energy Development Company
“Company”	Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, in this report refers to Chengdu Communications Investment and Communications Investment Construction and Management
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Energy Development Company”	Chengdu Energy Development Co., Ltd. (成都能源發展股份有限公司), a joint stock company incorporated in the PRC with limited liability, which is held by the Company as to 94.49% (its remaining 5.51% equity interests are held by Chengdu Communications Investment Property Company Limited, an indirect wholly-owned subsidiary of Chengdu Communications Investment) and became a non-wholly-owned subsidiary of the Company on 12 August 2020
“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are approved to be listed and traded on the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Huamin Petrol Station”	Chengdu Xinyuanli Huamin Petrol Station Co., Ltd. (成都新源裡華民加油站有限責任公司), formerly known as Chengdu Huamin Municipal Petrol Station (成都市華民市政加油站), which has changed from a collectively-owned enterprise to an incorporated enterprise in December 2023, and is a 100%-owned subsidiary of Chengdu Communications Investment and currently under entrusted management by Xinyuanli Energy
“Jinniu Xinyuanli”	Chengdu Jinniu Xinyuanli Energy Management Co., Ltd. (成都金牛新源裡能源管理有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Xinyuanli Energy
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“New Energy Company”	Chengdu Communications Investment New Energy Industrial Development Co., Ltd. (成都交投新能源產業發展有限公司), a company incorporated in the PRC with limited liability, which is an associate of Energy Development Company with 51% of its equity interests held by Energy Development Company
“Operation Company”	Chengdu Expressway Operation Management Co., Ltd. (成都高速運營管理有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company with 100% of its equity interests held by the Company
“PetroChina”	PetroChina Company Limited (中國石油天然氣股份有限公司), a joint stock company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China, excluding, for the purpose of this report only, Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
“Reporting Date”	the date on which the 2024 interim report of the Company was approved by the Board, being 27 August 2024
“Reporting Period”	six-month period ended 30 June 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of the Company, including Domestic Shares and H Shares

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Sinopec Chengdu Energy”	Sinopec Chengdu Energy Co., Ltd. (中石化成都能源有限公司), a company incorporated in the PRC with limited liability and a joint venture company with 50% of its equity interests held by Energy Development Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Teld”	Chengdu Teld New Energy Co., Ltd. (成都特來電新能源有限公司), a company incorporated in the PRC with limited liability and a 16%-owned associate of Energy Development Company
“Tongneng Jinfu”	Chengdu Tongneng Jinfu Natural Gas Co., Ltd. (成都通能金府天然氣有限公司), a company incorporated in the PRC with limited liability and a 100%-owned subsidiary of Chengdu Tongneng
“Xinhua Petrol Station”	Chengdu Xinyuanli Xinhua Petrol Station Co., Ltd. (成都新源裡新華加油站有限責任公司), formerly known as Chengdu Xinhua Petrol Station (成都市新華加油站), which has changed from an enterprise owned by the whole people (全民所有制企業) to an incorporated enterprise in December 2023, which is a 100%-owned subsidiary of Chengdu Communications Investment and currently under entrusted management by Xinyuanli Energy
“Xinyuanli Energy”	Chengdu Xinyuanli Energy Management Co., Ltd. (成都新源裡能源管理有限責任公司), formerly known as Chengdu Communications Investment Energy Operation and Management Co., Ltd. (成都交投能源經營管理有限責任公司), a company incorporated in the PRC with limited liability and a 100%-owned subsidiary of Energy Development Company
“Yanchang Shell”	Yanchang Shell (Sichuan) Petroleum Co., Ltd. (延長殼牌(四川)石油有限公司), a company incorporated in the PRC with limited liability
“Zhenxing Company”	Chengdu Expressway Zhenxing Development Co., Ltd. (成都高速振興發展有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company with 80% of its equity interests held by the Company

DEFINITIONS

“Zhongyou Energy”	Chengdu Zhongyou Energy Co., Ltd. (成都中油能源有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Energy Development Company with 51% of its equity interests held by Energy Development Company
“Zhongyou Jieneng”	Zhongyou Jieneng (Chengdu) Environmental Protection Technology Co., Ltd. (中油潔能(成都)環保科技有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Chengdu Tongneng with 52.51% of its equity interest held by Chengdu Tongneng

DEFINITIONS

GLOSSARY OF TECHNICAL TERMS

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

GROUP PROFILE

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

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

The energy segment was consolidated into the Group on 12 August 2020, where Energy Development Company acts as the investor to conduct operation of refined oil and natural gas through its subsidiaries, joint ventures and associates. As of the Reporting Date, 26 petrol stations of the Group were in operation, 4 gas stations of the Group were in construction (including the stations which have completed construction and are yet to commence operation), and 3 petrol stations, i.e. Xinhua Petrol Station and Huamin Petrol Station (including Chengluo Petrol Station thereunder) were under entrusted operation and management. All of such petrol stations and gas stations are located in Chengdu, Sichuan Province.

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

As at the end of the Reporting Period, total assets of the Group reached RMB9.28 billion.

OVERVIEW OF THE EXPRESSWAY SEGMENT

Expressways Owned by the Group

- Chengguan Expressway is a major part of the G4217 national expressway and a key section connecting Sichuan Province with Gansu Province, Qinghai Province and Tibet. It is also the main road to access Dujiangyan, a historic city, Qingcheng Mountain, Jiuzhai Valley, Huanglong and other tourist attractions and connects most of the catalogued UNESCO World Heritage Sites located in Sichuan Province.
- Chengpeng Expressway is a major part of the S105 provincial expressway, which is a key component of the radial-shaped road network surrounding Chengdu and the main route connecting Chengdu to north areas of Sichuan Province.
- Chengwenqiong Expressway is a major part of the S8 provincial expressway and is of economic and cultural significance to western Chengdu. It is also the only expressway gateway within the region that connects Wenjiang, Chongzhou, Dayi, Qionglai and other major satellite cities of Chengdu.

GROUP PROFILE

- Chengdu Airport Expressway is a major part of the S6 provincial expressway and the main expressway to Chengdu Shuangliu Airport from downtown Chengdu.
- Qiongming Expressway is a major part of the S8 provincial expressway and an extension of Chengwenqiong Expressway. It connects to Yunnan Province via Chengya Expressway (成雅高速公路) – Yaxi Expressway (雅西高速公路) – Xipan Expressway (西攀高速公路) and to the Tibetan region via Chengya Expressway (成雅高速公路) – Yakang Expressway (雅康高速公路) – G318 national expressway.

Expressways under Entrusted Management by the Group

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

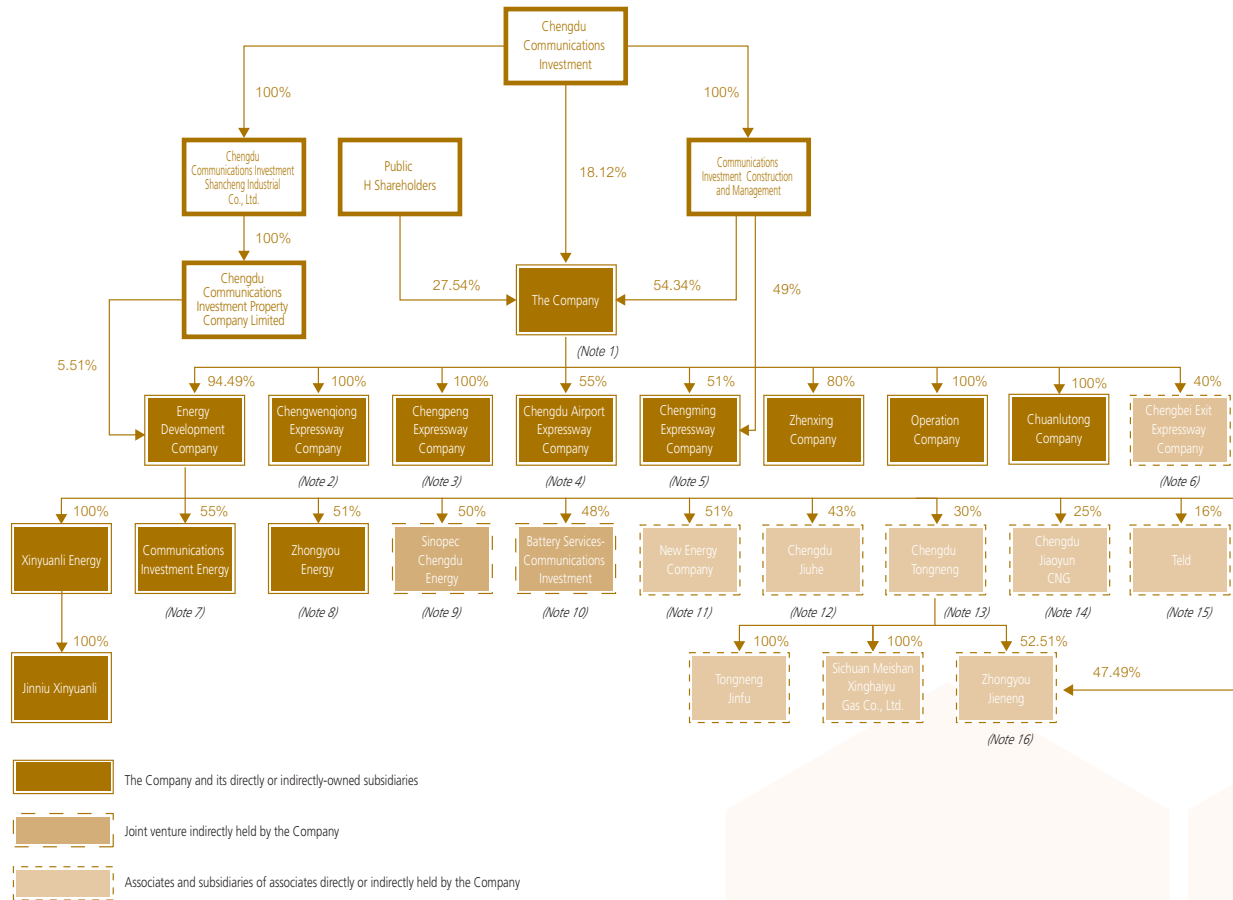
OVERVIEW OF THE ENERGY SEGMENT

As of the Reporting Date, Energy Development Company holds, either directly or indirectly, 4 subsidiaries, being Zhongyou Energy, Communications Investment Energy, Xinyuanli Energy and Jinniu Xinyuanli and 10 joint ventures and associates, including Sinopec Chengdu Energy and Chengdu Tongneng through direct and indirect shareholding.

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

GROUP STRUCTURE

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



Notes:

As of the Reporting Date:

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

GROUP STRUCTURE

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

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

Expressways held by the Group

No.	Name of Expressway	Percentage of Ownership	Length (km)	Number of Lanes	Number of Toll Stations	Commencement of Operation	Expiration
1	Chengguan Expressway	100%	40.44	6	7	July 2000	July 2030
2	Chengpeng Expressway	100%	21.32	6/8 ⁽¹⁾	4	November 2004	October 2033
3	Chengwenqiong Expressway	100%	65.60	4/6	12	January 2005	January 2035
4	Chengdu Airport Expressway	55%	11.98	4	1	July 1999	December 2024
5	Qiongming Expressway	51%	52.68	4	5	November 2010	November 2038

GROUP STRUCTURE

Expressways under entrusted management by the Group

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

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

Note 2. As of the Reporting Date, 50.05 kilometers of the Cangba Expressway had not yet been officially completed and opened to traffic.

Note 3. Not yet obtained approval from the Sichuan Provincial Transportation Department and the Sichuan Provincial Development and Reform Commission for toll collection.

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

Company Name	Date of Incorporation	Principal Business	Number of Stations Operated (In Operation)
Zhongyou Energy	19 June 2009	Operation of refined oil and natural gas	18 petrol stations
Communications Investment Energy	15 November 2010	Operation of refined oil	5 petrol stations
Xinyuanli Energy	18 December 2020	Operation of refined oil	4 petrol stations (including 3 petrol stations under entrusted operation and management)
Zhenxing Company	28 February 2020	Operation of refined oil	2 petrol stations

REVIEW AND OUTLOOK

BUSINESS REVIEW

During the Reporting Period, the Group recorded revenue of RMB1,410,195,586 (corresponding period of 2023: RMB1,397,708,961), representing a year-on-year increase of 0.9%. A breakdown is set out below:

The expressway segment recorded revenue of RMB757,863,025 (corresponding period of 2023: RMB763,461,214), representing a year-on-year decrease of 0.7%. In particular, toll income reached RMB680,441,004 (corresponding period of 2023: RMB708,105,985), representing a year-on-year decrease of 3.9%, primarily attributable to a year-on-year decline in traffic volume. Daily weighted average traffic volume on expressways held by the Group amounted to 209,343 (corresponding period of 2023: 216,907), representing a year-on-year decrease of 3.5%. Revenue from operation and management services reached RMB48,260,586 (corresponding period of 2023: RMB30,510,155), representing a year-on-year increase of 58.2%, primarily attributable to revenue from operation and management services to Cangba Expressway which was newly consolidated during the Reporting Period.

The energy segment recorded revenue of RMB652,332,561 (corresponding period of 2023: RMB634,247,747), representing a year-on-year increase of 2.9%, primarily due to the increase in sales volume of refined oil and in turn an increase in revenue.

During the Reporting Period, the Group realised net profit attributable to Shareholders of the Company of RMB291,296,096 (corresponding period of 2023: RMB319,172,940), representing a year-on-year decrease of 8.7%.

