



Anhui Expressway Company Limited

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

(H Share Stock Code : 0995, A Share Stock Code : 600012)



2008
Interim Report



CONTENTS

Section I	Corporate Profile	3
Section II	Summary of Financial Statistics	6
Section III	Change of Share Capital and Shareholdings	10
Section IV	Directors, Supervisors and Senior Management	17
Section V	Chairman's Statement	18
Section VI	Report of the Board of Directors	20
Section VII	Major Events	29
Section VIII	Accounts	35
Section IX	Documents Available for Inspection	55
Section X	Confirmation Opinion to 2008 Interim Report by Directors and Senior Management	56



IMPORTANT NOTICE

The Board of the Directors, the Supervisory Committee and the Directors, Supervisors and the Senior Management of Anhui Expressway Company Limited hereby warrant that there are no false accounts, misleading statements or significant omissions of information contained in this report, and jointly and individually accept responsibility as to the truthfulness, accuracy and completeness of its contents.

All the directors attended the Board meetings.

The unaudited financial statements was prepared in accordance with the PRC and Hong Kong Accounting Standards and was reviewed by the Audit Committee of the Company.

There was no use of funds by the controller shareholders of the Company.

Mr. Wang Shui, Chairman, Mr. Li Yungui, Director and General Manager and Ms. Liang Bing, manager of the Financial Department of the Company hereby confirm that the financial statements contained in the Interim Report are true and complete.



SECTION I CORPORATE PROFILE

I. General Information

Official Chinese name of the Company	:	安徽皖通高速公路股份有限公司
English name of the Company	:	Anhui Expressway Company Limited
Abbreviation (in Chinese)	:	皖通高速
(in English)	:	Anhui Expressway
Legal representative of the Company	:	Wang Shui
Secretary to the Board of the Company	:	Xie Xinyu
Telephone	:	0551-5338681
Representative of Securities Affairs	:	Han Rong, Ding Yu
Telephone	:	0551-5338697 (direct) 0551-5338699 (general)
Fax	:	0551-5338696
E-mail address	:	wtgs@anhui-expressway.cn
Contact address	:	520 Wangjiang West Road, Hefei, Anhui, the PRC
Registered address of the Company