During the Reporting Period, the Group also continued to press ahead with the Chengwenqiong Expressway Expansion Construction Project, preparation for listing of the A Shares and development of the new energy business as scheduled. With respect to the Chengwenqiong Expressway Expansion Construction Project, the Group endeavored and obtained the approval from Sichuan Development and Reform Commission in August 2024, thereby creating the conditions precedent for commencement of the project. With respect to the preparation for A-share listing, given the adjustment in the vetting policies of the capital market following the release of the Opinions on Strengthening Supervision, Preventing Risks and Promoting High-quality Development of Capital Market by the State Council on 12 April 2024, and in light of its own future strategic positioning with a view to coordinating business development and capital operation, the Company withdrew the A-share listing application from the Shanghai Stock Exchange on 4 June 2024. With respect to new energy business, the Group launched project study and preliminary exploration with a focus on “low-carbon center” (i.e. new energy business segment integrating the new energy vehicle charging piles and related business).

REVIEW AND OUTLOOK

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2024, the long-term positive fundamentals of the domestic economy are expected to remain unchanged, but headwinds such as complicated external environment, sluggish effective internal demand, coupled with short-lived but frequent extreme weather conditions and flood disasters, imposed challenges to domestic economic growth in the short term, and therefore, the fundamentals underpinning economic recovery have to be cemented. The Group will persist in focusing on its principal business, tapping business potentials and coordinating operations.

In terms of the expressway segment, firstly, the Group will continuously improve the quality of scientific management and maintenance, strengthen the brand effect, and continue to maintain its operational service advantages; secondly, the Group will fully implement safety responsibilities, focus on the investigation and management of potential hazards, safety precautions during flood seasons and safety management of severe weather conditions in winter, and strive to prevent all kinds of sudden safety hazards and accidents caused by extreme weather conditions and ensure traffic safety; and thirdly, the Group will speed up the preliminary preparations of Chengwenqiong Expressway Expansion Construction Project, strive for early commencement of the project, and proactively make arrangements and traffic organisation following commencement of construction, so as to minimise the impact of construction on traffic flow.

In terms of the energy segment, the Group will continue to implement measures to reduce costs and increase efficiency, focus on the daily operation and management of petrol stations, and provide high-level and diversified management services for vehicles passing through. At the same time, relying on the resources of existing stations, the Group will make overall plans to promote the construction of new energy vehicle charging stations and the expansion of operation services, strive to cultivate new growth drivers and promote the rapid development of new energy business.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF THE GROUP'S OPERATING RESULTS

	For the six months ended 30 June 2024 RMB	For the six months ended 30 June 2023 RMB
Revenue	1,410,195,586	1,397,708,961
Including:		
Toll income	680,441,004	708,105,985
Revenue from sales of refined oil	632,461,625	621,025,291
Revenue from operation and management services	52,004,435	34,467,825
Revenue from convenience stores	13,136,751	6,783,597
Revenue from maintenance services	5,879,743	4,240,400
Revenue from construction projects	12,332,667	–
Rental income	5,254,334	5,973,545
Forward traffic volume compensation	3,566,870	–
Traffic volume compensation for operation suspension at a toll station	–	13,283,433
Others	5,118,157	3,828,885
Total profit	381,364,663	408,148,778
Net profit attributable to the Shareholders of the Company	291,296,096	319,172,940
Basic earnings per Share	0.18	0.19

SUMMARY OF THE GROUP'S FINANCIAL POSITION

	As at 30 June 2024 RMB	As at 31 December 2023 RMB
Total assets	9,279,156,972	9,254,746,976
Total liabilities	3,989,332,517	3,952,422,829
Non-controlling interests	928,274,359	953,679,228
Total equity attributable to the Shareholders of the Company	4,361,550,096	4,348,644,919

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

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

During the Reporting Period, the Group operated Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Chengdu Airport Expressway and Qiongming Expressway, as well as Tianfu Airport Expressway, Pudu Expressway and Cangba Expressway under entrusted management under the expressway segment; while under the energy segment, 26 petrol stations of the Group were in operation, 4 gas stations of the Group were in construction (including the stations which completed construction and yet to commence operation), and 3 petrol stations, i.e. Xinhua Petrol Station and Huamin Petrol Station (including Chengluo Petrol Station thereunder) were under entrusted management.

The Group achieved total revenue of RMB1,410,195,586 during the Reporting Period, representing an increase of RMB12,486,625 from the corresponding period of 2023, including revenue from the expressway segment of RMB757,863,025, accounting for 53.7% of the total revenue for the first half of 2024, and revenue from the energy segment of RMB652,332,561, accounting for 46.3% of the total revenue for the first half of 2024. The table below sets forth an analysis of revenue generated by the Group during the Reporting Period:

	For the six months ended 30 June 2024 RMB	For the six months ended 30 June 2023 RMB	Increase/(decrease) during the Reporting Period over the same period of last year
Revenue from expressway segment:			
Toll income	680,441,004	708,105,985	(3.9%)
Chengguan Expressway	193,991,751	187,723,913	3.3%
Chengpeng Expressway	138,897,635	147,924,233	(6.1%)
Chengwenqiong Expressway	202,210,990	211,352,915	(4.3%)
Chengdu Airport Expressway	50,950,501	56,883,880	(10.4%)
Qiongming Expressway	94,390,127	104,221,044	(9.4%)
Revenue from operation and management services	48,260,586	30,510,155	58.2%
Revenue from maintenance services	5,879,743	4,240,400	38.7%
Revenue from construction projects	12,332,667	–	N/A
Rental income	3,503,698	5,572,860	(37.1%)
Forward traffic volume compensation	3,566,870	–	N/A
Traffic volume compensation for operation suspension at a toll station	–	13,283,433	N/A
Others	3,878,457	1,748,381	121.8%
	757,863,025	763,461,214	(0.7%)

MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended 30 June 2024 RMB	For the six months ended 30 June 2023 RMB	Increase/(decrease) during the Reporting Period over the same period of last year
Revenue from energy segment:			
Revenue from sales of refined oil	632,461,625	621,025,291	1.8%
Revenue from convenience stores	13,136,751	6,783,597	93.7%
Revenue from operation and management services	3,743,849	3,957,670	(5.4%)
Rental income	1,750,636	400,685	336.9%
Others	1,239,700	2,080,504	(40.4%)
	652,332,561	634,247,747	2.9%
Total	1,410,195,586	1,397,708,961	0.9%

Expressway Segment

Set out below is the traffic volume of each expressway of the Group recorded during the period from 1 January 2024 to 30 June 2024:

Expressways	Daily weighted average traffic volume (vehicle)		
	1 January to 30 June 2024	1 January to 30 June 2023	Year-on-year increase/(decrease)
Chengguan Expressway	51,457	49,498	4.0%
Chengpeng Expressway	59,604	62,593	(4.8%)
Chengwenqiong Expressway	51,619	53,445	(3.4%)
Chengdu Airport Expressway	30,084	34,014	(11.6%)
Qiongming Expressway	16,579	17,357	(4.5%)
Total	209,343	216,907	(3.5%)

MANAGEMENT DISCUSSION AND ANALYSIS

Details of toll income and traffic volume of the expressways held by the Group are set out below:

During the Reporting Period, the Group recorded a slight decline in both toll income and daily weighted average traffic volume from the corresponding period of 2023, primarily attributable to (i) sluggish internal demand in domestic economy and short-lived but frequent extreme weather conditions led to a year-on-year decline in daily weighted average traffic volume and toll income; (ii) an extension in the toll-free period by four days during the Spring Festival and Ching Ming Festival, leading to a decrease in toll income; (iii) disappearance of the favorable factors, i.e. complete close-down of the major route of G5 Jingkun Expressway (Chengmian section) during construction last year that benefited Chengpeng Expressway with increased toll income due to traffic diversion; (iv) implementation of the differentiated preferential tariff policy for freight vehicles in Sichuan commencing from 1 April 2024 pursuant to the Notice on Certain Policies and Measures to Continuously Consolidate and Strengthen the Economic Recovery issued by the General Office of Sichuan Provincial People's Government (Chuan Ban Gui [2024] No. 2), leading to a decrease in toll income on our expressways; (v) prohibition of access to Qiongming Expressway for two days during construction control, leading to a decrease in its traffic volume and toll income; and (vi) a decrease in traffic volume and toll income of Chengdu Airport Expressway as a result of commencement of operation of Chengdu Metro Line No. 19, extension of Chengdu Metro Line No. 10 and lane occupation within Shuangliu Airport due to construction.

During the Reporting Period, the Company achieved revenue from operation and management services under the expressway segment of RMB48,260,586, which was derived from the operation and management services provided to Tianfu Airport Expressway, Pudu Expressway and Cangba Expressway.

Energy Segment

During the Reporting Period, revenue from the energy segment of the Group amounted to RMB652,332,561, representing an increase of RMB18,084,814, or 2.9%, from the corresponding period of 2023. In particular, revenue from sales of refined oil amounted to RMB632,461,625, representing an increase of RMB11,436,334, or 1.8%, from the corresponding period of 2023, primarily attributable to an increase in sales volume of refined oil in the first half of 2024; and revenue from convenience stores amounted to RMB13,136,751, primarily from the independent operation of convenience stores by our petrol stations. In addition, the energy segment recorded revenue from operation and management services, as well as rental income of RMB3,743,849 and RMB1,750,636, respectively.

OPERATING COST

During the Reporting Period, operating cost of the Group mainly included cost of procurement of refined oil and commodities, depreciation and amortisation, staff remuneration and expressway repair, maintenance, cleaning and greening cost. During the Reporting Period, the Group incurred operating cost of RMB897,255,732 (corresponding period of 2023: RMB878,858,199), representing a year-on-year increase of approximately 2.1%, primarily attributable to an increase in labor cost.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, the Group generated gross profit from operation of RMB512,939,854 (corresponding period of 2023: RMB518,850,762), representing a year-on-year decrease of 1.1%, and achieved gross profit margin of 36.4% (corresponding period of 2023: 37.1%), representing a year-on-year decrease of 0.7 percentage points. In particular, the expressway segment recorded gross profit of RMB415,233,226 and gross profit margin of 54.8% (corresponding period of 2023: 57.8%), representing a year-on-year decrease of 3 percentage points, mainly due to a decline in toll income attributable to the decrease in daily weighted average traffic volume; and the energy segment achieved gross profit of RMB97,706,628 and gross profit margin of 15.0% (corresponding period of 2023: 12.2%), representing a year-on-year increase of 2.8 percentage points, mainly due to a year-on-year increase in gross profit of refined oil per tonne, resulting in an increase of the gross profit margin in the first half of 2024.

ADMINISTRATIVE EXPENSES

During the Reporting Period, the Group incurred administrative expenses of RMB72,288,633 (corresponding period of 2023: RMB59,142,113), representing a year-on-year increase of 22.2%, which was mainly attributable to the increase in labour costs and expenses for application for listing of A Shares recognised during the Reporting Period.

During the Reporting Period, the management staff benefit expenses (including salary and social insurance expenses) of the Group were RMB48,139,040 (corresponding period of 2023: RMB41,213,497).

INVESTMENT INCOME

During the Reporting Period, the Group recognised income of RMB13,774,300 (corresponding period of 2023: RMB14,494,748) from investment in associates and joint ventures, representing a year-on-year decrease of 5.0%, primarily attributable to a decrease in investment income recognised in Chengbei Exit Expressway Company and investment losses recognised in Battery Services-Communications Investment during the Reporting Period.

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

During the Reporting Period, net profit attributable to the Shareholders of the Company amounted to RMB291,296,096 (corresponding period of 2023: RMB319,172,940), representing a year-on-year decrease of 8.7%; and basic earnings per Share reached RMB0.18 (corresponding period of 2023: RMB0.19), representing a year-on-year decrease of 5.3%, primarily attributable to a decline in toll income resulting from the decrease in daily weighted average traffic volume, leading to a corresponding decrease in net profit attributable to the Shareholders of the Company.

ASSETS AND LIABILITIES OVERALL CONDITIONS

As at the end of the Reporting Period, total assets of the Group amounted to RMB9,279,156,972 (31 December 2023: RMB9,254,746,976), representing an increase of 0.3% from the end of 2023. As at the end of the Reporting Period, the Group's assets mainly consisted of intangible assets underlying the service concession rights in respect of Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway, Chengdu Airport Expressway and Qiongming Expressway, which accounted for 56.1% of the Group's total assets. Currency funds and other assets accounted for 25.2% and 18.7% of total assets of the Group, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB3,989,332,517 (31 December 2023: RMB3,952,422,829), representing an increase of 0.9% from the end of 2023.

BORROWINGS AND REPAYMENT CAPACITY

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB3,989,332,517 (31 December 2023: RMB3,952,422,829), of which 66.0% (31 December 2023: 70.4%) represented interest-bearing borrowings while 11.3% (31 December 2023: 13.2%) represented accounts payable.

As at the end of the Reporting Period, total interest-bearing borrowings of the Group amounted to RMB2,634,511,399 (31 December 2023: RMB2,780,958,357), of which RMB2,289,281,765 represented bank borrowings, RMB45,229,634 represented Shareholders' borrowings and RMB300,000,000 represented mid-term notes. 88.3% of the interest-bearing borrowings are not repayable within one year. Borrowings of the Group are primarily denominated in RMB.

As at the end of the Reporting Period, bank borrowings of the Group carried an annual interest rate ranging from 2.98% to 3.96%, while Shareholders' borrowings carried a fixed annual interest rate of 3.45%. As at 30 June 2024, balance of borrowings carrying fixed interest rates per annum amounted to RMB45,186,330. During the Reporting Period, interest expenses of the Group amounted to RMB53,419,224 (corresponding period of 2023: RMB57,940,433). Earnings before interest and tax amounted to RMB434,783,887 (corresponding period of 2023: RMB466,089,211) and therefore interest coverage ratio (earnings before interest and tax divided by interest expenses) was 8.1 (corresponding period of 2023: 8.0).

As at the end of the Reporting Period, gearing ratio of the Group (being total liabilities divided by total assets) was 43.0% (31 December 2023: 42.7%).

BORROWING RATIO

Being a measurement of financial leverage, borrowing ratio is calculated as net debt divided by "total equity and net debt". Net debt refers to interest-bearing bank and other loans net of currency funds, not including liabilities for working capital purpose. Equity includes equity attributable to Shareholders of the Company and non-controlling interests. As at the end of the Reporting Period, the borrowing ratio of the Group was 5.3% (31 December 2023: 8.9%).

CAPITAL EXPENDITURE, COMMITMENTS AND UTILISATION

During the Reporting Period, capital expenditure of the Group amounted to RMB144,665,366, which was primarily incurred for the Chengpeng Expressway expansion and renovation project and land acquisition by Jinniu Xinyuanli.

As at the end of the Reporting Period, total capital expenditure commitments of the Group amounted to RMB157,008,831, primarily including capital commitments of RMB61,008,831 for Chengwenqiong Expressway Expansion Construction Project by Chengwenqiong Expressway Company, and investment commitment of RMB96,000,000 for equity investment by Energy Development Company in Battery Services-Communications Investment. The Group will fund the above capital expenditure commitments with self-owned funds and bank loans with priority given to internal resources.

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT RATIO

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

As at the end of the Reporting Period, total current assets of the Group amounted to RMB2,806,490,620 (31 December 2023: RMB2,672,504,703), of which: (i) currency funds were RMB2,337,647,712 (31 December 2023: RMB2,260,931,042), accounting for 83.3% (31 December 2023: 84.6%) of current assets; (ii) accounts receivable were RMB308,615,280 (31 December 2023: RMB226,215,503), accounting for 11.0% (31 December 2023: 8.5%) of current assets; (iii) inventories were RMB24,211,074 (31 December 2023: RMB20,670,025), accounting for 0.9% (31 December 2023: 0.8%) of current assets; and (iv) prepayments, other receivables and other current assets were RMB136,016,554 (31 December 2023: RMB164,688,133), accounting for 4.8% (31 December 2023: 6.1%) of current assets. Cash and cash equivalents held by the Group are primarily denominated in RMB.

As at the end of the Reporting Period, current ratio (current assets divided by current liabilities) of the Group was 215.3% (31 December 2023: 243.7%). The decrease was primarily due to an increase in other payables during the Reporting Period.

The table below sets out certain information about the Group's consolidated statement of cash flows for the six months ended 30 June 2024 and 2023:

	Six months ended 30 June 2024 RMB	Six months ended 30 June 2023 RMB
Cash and cash equivalents presented in the consolidated statement of cash flows at the beginning of the period	2,260,931,042	1,814,070,960
Net cash flows from operating activities	422,428,104	483,020,184
Net cash flows (used in)/from investing activities	(121,595,769)	490,538
Net cash flows used in financing activities	(224,115,665)	(120,202,751)
Net increase in cash and cash equivalents	76,716,670	363,307,971
Cash and cash equivalents presented in the consolidated statement of cash flows at the end of the period	2,337,647,712	2,177,378,931

MANAGEMENT DISCUSSION AND ANALYSIS

	As at 30 June 2024 RMB	As at 30 June 2023 RMB
Analysis of balances of cash and cash equivalents		
Balance of cash and cash equivalents at the end of the period	2,337,647,712	2,177,378,931
Including: Time deposits with maturity within three months	1,125,000,000	704,670,000
Cash and cash equivalents as stated in the consolidated statement of cash flows	2,337,647,712	2,177,378,931

Net cash flows from operating activities: During the Reporting Period, net cash flows from operating activities of the Group amounted to RMB422,428,104, compared to net cash flows from operating activities of RMB483,020,184 for the corresponding period in 2023, representing a year-on-year decrease of RMB60,592,080, or 12.5%, primarily attributable to a year-on-year decrease in other cash received relating to operating activities of RMB31,016,400, which was mainly due to receipt of trade receivables of RMB24,290,111 from Xinyuanli Energy during the corresponding period last year while no such amounts were received during the Reporting Period.

Net cash flows used in/from investing activities: During the Reporting Period, net cash flows used in investing activities of the Group amounted to RMB121,595,769, compared to net cash flows from investing activities of RMB490,538 for the corresponding period in 2023, representing a year-on-year decrease of RMB122,086,307, primarily attributable to a year-on-year decrease of RMB60,000,000 in withdrawal of time deposits with maturities of over three months and a year-on-year increase of RMB54,257,613 in cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets.

Net cash flows used in financing activities: During the Reporting Period, net cash flows used in financing activities of the Group amounted to RMB224,115,665, compared to net cash flows used in financing activities of RMB120,202,751 for the corresponding period in 2023, representing a year-on-year increase of RMB103,912,914, primarily attributable to nil new borrowings during the Reporting Period.

MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, the Group did not make any material acquisitions and disposals of subsidiaries, associates or joint ventures.

PLEDGE OF ASSETS

As at the end of the Reporting Period, the toll collection rights of Chengwenqiong Expressway with a net carrying amount of RMB885,896,836 (31 December 2023: RMB903,427,709) were pledged to secure bank loans of RMB365,000,000 (31 December 2023: RMB380,000,000), the toll collection rights of Chengpeng Expressway with a net carrying amount of RMB879,494,320 (31 December 2023: RMB909,545,373) were pledged to secure bank loans of RMB143,000,000 (31 December 2023: RMB143,000,000), and the toll collection rights of Qiongming Expressway with a net carrying amount of RMB2,141,853,291 (31 December 2023: RMB2,179,969,502) were pledged to secure bank loans of RMB1,547,000,000 (31 December 2023: RMB1,580,000,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLAN FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

Shareholders considered and approved the investment by the Company in the Chengwenqiong Expressway Expansion Construction Project on 12 May 2023, pursuant to which, Chengwenqiong Expressway will be expanded along its original route subject to the two-way eight-lane standard with a total estimated investment amount of approximately RMB12.652 billion. It is expected that the Company will fund the project with its self-owned funds and/or bank loans in the upcoming year. For details, please refer to the announcements of the Company dated 1 March 2023 and 12 May 2023, as well as the circular dated 14 April 2023.

EXCHANGE RATE FLUCTUATION RISK

As the Group primarily operates in mainland China and the majority of its businesses are settled in RMB, it is not exposed to material foreign exchange rate risk.

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

CONTINGENT LIABILITIES

Lawsuit between Energy Development Company and Huaguan Industrial

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

On 26 September 2023, Huaguan Industrial appealed the aforesaid judgment to the High People's Court of Sichuan Province, which held a hearing on 29 November 2023, and as at the Reporting Date, no judgement has been awarded by the High People's Court of Sichuan Province on the case.

Based on the advice of the legal advisor and the first-instance judgment of Chengdu Intermediate People's Court, the management believed that the Undertaking only represents the undertakings on contemplated arrangements issued by Energy Development Company, as a shareholder of Communications Investment Energy, to facilitate Communications Investment Energy in addressing issues, and does not constitute any undertaking on fulfilling any obligations. Even though the court ruled that contractual relationship has been established between Energy Development Company and Huaguan Industrial, Energy Development Company is only obliged to assisting in selection of land parcels and liaison with the government authorities. Besides, there was no default on the side of Energy Development Company as the failure in construction of petrol stations was attributable to policy requirements which constituted force majeure rather than non-performance by Energy Development Company, and Energy Development Company therefore shall not be held accountable. In view of the above, the Group did not make provision for estimated liabilities in this regard.

EMPLOYEE AND REMUNERATION POLICIES

As of the end of the Reporting Period, the Group had an aggregate of 2,291 employees (31 December 2023: 2,290), including 1,962 front-line staff, accounting for 85.6% of the total; 255 general management personnel, including staff in finance, human resources and other business departments, accounting for 11.1% of the total; 47 middle-level management members, accounting for 2.1% of the total; and 27 senior management members, accounting for 1.2% of the total.

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

Pursuant to statutory requirements, the Group has participated in the employee retirement benefit scheme organised by the local government authorities (social pension insurance) and the housing provident fund plan, and has adopted various protection plans such as basic medical insurance, work injury insurance, unemployment insurance and maternity insurance for its employees. In addition, the Group also participates in an additional employee retirement benefit scheme, i.e. annuity. The Group will pay annuity on a monthly basis subject to a certain percentage of the average salaries of qualified employees in the previous year. The Company's executive Directors, senior management and the employee representative Supervisors received remuneration based on their specific management positions in the Company. Remuneration of the senior management includes fixed salary and performance bonuses, of which performance bonuses are calculated based on how the annual performance targets are met by them, and will be reviewed by the Remuneration and Evaluation Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

The Group values staff education and training. During the Reporting Period, the Group organised various training sessions pursuant to the Management Measures on Employee Training, which included corporate governance, listing compliance governance, general management, operating management and professional skills, covering employees of all levels from front-line staff to senior management. The Group will also provide employees with comprehensive benefit plans and career development opportunities, including retirement plans, medical benefits and induction training, IT training, safety training, toll calculation training and service etiquette training based on their needs.

During the Reporting Period, the relevant staff costs amounted to RMB186,612,116 (corresponding period of 2023: RMB162,524,464).

OTHER INFORMATION

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

Mr. Yang Tan ceased to serve as the secretary to the Party Committee and chairman of the board of directors of Operation Company commencing from July 2024.

Mr. Xia Wei commenced to serve as an authorised representative of the Company under Rule 3.05 of the Listing Rules (the “**Authorised Representative**”) since April 2024.

Mr. Ding Dapan commenced to serve as the secretary to the Party Committee and chairman of the board of directors of Operation Company commencing from July 2024.

Mr. Leung Chi Hang Benson commenced to serve as an independent non-executive director of Hygieia Group Limited (a company listed on the Stock Exchange, stock code: 1650) since April 2024.

Mr. Zhang Chengyi ceased to serve as the general manager of Communications Investment Construction and Management commencing from July 2024.

Save as disclosed above, there was no other change in information of Directors, Supervisors and chief executive subject to disclosure pursuant to Rule 13.51B of the Listing Rules during the Reporting Period and up to the Reporting Date.

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

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

OTHER INFORMATION

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

Domestic Shares

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

Notes:

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

OTHER INFORMATION

H Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Guangdong Provincial Communication Group Company Limited (廣東省交通集團有限公司) ¹	Interest in controlled corporation	H Shares	Long position	100,000,000	21.92%	6.04%
Xin Yue Company Limited (新粵有限公司) ¹	Beneficial owner	H Shares	Long position	100,000,000	21.92%	6.04%
Chengdu Jiaozhi Financial Holding Group Co., Ltd. (成都交子金融控股集團有限公司)	Beneficial owner	H Shares	Long position	50,000,000	10.96%	3.02%
Chengdu Rail Transit Group Co., Ltd. (成都軌道交通集團有限公司) ²	Interest in controlled corporation	H Shares	Long position	49,950,000	10.95%	3.02%
Chengdu Rail Industrial Investment Group Co., Ltd. (成都軌道產業投資集團有限公司) (formerly known as Chengdu Rail Industrial Investment Co., Ltd. (成都軌道產業投資有限公司)) ²	Beneficial owner	H Shares	Long position	49,950,000	10.95%	3.02%
Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) ³	Investment manager	H Shares	Long position	49,900,000	10.94%	3.01%

OTHER INFORMATION

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Chengdu Urban Construction Investment Management Group Co., Ltd. (成都城建投資管理集團有限責任公司)	Beneficial owner	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Environment Investment Group Company Limited (成都環境投資集團有限公司)	Beneficial owner	H Shares	Long position	45,450,000	9.96%	2.74%
Chengdu Tianfu New Area Investment Group Co., Ltd. (成都天府新區投資集團有限公司) ⁴	Interest in controlled corporation	H Shares	Long position	42,939,000	9.41%	2.59%
Sichuan Tianfu New Area Capital Investment Co., Ltd. (四川天府新區資本投資有限公司) ⁴	Trust beneficiary	H Shares	Long position	42,939,000	9.41%	2.59%
Chengdu Industry Investment Group Co., Ltd. (成都產業投資集團有限公司) ⁵	Interest in controlled corporation	H Shares	Long position	25,646,000	5.62%	1.55%
Chengdu Advanced Manufacturing Industry Investment Co., Ltd. (成都先進製造產業投資有限公司) ⁵	Beneficial owner	H Shares	Long position	25,646,000	5.62%	1.55%

Notes:

- (1) Guangdong Provincial Communication Group Company Limited holds interests in 100,000,000 H Shares of the Company through its wholly-owned subsidiary, Xin Yue Company Limited.
- (2) Chengdu Rail Industrial Investment Group Co., Ltd. is wholly-owned by Chengdu Rail Transit Group Co., Ltd.. Chengdu Rail Industrial Investment Group Co., Ltd. holds interests in 49,950,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd (中誠信託有限責任公司).

OTHER INFORMATION

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As at 30 June 2024, the Company did not hold any treasury shares.

DIVIDENDS

Pursuant to relevant resolutions passed at the 2023 annual general meeting of the Company held on 28 May 2024, the Company distributed final dividends for the year ended 31 December 2023 to the Shareholders on 26 July 2024, totaling approximately RMB278,225,136, being RMB0.168 (tax inclusive) per Share based on the total number of issued Shares of 1,656,102,000.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (corresponding period of 2023: nil).

OTHER INFORMATION

ARTICLES OF ASSOCIATION

The Board resolved on 29 February 2024 to propose to make certain amendments to the Articles of Association in view of the change in the name of Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a promoter and a controlling shareholder of the Company to “Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司)”. For details of the aforesaid amendments, please refer to the announcements dated 29 February 2024 and 27 March 2024, as well as the circular dated 7 March 2024 of the Company.

AUDIT AND RISK MANAGEMENT COMMITTEE

As at the Reporting Date, the Audit and Risk Management Committee of the Company comprises three Directors, namely Mr. Leung Chi Hang Benson, being an independent non-executive Director, Mr. Wang Peng, being an independent non-executive Director and Ms. Wu Haiyan, being a non-executive Director. Mr. Leung Chi Hang Benson currently serves as the chairman of the Audit and Risk Management Committee of the Company with the professional accounting qualification. The Audit and Risk Management Committee of the Company has reviewed the results announcement and the interim report of the Group for the six months ended 30 June 2024 and has not raised any objection to the accounting policies adopted by the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the “CG Code”). The Company has complied with the applicable code provisions as set out in the CG Code during the Reporting Period except for deviation from code provisions C.2.1 and B.2.2 of part 2 of the CG Code.

Code provision C.2.1 requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yang Tan, general manager of the Company (exercising the same powers as chief executive officer), acted as the chairman of the Board from 15 March 2023, and was appointed as the chairman of the Board on 7 June 2023. Since Mr. Yang Tan is familiar with the Company’s development strategy, Board functioning and operating management, the Board believes that vesting the roles of chairman of the Board and general manager concurrently into Mr. Yang Tan may guarantee consistent leadership of the Group, improve its decision-making process and implementation efficiency, and effectively grasp business opportunities. In addition, the responsibilities of the chairman of the Board and general manager of the Company have been clearly separated and defined in written form to ensure efficient duty performance and clear division of powers and responsibilities. Therefore, such arrangement will not undermine the checks and balances between the Board and the management of the Group. Going forward, the Board will review the effectiveness of such arrangement from time to time, and will vest the roles of chairman of the Board and general manager of the Company into different individuals at an appropriate timing.

OTHER INFORMATION

Code provision B.2.2 requires that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. As disclosed in the announcement of the Company dated 9 June 2023, the term of office of the second session of the Board and the Supervisory Committee expired on 11 June 2023. Given that nomination for members of a new session of the Board and the Supervisory Committee has not been finalised, to ensure continuity in duty performance of the Board and the Supervisory Committee, election of a new session of the Board and the Supervisory Committee will be postponed. The term of office of each special committee of the second session of the Board and the senior management members appointed by the Board will be accordingly extended. The postponed election of a new session of the Board and the Supervisory Committee will not have any impact on the normal operation of the Company. The Company will proactively expedite relevant process to complete election of a new session of the Board and the Supervisory Committee as soon as practicable, and will fulfill information disclosure obligations in a timely manner.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

OTHER EVENTS

Subscription for Structured Deposits

The Company subscribed for two structured deposits on 3 January 2024, both of which are principal-guaranteed with floating return and the Company shall not redeem the principal and income in advance during the duration. In particular, (i) on 3 January 2024, the Company subscribed for the structured deposit offered by Chengdu No.1 Sub-branch of China Construction Bank Corporation (中國建設銀行股份有限公司成都第一支行) for RMB300 million with a term of 174 days and an expected annualised rate of return of 1.05% to 3.00%; and (ii) on 3 January 2024, the Company subscribed for the structured deposit offered by Chengdu Binjiang Sub-branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司成都濱江支行) for RMB200 million with a term of 174 days and an expected annualised rate of return of 1.20% to 2.39%. As of the end of the Reporting Period, both of the above structured deposits and the income thereof had been redeemed. For further details regarding the subscription of structured deposits, please refer to the announcement of the Company dated 3 January 2024.

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

On 29 April 2024, due to work rearrangement, Mr. Zhang Guangwen resigned as the secretary of the Board, the joint company secretary and the Authorised Representative, with effect from 29 April 2024. Mr. Xia Wei, an executive Director, has been appointed as an Authorised Representative with effect from 29 April 2024. For further details regarding the resignation of Board secretary and joint company secretary and change in Authorised Representative, please refer to the announcement of the Company dated 29 April 2024.

OTHER INFORMATION

Lawsuit between Chengming Expressway Company and Xuyang Petrification

On 20 May 2022, Chengming Expressway Company initiated a lawsuit against Sichuan Xuyang Petrification Trading Co., Ltd. (四川省旭陽石化貿易有限公司) (“**Xuyang Petrification**”), the defendant, in the Jianyang People’s Court, applying to legally invalidate the transfer (lease) agreements (the “**Agreements**”) entered into between the parties on 27 December 2012 and 26 July 2014, respectively, in relation to the extended 12-year land use rights following the change of nature of land use rights of two pairs and a total of four petrol and gas stations in Qionglai and Mingshan service areas along the Qionglai – Mingshan Expressway alongside National Highway 318, and the construction and operation right of Pingle service area (including the petrol and gas stations), and demanding Xuyang Petrification to return Pingle service area to Chengming Expressway Company in status quo.

Pursuant to the Agreements, amounts incurred from the change of nature of land use rights of two pairs and a total of four petrol and gas stations in Qionglai and Mingshan service areas, change of nature of land use rights of the petrol stations and gas stations in Pingle service area and construction of Pingle service area shall be paid by Xuyang Petrification. As of 31 December 2022, Xuyang Petrification had paid Chengming Expressway Company RMB6,833,248 for change of nature of land use rights, and partially completed the construction of the petrol stations in Pingle service area, which, however, did not commence commercial operation. Xuyang Petrification failed to pay Chengming Expressway Company any amount for transfer (lease) of construction and operation right as agreed in the Agreements. Chengming Expressway Company recognised the amount paid by Xuyang Petrification for change of nature of land use rights in other payables.

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

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

On 13 June 2023, the Jianyang People’s Court awarded the judgement, pursuant to which, 1) Chengming Expressway Company and Xuyang Petrification shall rescind the Agreements, and Xuyang Petrification shall return Pingle service area to Chengming Expressway Company in its existing status; 2) Xuyang Petrification shall pay Chengming Expressway Company loss of interest accrued on occupied rental of RMB2,082,066; and 3) Chengming Expressway Company shall pay Xuyang Petrification land transfer consideration of RMB6,820,868 and interest accrued on such funds of RMB2,601,692, construction expenditure of RMB2,966,700 and loss equivalent to expected income of RMB4,282,800, totaling RMB16,672,060.

On 3 July 2023, Chengming Expressway Company and Xuyang Petrification both appealed the aforesaid judgment to Chengdu Intermediate People’s Court, which awarded a judgement on 7 May 2024 to reject the appeal and uphold the previous judgement. The judgement is final.

OTHER INFORMATION

Withdrawal of Application for Listing of A Shares

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

SUBSEQUENT EVENTS

Subscription for Structured Deposits

The Company subscribed for two structured deposits on 2 July 2024, both of which are principal-guaranteed with floating return and the Company shall not redeem the principal and income in advance during the duration. In particular, (i) the Company subscribed for the structured deposit offered by Chengdu No.1 Sub-branch of China Construction Bank Corporation (中國建設銀行股份有限公司成都第一支行) for RMB300 million with a term of 98 days and an expected annualised rate of return of 1.05% to 2.70%; and (ii) the Company subscribed for the structured deposit offered by Chengdu Binjiang Sub-branch (Wuhouci Sub-branch) of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司成都濱江支行(武侯祠支行)) for RMB200 million with a term of 98 days and an expected annualised rate of return of 1.20% to 2.49%. For further details regarding the subscription of structured deposits, please refer to the announcement of the Company dated 2 July 2024.

Proposed Issue of Corporate Bonds

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

INFORMATION DISCLOSURE

This report will be published on the websites of the Company and the Stock Exchange.

27 August 2024

CONSOLIDATED BALANCE SHEET

30 June 2024

Unit: RMB

	Note V	30 June 2024 (unaudited and unreviewed)	31 December 2023
ASSETS			
Current assets			
Currency funds	1	2,337,647,712	2,260,931,042
Accounts receivable	2	308,615,280	226,215,503
Prepayments		71,719,795	66,526,433
Other receivables		51,609,020	77,256,512
Inventories		24,211,074	20,670,025
Other current assets		12,687,739	20,905,188
Total current assets		2,806,490,620	2,672,504,703
Non-current assets			
Long-term equity investments	3	520,874,550	522,560,337
Other non-current financial assets		83,670,000	85,822,000
Fixed assets		409,184,593	418,222,189
Construction in progress		23,961,585	19,201,784
Right-of-use assets		50,651,585	53,643,925
Intangible assets	4	5,209,223,405	5,347,248,968
Goodwill		75,650,620	75,650,620
Long-term prepaid expenses		1,357,850	1,725,002
Deferred tax assets		30,977,088	31,569,305
Other non-current assets	5	67,115,076	26,598,143
Total non-current assets		6,472,666,352	6,582,242,273
Total assets		9,279,156,972	9,254,746,976

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

CONSOLIDATED BALANCE SHEET

Unit: RMB

30 June 2024

	Note V	30 June 2024 (unaudited and unreviewed)	31 December 2023
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	6	452,552,812	521,675,639
Receipts in advance		2,811,259	1,348,951
Contract liabilities		8,408,066	8,285,026
Employee benefits payable		16,392,943	39,884,414
Taxes and surcharges payable		54,688,259	57,464,219
Other payables		471,075,909	219,321,536
Non-current liabilities due within one year	7	297,130,666	248,194,146
Other current liabilities		465,736	507,660
Total current liabilities		1,303,525,650	1,096,681,591
Non-current liabilities			
Long-term borrowings	8	2,027,281,765	2,175,781,765
Bonds payable		300,000,000	300,000,000
Lease liabilities		40,126,760	44,243,371
Deferred tax liabilities		193,119,868	195,371,779
Estimated liabilities		–	7,756,746
Other non-current liabilities	9	125,278,474	132,587,577
Total non-current liabilities		2,685,806,867	2,855,741,238
Total liabilities		3,989,332,517	3,952,422,829

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

CONSOLIDATED BALANCE SHEET

30 June 2024

Unit: RMB

	Note V	30 June 2024 (unaudited and unreviewed)	31 December 2023
LIABILITIES AND EQUITY			
Equity			
Share capital		1,656,102,000	1,656,102,000
Capital reserves		571,650,501	571,650,501
Specialised reserves		15,662,773	15,828,556
Surplus reserves		319,663,669	319,663,669
Unappropriated profit	10	1,798,471,153	1,785,400,193
Total equity attributable to shareholders of the Company		4,361,550,096	4,348,644,919
Non-controlling interests		928,274,359	953,679,228
Total equity		5,289,824,455	5,302,324,147
Total liabilities and equity		9,279,156,972	9,254,746,976

The financial statements have been signed by:

Legal representative:

Financial controller:

Accounting supervisor:

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

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Six months ended 30 June 2024

	Note V	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Revenue	11	1,410,195,586	1,397,708,961
Less: Cost of sales		897,255,732	878,858,199
Taxes and surcharges		6,902,007	5,081,147
Selling expenses		31,581,872	25,365,725
Administrative expenses		72,288,633	59,142,113
Finance expenses		36,211,344	39,937,181
Including: Interest expenses		53,419,224	57,940,433
Interest income		17,883,754	18,344,689
Add: Other income		20,525	95,094
Investment income		13,774,300	14,494,748
Including: Income from investments in associates and joint ventures		10,857,163	14,494,748
Credit impairment income (loss is presented with "()")		(1,433,618)	1,400,193
Gains from disposal of assets (loss is presented with "()")		(181,895)	–
Fair value gains (loss is presented with "()")		(2,152,000)	4,409,000
Operating profit		375,983,310	409,723,631
Add: Non-operating income		6,139,820	6,504,163
Less: Non-operating expenses		758,467	8,079,016
Total profit		381,364,663	408,148,778
Less: Income tax expenses	12	66,691,116	71,807,983
Net profit		314,673,547	336,340,795
Classified by continuity of operations			
Net profit from continuing operations		314,673,547	336,340,795
Classified by ownership			
Net profit attributable to shareholders of the Company		291,296,096	319,172,940
Net profit attributable to non-controlling interests		23,377,451	17,167,855
Total comprehensive income		314,673,547	336,340,795
Including:			
Total comprehensive income attributable to shareholders of the Company		291,296,096	319,172,940
Total comprehensive income attributable to non-controlling interests		23,377,451	17,167,855
Earnings per share (RMB/share)			
Basic and diluted	13	0.18	0.19

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Unit: RMB

Six months ended 30 June 2024 (unaudited and unreviewed)

	Attributable to shareholders of the Company					Subtotal	Non-controlling interests	Total equity
	Share capital	Capital reserves	Specialised reserves	Surplus reserves	Unappropriated profit			
I. Closing balances of the preceding year and opening balances of the current period	1,656,102,000	571,650,501	15,828,556	319,663,669	1,785,400,193	4,348,644,919	953,679,228	5,302,324,147
II. Changes in the current period								
(I) Total comprehensive income	-	-	-	-	291,296,096	291,296,096	23,377,451	314,673,547
(II) Profit distribution								
1. Distribution to shareholders	-	-	-	-	(278,225,136)	(278,225,136)	(48,426,027)	(326,651,163)
(III) Specialised reserves								
1. Appropriation during the period	-	-	376,647	-	-	376,647	19,925	396,572
2. Utilisation during the period	-	-	(542,430)	-	-	(542,430)	(376,218)	(918,648)
III. Closing balances for the period	1,656,102,000	571,650,501	15,662,773	319,663,669	1,798,471,153	4,361,550,096	928,274,359	5,289,824,455

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unit: RMB

For the six months ended 30 June 2024

Six months ended 30 June 2023

	Attributable to shareholders of the Company					Subtotal	Non-controlling interests	Total equity
	Share capital	Capital reserves	Specialised reserves	Surplus reserves	Unappropriated profit			
I. Closing balances of the preceding year	1,656,102,000	516,284,901	15,903,593	268,218,423	1,527,160,528	3,983,669,445	934,324,041	4,917,993,486
Correction of accounting errors	-	55,365,600	-	-	(14,295,245)	41,070,355	554,355	41,624,710
II. Opening balances for the period	1,656,102,000	571,650,501	15,903,593	268,218,423	1,512,865,283	4,024,739,800	934,878,396	4,959,618,196
III. Changes in the current period								
(I) Total comprehensive income	-	-	-	-	319,172,940	319,172,940	17,167,855	336,340,795
(II) Capital contribution and reduction by owners	-	-	-	-	-	-	29,215,187	29,215,187
(III) Profit distribution								
1. Distribution to shareholders	-	-	-	-	(294,786,156)	(294,786,156)	(59,625,269)	(354,411,425)
(IV) Specialised reserves								
1. Appropriation during the period	-	-	282,771	-	-	282,771	16,489	299,260
2. Utilisation during the period	-	-	(1,184,099)	-	-	(1,184,099)	(1,167,871)	(2,351,970)
IV. Closing balances for the period	1,656,102,000	571,650,501	15,002,265	268,218,423	1,537,252,067	4,048,225,256	920,484,787	4,968,710,043

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

Unit: RMB

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	1,278,722,467	1,217,168,869
Refund of taxes and surcharges	20,525	95,094
Other cash received relating to operating activities	77,324,735	108,341,135
Subtotal of cash inflows from operating activities	1,356,067,727	1,325,605,098
Cash paid for purchase of goods and receipt of services	552,824,684	516,033,088
Cash paid to and on behalf of employees	210,430,032	181,246,006
Payments of taxes and surcharges	112,703,434	95,945,955
Other cash paid relating to operating activities	57,681,473	49,359,865
Subtotal of cash outflows from operating activities	933,639,623	842,584,914
Net cash flows from operating activities	422,428,104	483,020,184
II. Cash flows from investing activities:		
Cash received from disposal of investments	650,000,000	760,000,000
Cash received from investment gains	22,802,823	30,876,414
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	266,774	21,877
Subtotal of cash inflows from investing activities	673,069,597	790,898,291
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	144,665,366	90,407,753
Cash paid to acquire investments	650,000,000	700,000,000
Subtotal of cash outflows from investing activities	794,665,366	790,407,753
Net cash flows (used in)/from investing activities	(121,595,769)	490,538

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Unit: RMB

For the six months ended 30 June 2024

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
III. Cash flows from financing activities:		
Cash received from absorption of investments	–	29,215,187
Including: Cash received by subsidiaries from investment of non-controlling shareholders	–	29,215,187
Cash received from borrowings	–	352,188,291
Subtotal of cash inflows from financing activities	–	381,403,478
Cash paid for repayment of debts	104,500,000	395,400,000
Cash paid for distribution of dividends, profits or repayment of interests	112,062,129	96,851,169
Including: Dividends and profits paid to non-controlling interests by subsidiaries	14,317,029	30,594,921
Other cash paid relating to financing activities	7,553,536	9,355,060
Subtotal of cash outflows from financing activities	224,115,665	501,606,229
Net cash flows used in financing activities	(224,115,665)	(120,202,751)
IV. Net increase in cash and cash equivalents	76,716,670	363,307,971
Add: Balance of cash and cash equivalents at the beginning of the period	2,260,931,042	1,814,070,960
V. Balance of cash and cash equivalents at the end of the period	2,337,647,712	2,177,378,931

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

BALANCE SHEET OF THE COMPANY

30 June 2024

Unit: RMB

	30 June 2024 (unaudited and unreviewed)	31 December 2023
ASSETS		
Current assets		
Currency funds	1,854,786,817	1,747,851,398
Accounts receivable	21,833,463	9,610,306
Prepayments	1,618,622	2,475,461
Other receivables	117,421,036	113,565,670
Other current assets	3,516,730	11,413,862
Total current assets	1,999,176,668	1,884,916,697
Non-current assets		
Long-term equity investments	3,192,203,604	3,181,702,155
Other non-current financial assets	83,553,692	85,495,077
Fixed assets	56,179,988	57,938,176
Construction in progress	48,033	74,668
Right-of-use assets	12,200,527	13,759,179
Intangible assets	399,779,271	420,376,297
Deferred tax assets	9,068,512	9,631,592
Other non-current assets	10,000,000	10,000,000
Total non-current assets	3,763,033,627	3,778,977,144
Total assets	5,762,210,295	5,663,893,841

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

BALANCE SHEET OF THE COMPANY

Unit: RMB

30 June 2024

	30 June 2024 (unaudited and unreviewed)	31 December 2023
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	23,727,320	30,815,814
Receipts in advance	652,385	99,694
Employee benefits payable	3,351,728	9,015,148
Taxes and surcharges payable	10,646,350	15,971,109
Other payables	1,178,891,095	978,530,670
Non-current liabilities due within one year	133,969,448	129,217,062
Total current liabilities	1,351,238,326	1,163,649,497
Non-current liabilities		
Long-term borrowings	58,000,000	114,000,000
Bonds payable	300,000,000	300,000,000
Lease liabilities	9,345,483	10,907,959
Other non-current liabilities	51,845,593	55,834,356
Total non-current liabilities	419,191,076	480,742,315
Total liabilities	1,770,429,402	1,644,391,812
Equity		
Share capital	1,656,102,000	1,656,102,000
Capital reserves	729,032,527	729,032,527
Surplus reserves	319,663,669	319,663,669
Unappropriated profit	1,286,982,697	1,314,703,833
Total equity	3,991,780,893	4,019,502,029
Total liabilities and equity	5,762,210,295	5,663,893,841

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

INCOME STATEMENT OF THE COMPANY

Six months ended 30 June 2024

Unit: RMB

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Revenue	236,112,718	236,043,003
Less: Cost of sales	92,587,787	86,241,560
Taxes and surcharges	1,308,212	821,541
Administrative expenses	27,334,954	18,799,626
Finance expenses	(1,821,402)	(2,072,990)
Including: Interest expenses	15,015,984	16,938,805
Interest income	16,718,600	18,605,912
Add: Other income	2,480	53,580
Investment income	154,310,071	264,312,555
Including: Income from investments in associates	7,995,681	10,743,061
Gains from disposal of assets (loss is presented with “()”)	(8,252)	–
Fair value gains (loss is presented with “()”)	(1,941,385)	4,409,000
Operating profit	269,066,081	401,028,401
Add: Non-operating income	2,779,888	3,433,105
Less: Non-operating expenses	72,264	17,165
Total profit	271,773,705	404,444,341
Less: Income tax expenses	21,269,705	21,854,924
Net profit	250,504,000	382,589,417
Including: Net profit from continuing operations	250,504,000	382,589,417
Total comprehensive income	250,504,000	382,589,417

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

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

Unit: RMB

Six months ended 30 June 2024

Six months ended 30 June 2024 (unaudited and unreviewed)

	Share capital	Capital reserves	Surplus reserves	Unappropriated profit	Total equity
I. Closing balances of the preceding year and opening balances of the current period	1,656,102,000	729,032,527	319,663,669	1,314,703,833	4,019,502,029
II. Changes in the current period					
(I) Total comprehensive income	-	-	-	250,504,000	250,504,000
(II) Profit distribution					
1. Distribution to shareholders	-	-	-	(278,225,136)	(278,225,136)
III. Closing balances for the period	1,656,102,000	729,032,527	319,663,669	1,286,982,697	3,991,780,893

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

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

Six months ended 30 June 2024

Unit: RMB

Six months ended 30 June 2023

	Share capital	Capital reserves	Surplus reserves	Unappropriated profit	Total equity
I. Closing balances of the preceding year	1,656,102,000	670,065,375	268,218,423	1,163,061,424	3,757,447,222
Add: Correction to accounting errors	–	58,967,152	–	(16,578,653)	42,388,499
II. Opening balances for the period	1,656,102,000	729,032,527	268,218,423	1,146,482,771	3,799,835,721
III. Changes in the current period					
(I) Total comprehensive income	–	–	–	382,589,417	382,589,417
(II) Profit distribution					
1. Distribution to shareholders	–	–	–	(294,786,156)	(294,786,156)
IV. Closing balances for the period	1,656,102,000	729,032,527	268,218,423	1,234,286,032	3,887,638,982

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

STATEMENT OF CASH FLOWS OF THE COMPANY

Unit: RMB

Six months ended 30 June 2024

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	223,251,298	212,898,802
Refund of taxes and surcharges	2,480	53,580
Other cash received relating to operating activities	39,882,005	51,138,312
Subtotal of cash inflows from operating activities	263,135,783	264,090,694
Cash paid for purchase of goods and receipt of services	52,811,059	39,029,730
Cash paid to and on behalf of employees	44,799,733	38,105,997
Payments of taxes and surcharges	33,209,742	21,408,483
Other cash paid relating to operating activities	7,538,247	18,780,291
Subtotal of cash outflows from operating activities	138,358,781	117,324,501
Net cash flows from operating activities	124,777,002	146,766,193
II. Cash flows from investing activities:		
Cash received from disposal of investments	550,000,000	760,000,000
Cash received from investment gains	142,864,485	173,618,528
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,300	21,757
Other cash received relating to investing activities	1,065,110	58,864,028
Subtotal of cash inflows from investing activities	693,930,895	992,504,313
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	2,444,153	11,076,213
Cash paid to acquire investments	565,000,000	760,680,483
Subtotal of cash outflows from investing activities	567,444,153	771,756,696
Net cash flows from investing activities	126,486,742	220,747,617

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

STATEMENT OF CASH FLOWS OF THE COMPANY

Six months ended 30 June 2024

Unit: RMB

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
III. Cash flows from financing activities:		
Cash received from borrowings	–	300,000,000
Subtotal of cash inflows from financing activities	–	300,000,000
Cash paid for repayment of debts	56,000,000	351,000,000
Cash paid for distribution of dividends, profits or repayment of interests	17,958,961	19,431,750
Other cash paid relating to financing activities	70,369,364	8,530,610
Subtotal of cash outflows from financing activities	144,328,325	378,962,360
Net cash flows used in financing activities	(144,328,325)	(78,962,360)
IV. Net increase in cash and cash equivalents	106,935,419	288,551,450
Add: Balance of cash and cash equivalents at the beginning of the period	1,747,851,398	1,295,563,419
V. Balance of cash and cash equivalents at the end of the period	1,854,786,817	1,584,114,869

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

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

I. BASIC INFORMATION

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

As of 30 June 2024, the Company issued an aggregate of 1,656,102,000 shares, representing total share capital of RMB1,656,102,000.

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

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

These financial statements were approved for issuance pursuant to the Board resolution passed on 27 August 2024.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the requirements of the Accounting Standards for Business Enterprises No. 32 – Interim Financial Report issued by the Ministry of Finance. These financial statements do not contain all the information and disclosure required in the annual financial statements, and therefore should be read in conjunction with the Company’s 2023 annual financial statements.

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

III. ACCOUNTING POLICIES AND ESTIMATES

Accounting policies and estimates adopted in these financial statements are consistent with those adopted in the Company’s 2023 annual financial statements.

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IV. TAXES

Major taxes and respective tax rates of the Group for the period are set out below:

Value-added tax (VAT)	–	VAT is levied at the simplified rate of 3% for toll income and traffic volume compensation for operation suspension at a toll station, 13% output tax for income from sales of oil products and goods in convenience stores, 6% output tax for operation and management services, 9% or 5% output tax for other income such as maintenance, rental income and forward traffic volume compensation with VAT levied based on the amount arrived at after deducting the input tax qualified to be deductible for the current period; and 3% of taxable income for small-sized taxpayers.
City maintenance and construction tax	–	It is levied at 7% on the turnover taxes paid.
Corporate income tax	–	Corporate income tax is levied at 15%, 20% and 25% on the taxable profit.

According to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (circular of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission [2020] No. 23), from 1 January 2021 to 31 December 2030, enterprises located in western China that are engaged in encouraged industries shall be subject to a reduced enterprise income tax at a tax rate of 15%. The enterprises in the encouraged industries shall mainly engage in the industries set out in the Catalog of Encouraged Industries in Western China, and the revenue from the main business of such enterprises shall exceed 60% of the total revenue.

The Company and its subsidiaries, including Chengdu Chengwenqiong Expressway Co., Ltd. (“Chengwenqiong Expressway Company”), Chengdu Airport Expressway Co., Ltd. (“Chengdu Airport Expressway Company”), Sichuan Chengming Expressway Co., Ltd. (“Chengming Expressway Company”), Chengdu Expressway Operation Management Co., Ltd. (“Operation Company”), Chengdu Chengpeng Expressway Co., Ltd. (“Chengpeng Expressway Company”) and Chengdu Expressway Chuanlutong Operation Management Co., Ltd. (“Chuanlutong Company”) comply with the preferential tax policy, and are subject to the corporate income tax rate of 15% during the current period.

Pursuant to the Circular on Implementing Income Tax Incentive Policies for Small and Micro Enterprises and Private Businesses (circular of the Ministry of Finance and the State Taxation Administration, [2021] No. 12) issued by the Ministry of Finance and the State Taxation Administration in April 2021, Chengdu Jinniu Xinyuanli Energy Management Co., Ltd. (“Jinniu Xinyuanli”), a subsidiary of the Company, was entitled to the preferential tax policies for small meager-profit enterprises during the period, and therefore paid enterprise income tax at the rate of 20%.

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Currency funds

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Cash on hand	–	81,100
Bank deposits	2,335,892,059	2,260,034,758
Other currency funds	1,755,653	815,184
Total	2,337,647,712	2,260,931,042
Including: Total amount of funds placed overseas	13,728,231	13,824,644

As at 30 June 2024 and 31 December 2023, the Group had no restricted currency funds.

2. Accounts receivable

An ageing analysis of accounts receivable based on the invoice dates is as follows:

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Within 1 year	238,716,140	215,641,673
1 to 2 years	73,434,512	12,675,582
	312,150,652	228,317,255
Less: Provision for bad debts of accounts receivable	3,535,372	2,101,752
Total	308,615,280	226,215,503

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Joint ventures		
Sinopec Chengdu Energy Co., Ltd. ("Sinopec Chengdu Energy")	15,848,415	15,372,283
Chengdu Battery Services-Communications Investment Energy Technology Co., Ltd. ("Battery Services-Communications Investment")	46,620,334	47,579,674
Subtotal	62,468,749	62,951,957
Associates		
Chengdu Chengbei Exit Expressway Co., Ltd. ("Chengbei Exit Expressway Company")	119,372,025	123,870,576
Zhongyou Jieneng (Chengdu) Environmental Protection Technology Co., Ltd. ("Zhongyou Jieneng")	56,702,940	58,192,810
Chengdu Tongneng Compressed Natural Gas Co., Ltd. ("Chengdu Tongneng")	151,735,489	146,418,400
Chengdu Communications Investment New Energy Industrial Development Co., Ltd. ("New Energy Company")	48,218,034	48,530,513
Chengdu Jiuhe Oil Management Co., Ltd. ("Chengdu Jiuhe")	5,048,074	5,132,282
Chengdu Jiaoyun Compressed Natural Gas Development Co., Ltd. ("Chengdu Jiaoyun CNG")	6,389,232	6,476,730
Chengdu Teld New Energy Co., Ltd. ("Teld")	70,940,007	70,987,069
Subtotal	458,405,801	458,405,801
Less: Impairment provision of long-term equity investments	—	—
Total	520,874,550	522,560,337

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Intangible assets

	30 June 2024 (unaudited and unreviewed)
Cost	
Opening balance	7,959,285,143
Purchase	12,414,782
Other decrease	(125,836)
Closing balance	7,971,574,089
Accumulated amortisation	
Opening balance	2,612,036,175
Provision	150,314,509
Closing balance	2,762,350,684
Carrying amount	
At the end of the period	5,209,223,405
At the beginning of the period	5,347,248,968

As at 30 June 2024, the Group had restricted intangible assets with a carrying amount of RMB3,907,244,447 (31 December 2023: RMB3,992,942,584). Please refer to Note V.8.

As at 30 June 2024 and 31 December 2023, there were no land parcels without title certificates.

For the six months ended 30 June 2024, amortisation of land use right of nil (six months ended 30 June 2023: RMB966,161) was included in construction in progress.

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Other non-current assets

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Prepaid land premiums	57,115,076	16,220,103
Performance guarantee deposits	10,000,000	10,000,000
Prepaid construction amount	–	378,040
Total	67,115,076	26,598,143

On 8 December 2020, the Group won the tenders for the operation business of Chengdu Tianfu International Airport Expressway (“Tianfu Airport Expressway”) and Pujiang-Dujiangyan Section of Chengdu Economic Zone Ring Expressway (“Pudu Expressway”). As required under the relevant contracts, in January 2023, the Group issued performance guarantees to Tianfu Airport Expressway and Pudu Expressway through China Merchants Bank Co., Ltd. Chengdu Sub-branch in a total amount of RMB10,000,000 with a valid period until 31 December 2027, which were included in other non-current assets.

6. Accounts payable

The accounts payable are non-interest-bearing. An ageing analysis of accounts payable based on invoice dates is as follows:

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Within 1 year	70,123,695	55,275,833
Over 1 year	382,429,117	466,399,806
Total	452,552,812	521,675,639

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Non-current liabilities due within one year

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Long-term borrowings due within one year	262,000,000	218,000,000
Lane occupation compensation due within one year	10,076,893	10,155,070
Lease liabilities due within one year	9,428,899	8,928,292
Forward traffic volume compensation due within one year	7,191,997	7,165,578
Interest on bonds payable due within one year	8,432,877	3,945,206
Total	297,130,666	248,194,146

8. Long-term borrowings

	30 June 2024 (unaudited and unreviewed)	31 December 2023
	<i>Notes</i>	
Pledged borrowings	2,055,000,000	2,103,000,000
Unsecured borrowings	172,281,765	208,781,765
Guaranteed borrowings	62,000,000	82,000,000
	2,289,281,765	2,393,781,765
Less: Long-term borrowings due within one year	262,000,000	218,000,000
Total	2,027,281,765	2,175,781,765

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Long-term borrowings (Continued)

An analysis of long-term borrowings based on maturity dates is as follows:

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Due within 1 year (inclusive of 1 year)	262,000,000	218,000,000
Due within 2 years (inclusive of 2 years)	248,000,000	299,000,000
Due within 3 to 5 years (inclusive of 3 and 5 years)	610,281,765	559,000,000
Over 5 years	1,169,000,000	1,317,781,765
Total	2,289,281,765	2,393,781,765

As at 30 June 2024, the above borrowings carried an annual interest rate ranging from 2.98% to 3.96% (31 December 2023: 3.08% to 4.06%).

Note 1: The pledged borrowings are pledged by expressway toll collection rights detailed in Note V.4, of which bank borrowings of RMB1,547,000,000 (31 December 2023: RMB1,580,000,000) obtained by Chengming Expressway Company were guaranteed by Chengdu Communications Investment.

Note 2: As at 30 June 2024, guaranteed borrowings of RMB62,000,000 (31 December 2023: RMB82,000,000) were guaranteed by Chengwenqiong Expressway Company and the Company.

9. Other non-current liabilities

	Note	30 June 2024 (unaudited and unreviewed)	31 December 2023
Permanent lane occupation compensation	1	45,754,112	47,841,714
Advanced service area payment		37,829,077	39,241,921
Forward traffic volume compensation		35,889,013	39,481,287
Advanced rental		5,806,272	6,022,655
Total		125,278,474	132,587,577

Note 1: Expressway companies under the Group receive lump-sum payment from third parties for occupation of the respective expressways, and the occupation period is the remaining toll term of such expressways.

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Unappropriated profit

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Unappropriated profit at the end of the preceding year before adjustments	1,785,400,193	1,527,160,528
Adjustments	–	(14,295,245)
Unappropriated profit at the beginning of the current period after adjustments	1,785,400,193	1,512,865,283
Net profit attributable to shareholders of the Company	291,296,096	319,172,940
Less: Cash dividends payable	278,225,136	294,786,156
Unappropriated profit at the end of the period	1,798,471,153	1,537,252,067

Pursuant to the resolution approved at the shareholders' general meeting on 28 May 2024, the Company would pay cash dividends of RMB0.168 per share to all the shareholders, totaling RMB278,225,136 based on the total share capital of the Company of 1,656,102,000. As of 30 June 2024, RMB270,562,622 out of the aforesaid cash dividends were yet to be paid.

On 27 August 2024, the board of directors of the Company did not recommend the payment of dividends for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Revenue

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Revenue from principal business	1,373,917,269	1,359,641,431
Revenue from other business	36,278,317	38,067,530
Total	1,410,195,586	1,397,708,961

Revenue is presented as follows:

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Revenue from contracts with customers	1,401,374,382	1,378,451,983
Asset rental income	5,254,334	5,973,545
Forward traffic volume compensation	3,566,870	–
Traffic volume compensation for operation suspension at a toll station	–	13,283,433
Total	1,410,195,586	1,397,708,961

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Revenue (Continued)

Disaggregation of revenue from contracts with customers is as follows:

Six months ended 30 June 2024 (unaudited and unreviewed)

Reporting segment	Expressway segment	Energy segment	Total
Revenue sources			
Toll income	680,441,004	–	680,441,004
Revenue from operation and management services	48,260,586	3,743,849	52,004,435
Revenue from maintenance services	5,879,743	–	5,879,743
Revenue from construction projects	12,332,667	–	12,332,667
Revenue from sales of refined oil	–	632,461,625	632,461,625
Revenue from convenience stores	–	13,136,751	13,136,751
Others	3,878,457	1,239,700	5,118,157
Total	750,792,457	650,581,925	1,401,374,382
Timing of revenue recognition			
At a point in time	684,319,461	646,838,076	1,331,157,537
Over time	66,472,996	3,743,849	70,216,845
Total	750,792,457	650,581,925	1,401,374,382

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Revenue (Continued)

Six months ended 30 June 2023

Reporting segment	Expressway segment	Energy segment	Total
Revenue sources			
Toll income	708,105,985	–	708,105,985
Revenue from operation and management services	30,510,155	3,957,670	34,467,825
Revenue from maintenance services	4,240,400	–	4,240,400
Revenue from sales of refined oil	–	621,025,291	621,025,291
Revenue from convenience stores	–	6,783,597	6,783,597
Others	1,748,381	2,080,504	3,828,885
Total	744,604,921	633,847,062	1,378,451,983
Timing of revenue recognition			
At a point in time	712,361,765	628,042,461	1,340,404,226
Over time	32,243,156	5,804,601	38,047,757
Total	744,604,921	633,847,062	1,378,451,983

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Revenue (Continued)

Information about the Group's performance obligations is summarised below:

Toll income

Performance obligations are satisfied when customers travel through the expressways. Toll income is recognised as the amount received or receivable from vehicles while travelling through.

Revenue from sales of refined oil and convenience stores

Revenue is recognised at a point in time when the Group's performance obligations have been satisfied and the control of corresponding commodities has been transferred to customers.

Revenue from operation and management services

Performance obligations are satisfied within the period of providing operation and management services.

Revenue from maintenance services

Revenue from maintenance services is recognised after the performance obligations have been satisfied.

12. Income tax expenses

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Current income tax expenses	68,350,810	74,251,338
Deferred income tax expenses	(1,659,694)	(2,443,355)
Total	66,691,116	71,807,983

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

V. NOTES TO THE KEY COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the Company by the number of ordinary shares in issue.

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Net profit attributable to shareholders of the Company	291,296,096	319,172,940
Number of ordinary shares in issue	1,656,102,000	1,656,102,000
Basic earnings per share	0.18	0.19

The Company did not have potentially dilutive ordinary shares and therefore diluted earnings per share equal to basic earnings per share.

14. Cash and cash equivalents

	30 June 2024 (unaudited and unreviewed)	30 June 2023
Cash	1,212,647,712	1,472,708,931
Including: Cash on hand	–	–
Bank deposits on demand	1,210,892,059	1,471,066,647
Other currency funds on demand	1,755,653	1,642,284
Cash equivalents	1,125,000,000	704,670,000
Including: Time deposits with maturity within three months	1,125,000,000	704,670,000
Balance of cash and cash equivalents at the end of the period	2,337,647,712	2,177,378,931

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

VI. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

Details of the subsidiaries of the Company are as follows:

	Place of principal business/ registration	Nature of business	Registered capital	Proportion of shareholding (%)		Voting rights Proportion (%)		Notes
				Direct	Indirect			
Subsidiaries acquired through establishment or investment								
Chengwenqiong Expressway Company	Chengdu	Management and operation of expressway	554,490,000	100.00	–	100.00		
Chengpeng Expressway Company	Chengdu	Management and operation of expressway	384,620,000	100.00	–	100.00		
Chengdu Airport Expressway Company	Chengdu	Management and operation of expressway	153,750,000	55.00	–	55.00		
Chengdu Expressway Zhenxing Development Co., Ltd. ("Zhenxing Company")	Chengdu	Management and operation of expressway service areas	100,000,000	80.00	–	80.00		
Operation Company	Chengdu	Management and operation of expressway	20,000,000	100.00	–	100.00		
Chengdu Xinyuanli Energy Management Co., Ltd. ("Xinyuanli Energy")	Chengdu	Petrol station operation	20,000,000	–	100.00	100.00	Note 3	
Chuanlutong Company	Chengdu	Management and operation of expressway	15,000,000	100.00	–	100.00	Note 1	
Jinniu Xinyuanli	Chengdu	Operation of electric vehicle charging facilities	135,000,000	–	100.00	100.00	Note 2	

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

VI. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

	Place of principal business/ registration	Nature of business	Registered capital	Proportion of shareholding (%)		Voting rights Proportion (%)		Notes
				Direct	Indirect			
Subsidiaries acquired through business combination under common control								
Chengdu Energy Development Co., Ltd. ("Energy Development Company")	Chengdu	Petrol station operation and investment	676,000,000	94.49	–	94.49	Note 3	
Chengdu Communications Investment Energy Development Co., Ltd. ("Communications Investment Energy")	Chengdu	Petrol station operation	127,305,500	–	55.00	55.00	Note 3	
Chengdu Zhongyou Energy Co., Ltd. ("Zhongyou Energy")	Chengdu	Petrol station operation	437,335,000	–	51.00	51.00	Note 3	
Subsidiary acquired through business combination not under common control								
Chengming Expressway Company	Chengdu	Management and operation of expressway	100,000,000	51.00	–	51.00		

Note 1: Chuanlutong Company was newly established during the period.

Note 2: Jinniu Xinyuanli was newly established during the period, and its equity interests were held by the Group through Xinyuanli Energy.

Note 3: The equity interests in Communications Investment Energy, Zhongyou Energy and Xinyuanli Energy were held by the Group through Energy Development Company.

Energy Development Company is a joint stock company incorporated under the PRC laws with limited liability, and the other subsidiaries are limited liability companies registered and established according to PRC laws, and the places of registration and operation of all the subsidiaries are located in the PRC.

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

VI. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

There is no inconsistency between the shareholding proportion and voting rights proportion in each subsidiary of the Company.

Save and except for the newly established subsidiaries, the consolidation scope of the consolidated financial statements is the same as that of the previous year.

2. Interests in joint ventures and associates

Major information of joint ventures and associates:

	Place of principal business/ registration	Nature of business	Registered capital	Proportion of shareholding held by the Group (%)	Proportion of voting rights held by the Group (%)
Joint ventures					
Sinopec Chengdu Energy	Chengdu	Management and operation of petrol stations	41,540,200	50.00	50.00
Battery Services-Communications Investment ^{Note 1}	Chengdu	Operation of new energy vehicle battery replacement facilities	300,000,000	48.00	48.00
Associates					
Zhongyou Jieneng	Chengdu	Management and operation of gas stations	100,214,100	47.49	47.49
Chengbei Exit Expressway Company	Chengdu	Management and operation of expressway	220,000,000	40.00	40.00
Chengdu Tongneng	Chengdu	Management and operation of gas stations	86,000,000	30.00	30.00
New Energy Company ^{Note 2}	Chengdu	Operation of electric vehicle charging facilities	117,647,059	51.00	51.00
Chengdu Jiuhe	Chengdu	Management and operation of petrol stations	13,000,000	43.00	43.00
Chengdu Jiaoyun CNG	Chengdu	Management and operation of gas stations	13,000,000	25.00	25.00
Teld	Chengdu	Operation of electric vehicle charging facilities	200,000,000	16.00	16.00

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

VI. INTERESTS IN OTHER ENTITIES (Continued)

2. Interests in joint ventures and associates (Continued)

Note 1: On 20 June 2023, Energy Development Company and Times Battery Services Technology Co., Ltd. (時代電服科技有限公司) (“Times Battery Services”) jointly established Chengdu Battery Services-Communications Investment Energy Technology Co., Ltd. (“Battery Services-Communications Investment”), which is owned as to 52% and 48% by Times Battery Services and Energy Development Company, respectively. Pursuant to its articles of association, Battery Services-Communications Investment is jointly controlled by Energy Development Company and Times Battery Services, and therefore, Battery Services-Communications Investment is accounted for as a joint venture of the Group. As of 30 June 2024, Energy Development Company has contributed RMB48,000,000.

Note 2: New Energy Company is held by Energy Development Company, a subsidiary of the Group, Sichuan Shudian Corporation and Chengdu Bus Asset Management Co., Ltd. as to 51%, 34% and 15%, respectively. As according to its articles of association, two parties, when acting in concert, are able to exercise control over New Energy Company, New Energy Company is accounted for as an associate of the Group.

VII. SEGMENT REPORTING

Six months ended 30 June 2024 (unaudited and unreviewed)

	Expressway segment	Energy segment	Adjustment and eliminations	Total
Revenue from external customers	758,595,676	651,599,910	–	1,410,195,586
Inter-segment transaction revenue	732,653	2,982,808	(3,715,461)	–
Total profit	349,641,313	17,949,050	13,774,300	381,364,663
Income tax expenses	58,092,353	10,258,456	(1,659,693)	66,691,116

Six months ended 30 June 2023

	Expressway segment	Energy segment	Adjustment and eliminations	Total
Revenue from external customers	763,461,214	634,247,747	–	1,397,708,961
Inter-segment transaction revenue	534,303	–	(534,303)	–
Total profit	371,872,865	21,781,165	14,494,748	408,148,778
Income tax expenses	58,541,377	15,709,961	(2,443,355)	71,807,983

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

VIII. FAIR VALUES

1. Assets measured at fair value

30 June 2024 (unaudited and unreviewed)

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Other non-current financial assets	–	–	83,670,000	83,670,000

31 December 2023

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Other non-current financial assets	–	–	85,822,000	85,822,000

2. Valuation technique and inputs of fair value measurement

The finance department of the Group is led by the chief accountant and is responsible for formulating policies and procedures for measuring the fair values of financial instruments. On each balance sheet date, the financial department analyses the changes in the value of financial instruments and determines the main input applicable to valuation. The valuation is subject to review and approval by the chief accountant.

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

VIII. FAIR VALUES (Continued)

2. Valuation technique and inputs of fair value measurement (Continued)

The significant unobservable inputs used by Level 3 fair value measurement are summarised below:

30 June 2024 (unaudited and unreviewed)

	Closing fair value	Valuation technique	Unobservable inputs	Range interval (weighted average)
Other non-current financial assets	2,520,000	Listed companies comparison method	Lack of liquidity discount	30%
Other non-current financial assets	81,150,000	Comparable transaction method	Selection of comparable company	N/A

31 December 2023

	Closing fair value	Valuation technique	Unobservable inputs	Range interval (weighted average)
Other non-current financial assets	3,750,000	Listed companies comparison method	Lack of liquidity discount	30%
Other non-current financial assets	82,072,000	Comparable transaction method	Selection of comparable company	N/A

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

VIII. FAIR VALUES (Continued)

3. Adjustment for Level 3 fair value measurement

During the Level 3 fair value measurement, information on profit or loss included in the profit or loss for the current period is as follows:

	Profit or loss relating to financial assets	
	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Changes in fair value included in profit or loss	(2,152,000)	4,409,000
Changes in the unrealised gain or loss for the current period from financial assets held at the end of the period	(2,152,000)	4,409,000

4. Financial assets and financial liabilities not measured at fair value

The management has assessed that the fair values of currency funds, accounts receivable and accounts payable equal to their carrying amounts largely due to the short-term maturities of these instruments.

The following is the carrying amount and fair value of financial instruments except for other current liabilities, lease liabilities and the financial instruments for which the difference between the carrying amount and fair value is immaterial:

	30 June 2024 (unaudited and unreviewed)		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Other non-current assets	10,000,000	10,000,000	10,000,000	10,000,000
Financial liabilities				
Long-term borrowings	2,027,281,765	2,027,144,433	2,175,781,765	2,175,195,436
Bonds payable	300,000,000	299,739,906	300,000,000	299,701,644
Total	2,327,281,765	2,326,884,339	2,475,781,765	2,474,897,080

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

1. Parent company

Name of the parent company	Place of registration	Nature of business	Shareholding proportion in the Company (%)	Voting rights proportion in the Company (%)	Registered capital
Communications Investment Construction and Management	Chengdu	Investment in, construction, operation and management of transportation infrastructure	54.34%	54.34%	736,147,000

The indirect controlling shareholder of the Company is Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司) (“Chengdu Communications Investment”), and the ultimate controller of the Company is the Chengdu SASAC.

2. Subsidiaries

Details of subsidiaries are set out in Note VI.1 of the financial statements.

3. Joint ventures and associates

Details of joint ventures and associates are set out in Note VI.2 of the financial statements.

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

4. Other related parties

Name of related party	Related party relationship
PetroChina Company Limited ("PetroChina")	A non-controlling shareholder of a subsidiary
Yanchang Shell (Sichuan) Petroleum Co., Ltd. ("Yanchang Shell")	A non-controlling shareholder of a subsidiary
Chengdu Xinyuanli Chengluo Petrol Station Co., Ltd. (previously known as Chengdu Municipal Shiling Petrol Station) ("Chengluo Petrol Station")	Under common control of Chengdu Communications Investment
Chengdu Transportation Junction Construction Management Co., Ltd. ("Chengdu Transportation Junction")	Under common control of Chengdu Communications Investment
Chengdu Communications Assets Management Co., Ltd. ("Communications Assets Management")	Under common control of Chengdu Communications Investment
Chengdu Communications Information Port Co., Ltd. ("Information Port Company")	Under common control of Chengdu Communications Investment
Chengdu Longquanshan City Forest Park Operation Management Co., Ltd. ("Longquanshan Forest Park")	Under common control of Chengdu Communications Investment
Chengdu Xinyuanli Xinhua Petrol Station Co., Ltd. (previously known as Chengdu Xinhua Petrol Station) ("Xinhua Petrol Station")	Under common control of Chengdu Communications Investment
Chengdu Xinyuanli Huamin Petrol Station Co., Ltd. (previously known as Chengdu Huamin Municipal Petrol Station) ("Huamin Petrol Station")	Under common control of Chengdu Communications Investment
Chengdu Communications Planning Survey Design Research Institute Co. Ltd. ("Communications Survey Design Institute")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Intelligent Parking Industry Development Co., Ltd. ("Communications Investment Intelligent Parking")	Under common control of Chengdu Communications Investment
Chengdu Xingjin Intelligent Parking Lot Construction Development Co., Ltd. ("Xingjin Intelligent Parking Lot")	Under common control of Chengdu Communications Investment

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of related party	Related party relationship
Chengdu Shiyang Transportation Co., Ltd. ("Chengdu Shiyang Transportation")	Under common control of Chengdu Communications Investment
Chengdu Communications Intelligent Transportation Technology Service Co., Ltd. ("Communications Intelligent Transportation")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Construction Co., Ltd. ("Communications Investment Construction")	Under common control of Chengdu Communications Investment
Sichuan Chengmian Cangba Expressway Co., Ltd. ("Chengmian Cangba Company")	Under common control of Chengdu Communications Investment
Sichuan Zhengda Detection Technology Co., Ltd. ("Zhengda Detection")	Under common control of Chengdu Communications Investment
Chengdu Tianfu International Airport Construction Development Co., Ltd. ("Tianfu International Airport Construction")	Under common control of Chengdu Communications Investment
Chengdu Road and Bridge Management Co., Ltd. ("Chengdu Road & Bridge")	Under common control of Communications Investment Construction and Management
Chengdu Communications Investment Intelligent Transportation Construction Co., Ltd. ("Communications Investment Intelligent Transportation")	Under common control of Chengdu Communications Investment
Chengdu Communications Investment Information Technology Co., Ltd. ("Communications Investment Information Technology")	Under common control of Chengdu Communications Investment
Chengdu Chengnan Transportation Co., Ltd. ("Chengdu Chengnan Transportation")	Under common control of Chengdu Communications Investment
Chengdu Xinjin Lianxin Transportation Co., Ltd. ("Xinjin Lianxin Transportation")	Under common control of Chengdu Communications Investment
Chengdu Public Transport Group Co., Ltd. ("Chengdu Public Transport Group")	Company in which related natural persons are directors and senior management
PetroChina Company Limited Sichuan Chengdu Sales Branch ("PetroChina Chengdu Sales")	Subsidiary of PetroChina

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties

(1) Sales or purchases of goods and rendering or receipt of services with related parties

Purchases of goods and receipt of services from related parties

Transaction		Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
PetroChina	Refined oil	347,418,283	314,978,214
Yanchang Shell	Refined oil	121,987,640	–
Communications Investment Construction	Expressway comprehensive services	2,613,283	–
PetroChina	Refined oil	1,592,344	852,526
Communications Assets Management	Comprehensive services	1,575,022	1,369,947
Yanchang Shell	Non-oil commodities	1,116,089	97,470
Chengdu Transportation Junction	Comprehensive services	180,259	188,999
Zhengda Detection	Expressway comprehensive services	130,530	243,860
Tianfu International Airport Construction	Engineering service fee	47,640	23,820
Longquanshan Forest Park	Comprehensive services	4,992	–
Communications Survey Design Institute	Expressway comprehensive services	–	66,559
Information Port Company	Comprehensive services	–	3,679
Total		476,666,082	317,825,074

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(1) Sales or purchases of goods and rendering or receipt of services with related parties (Continued)

Sale of commodities to related parties

Transaction		Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Xinhua Petrol Station	Refined oil and commodities	20,947,908	23,798,071
Chengluo Petrol Station	Refined oil and commodities	8,219,333	26,473,329
Huamin Petrol Station	Refined oil and commodities	878,186	14,134,268
Total		30,045,427	64,405,668

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(2) Entrusted management of assets of related parties

Entrustor	Trustee	Types of assets entrusted	Commencement date of entrustment	Expiry date of entrustment	Entrustment income recognised	
					Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Chengmian Cangba Company	Chuanlutong Company	Operation of expressway	2023/12/28	2025/12/27	13,406,111	-
Chengluo Petrol Station	Xinyuanli Energy	Petrol station operation	2022/10/1	2024/12/31	1,735,595	1,629,055
Xinhua Petrol Station	Xinyuanli Energy	Petrol station operation	2022/4/23	2024/12/31	1,338,235	1,465,814
Huamin Petrol Station	Xinyuanli Energy	Petrol station operation	2022/4/23	2024/12/31	670,019	862,801
Chengdu Communications Investment	Energy Development Company	Entrusted construction and management of service areas	2021/3/17	14 days after expiry of the warranty period	-	1,846,931

(3) Lease with related parties

As lessor

Leased assets		Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Battery Services-Communications Investment	Charging pile leasing	187,018	-
New Energy Company	Charging pile leasing	28,936	5,476
Teld	Charging pile leasing	-	34,349
Xingjin Intelligent Parking Lot	Land leasing	-	31,759
Total		215,954	71,584

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(3) Lease with related parties (Continued)

As lessee

Six months ended 30 June 2024 (unaudited and unreviewed)

Leased assets		Rental expenses for short-term lease and low-value asset leases under simplified approach	Variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expense on lease liabilities	Decrease in right-of-use assets
Chengdu Transportation Junction	Office premise leasing	138,648	-	2,367,303	354,525	(2,706,030)
Chengdu Shiyang Transportation	Site leasing	-	-	47,086	5,450	(43,994)
Chengdu Chengnan Transportation	Site leasing	-	-	225,680	22,563	(203,155)
Xinjin Lianxin Transportation	Site leasing	-	-	11,264	7,971	(41,246)
Chengdu Public Transport Group	Site leasing	-	-	-	9,588	(32,680)
Yanchang Shell	Retail management system leasing	172,566	-	195,000	-	-
Total		311,214	-	2,846,333	400,097	(3,027,105)

Six months ended 30 June 2023

Leased assets		Rental expenses for short-term lease and low-value asset leases under simplified approach	Variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expense on lease liabilities	Increase in right-of-use assets
Chengdu Transportation Junction	Office premise leasing	138,648	-	2,863,716	357,986	1,412,206
Chengdu Shiyang Transportation	Site leasing	-	-	48,000	7,346	351,954
Total		138,648	-	2,911,716	365,332	1,764,160

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(4) Guarantees with related parties

Acceptance of the guarantee provided by related parties

Six months ended 30 June 2024 (unaudited and unreviewed)

	Amount of guarantee	Inception date of guarantee	Expiry date of guarantee	Whether guarantee has been completed
Chengdu Communications Investment	1,580,000,000	2020/6/17	2041/6/17	No
Chengdu Communications Investment	303,945,206	2023/7/25	2026/7/25	No

Six months ended 30 June 2023

	Amount of guarantee	Inception date of guarantee	Expiry date of guarantee	Whether guarantee has been completed
Chengdu Communications Investment	1,613,000,000	2020/6/17	2041/6/17	No
Chengdu Communications Investment	305,259,452	2022/5/31	2023/2/25	Yes
Chengdu Communications Investment	302,991,781	2023/2/21	2023/8/20	No

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(5) Borrowing and lending with a related party

Interest expenses

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Communications Investment Construction and Management	941,507	1,079,137

(6) Other related party transactions

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Remuneration of key management members	3,497,456	3,286,967

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(7) Third-party payment of salaries and 5 insurance premiums and 2 contributions

Payment of salaries and 5 insurance premiums and 2 contributions by related parties

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
PetroChina	628,636	1,716,409
Yanchang Shell	307,127	36,000
Total	935,763	1,752,409

Payment of salaries and 5 insurance premiums and 2 contributions for related parties

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
New Energy Company	412,199	205,976
Chengmian Cangba Company	323,901	226,126
Sinopec Chengdu Energy	177,933	166,559
Chengdu Tongneng	42,932	228,887
Teld	36,039	158,729
Chengdu Communications Investment	26,250	–
Chengdu Jiaoyun CNG	11,000	67,171
Total	1,030,254	1,053,448

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

5. Major transactions between the Group and related parties (Continued)

(8) Oil products settled by refill cards and electronic coupons

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
PetroChina	116,361,884	127,624,994
Xinhua Petrol Station	2,886,107	–
Huamin Petrol Station	1,826,366	–
Chengluo Petrol Station	1,431,706	–
Yanchang Shell	1,414,743	–
Total	123,920,806	127,624,994

(9) Debt settlement by a related party on behalf of another party

	Six months ended 30 June 2024 (unaudited and unreviewed)	Six months ended 30 June 2023
Chengdu Communications Investment	–	20,212,527

Chengdu Tianfu International Airport Construction Development Co., Ltd. (“Tianfu International Airport Construction”) is the agent project owner for construction of the Jinjianren Freeway (phase II) project on behalf of Chengdu Communications Investment, the project owner, and is responsible for management of the contractor, Guocheng Group Co., Ltd. (“Guocheng Group”), updating Chengdu Communications Investment, the project owner, on project progress and coordinating the payment of construction amounts. In 2021, Xinyuanli Energy, Guocheng Group and Tianfu International Airport Construction entered into an agreement, pursuant to which, Guocheng Group would procure asphalt from Xinyuanli Energy commencing from 2021, and if Guocheng Group fails to pay transaction amounts to Xinyuanli Energy in a timely manner, Xinyuanli Energy shall have the right to ask Tianfu International Airport Construction to assist in applying to Chengdu Communications Investment, the project owner, to deduct the amount equivalent to the transaction amounts from the construction payments due to Guocheng Group, and pay the same directly to Xinyuanli Energy. In 2023, as Guocheng Group did not pay the transaction amounts to Xinyuanli Energy in a timely manner, Xinyuanli Energy, with the assistance of Tianfu International Airport Construction, filed an application to Chengdu Communications Investment, and Chengdu Communications Investment paid RMB20,212,527 to Xinyuanli Energy.

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

6. Balance of amounts receivable from and payable to related parties

(1) Receivables

		30 June 2024 (unaudited and unreviewed)		31 December 2023	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Related party					
Other receivables	Chengdu Communications Investment	1,846,931	-	307,822	-
Other receivables	Chengluo Petrol Station	700,883	-	1,956,091	-
Other receivables	Yanchang Shell	568,757	-	573,506	-
Other receivables	Teld	549,064	-	514,158	-
Other receivables	Xinhua Petrol Station	547,073	-	1,532,384	-
Other receivables	Communications Assets Management	364,934	-	351,170	-
Other receivables	Huamin Petrol Station	281,977	-	823,653	-
Other receivables	Chengmian Cangba Company	180,486	-	-	-
Other receivables	Chengdu Transportation Junction	137,754	-	137,754	-
Other receivables	Chengdu Chengnan Transportation	118,482	-	118,482	-
Other receivables	Chengdu Shiyang Transportation	65,000	-	65,000	-
Other receivables	Sinopec Chengdu Energy	62,813	-	54,838	-
Other receivables	Chengdu Jiaoyun CNG	37,769	-	37,769	-
Other receivables	Xinjin Lianxin Transportation	20,000	-	20,000	-
Other receivables	New Energy Company	10,646	-	60,935	-
Other receivables	PetroChina Chengdu Sales	-	-	40,000	-
Other receivables	Chengdu Tongneng	-	-	8,168	-
Other receivables	Battery Services – Communications Investment	-	-	229,638	-
Total		5,492,569	-	6,831,368	-

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

6. Balance of amounts receivable from and payable to related parties (Continued)

(1) Receivables (Continued)

Related party		30 June 2024 (unaudited and unreviewed)		31 December 2023	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Chengmian Cangba Company	13,406,111	-	-	-
Accounts receivable	Yanchang Shell	579,754	-	30	-
Accounts receivable	Huamin Petrol Station	-	-	2,086,054	-
Accounts receivable	Chengluo Petrol Station	-	-	903,349	-
Accounts receivable	Xinhua Petrol Station	-	-	188,429	-
Total		13,985,865	-	3,177,862	-
Prepayments	PetroChina	62,268,495	-	62,268,495	-
Prepayments	Chengdu Transportation Junction	379,138	-	379,138	-
Prepayments	Communications Assets Management	205,254	-	205,254	-
Prepayments	Yanchang Shell	203,500	-	203,500	-
Prepayments	Chengluo Petrol Station	224,750	-	-	-
Prepayments	Xinhua Petrol Station	78,500	-	-	-
Total		63,359,637	-	63,056,387	-

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

6. Balance of amounts receivable from and payable to related parties (Continued)

(2) Payables

Related party		30 June 2024 (unaudited and unreviewed)	31 December 2023
Other payables	Communications Investment Construction and Management	45,229,634	87,176,592
Other payables	Chengdu Communications Investment	12,282,603	9,847,520
Other payables	Communications Investment Construction	1,896,538	1,520,992
Other payables	Yanchang Shell	1,200,000	–
Other payables	PetroChina	235,990	236,513
Other payables	Communications Survey Design Institute	146,500	359,500
Other payables	Communications Intelligent Transportation	97,500	97,500
Other payables	Zhengda Detection	50,000	50,000
Other payables	Chengdu Shiyang Transportation	47,086	47,086
Other payables	Chengdu Road & Bridge	41,560	41,560
Other payables	Information Port Company	–	382,202
Other payables	Chengdu Public Transport Group	–	74,240
Other payables	Chengdu Transportation Junction	–	38,774
Other payables	New Energy Company	–	11,520
Total		61,227,411	99,883,999

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

6. Balance of amounts receivable from and payable to related parties (Continued)

(2) Payables (Continued)

Related party		30 June 2024 (unaudited and unreviewed)	31 December 2023
Accounts payable	Communications Investment Construction	7,420,171	5,764,907
Accounts payable	Zhengda Detection	848,841	2,595,524
Accounts payable	Chengdu Transportation Junction	760,086	1,942,488
Accounts payable	Yanchang Shell	729,118	108,518
Accounts payable	Communications Assets Management	364,799	101,950
Accounts payable	Communications Investment Intelligent Transportation	350,000	350,000
Accounts payable	Chengluo Petrol Station	151,250	555,302
Accounts payable	Huamin Petrol Station	82,500	351,789
Accounts payable	New Energy Company	42,314	–
Accounts payable	Communications Survey Design Institute	41,043	41,043
Accounts payable	Communications Intelligent Transportation	–	4,500
Accounts payable	Communications Investment Information Technology	–	5,864,687
Accounts payable	Information Port Company	–	1,965,530
Accounts payable	Xinhua Petrol Station	–	138,367
Total		10,790,122	19,784,605
Receipt in advance	Chengluo Petrol Station	224,750	–
Receipt in advance	Xinhua Petrol Station	78,500	–
Receipt in advance	New Energy Company	54,689	7,389
Receipt in advance	Yanchang Shell	15,712	–
Total		373,651	7,389

NOTES TO FINANCIAL STATEMENTS

Unit: RMB

Six months ended 30 June 2024

IX. RELATED PARTY RELATIONSHIP AND TRANSACTIONS (Continued)

6. Balance of amounts receivable from and payable to related parties (Continued)

(2) Payables (Continued)

Related party		30 June 2024 (unaudited and unreviewed)	31 December 2023
Contract liabilities	Yanchang Shell	284,464	19,053
Contract liabilities	Communications Investment Intelligent Parking	–	617,416
Total		284,464	636,469
Lease liabilities	Chengdu Transportation Junction	15,420,293	18,185,617
Lease liabilities	Chengdu Chengnan Transportation	1,697,668	1,873,507
Lease liabilities	Chengdu Public Transport Group	409,299	399,711
Lease liabilities	Xinjin Lianxin Transportation	340,266	330,986
Lease liabilities	Chengdu Shiyang Transportation	185,574	267,870
Total		18,053,100	21,057,691

Borrowings from Communications Investment Construction and Management as disclosed in 6(2) above bear interest at an annual rate of 3.45% according to the borrowing agreement with a term until 19 January 2025. Save for the above, the remaining receivables and payables with related parties are non-interest-bearing and unsecured.

NOTES TO FINANCIAL STATEMENTS

Six months ended 30 June 2024

Unit: RMB

X. COMMITMENTS

	30 June 2024 (unaudited and unreviewed)	31 December 2023
Contracted but not provided for		
Capital commitments	61,008,831	84,860,553
Investment commitments	96,000,000	96,000,000
	157,008,831	180,860,553

XI. EVENTS AFTER THE BALANCE SHEET DATE

As of the date of approval of these financial statements, there were no material events subject to disclosure subsequent to the balance sheet date.

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Yang Tan
(*Chairman of the Board and General Manager*)
Mr. Xia Wei
Mr. Ding Dapan

Non-executive Director

Ms. Wu Haiyan

Independent non-executive Directors

Mr. Leung Chi Hang Benson
Mr. Qian Yongjiu
Mr. Wang Peng

COMPANY SECRETARY

Ms. Kwong Yin Ping, Yvonne

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Leung Chi Hang Benson (*Chairman*)
Ms. Wu Haiyan
Mr. Wang Peng

NOMINATION COMMITTEE

Mr. Qian Yongjiu (*Chairman*)
Mr. Yang Tan
Mr. Wang Peng

REMUNERATION AND EVALUATION COMMITTEE

Mr. Wang Peng (*Chairman*)
Ms. Wu Haiyan
Mr. Qian Yongjiu

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. Yang Tan (*Chairman*)
Mr. Leung Chi Hang Benson
Mr. Qian Yongjiu

SUPERVISORY COMMITTEE

Ms. Jiang Yan (*Chairlady and shareholder representative Supervisor*)
Mr. Zhang Chengyi (*shareholder representative Supervisor*)
Mr. Zhang Yi (*shareholder representative Supervisor*)
Ms. Xu Jingxian (*employee representative Supervisor*)
Ms. Zheng Lifang (*employee representative Supervisor*)

AUTHORISED REPRESENTATIVES

Mr. Yang Tan
Mr. Xia Wei

AUDITOR

Ernst & Young Hua Ming LLP
Recognised Public Interest Entity Auditor

LEGAL ADVISERS

As to Hong Kong Law:
DLA Piper Hong Kong

As to PRC Law:
Tahota Law Firm (泰和泰律師事務所)

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CORPORATE INFORMATION

PRINCIPAL BANKS

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Industrial and Commercial Bank
Chengdu Jinniu Sub-Branch

Industrial and Commercial Bank
Chengdu Binjiang Sub-branch

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PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Stock Code: 1785

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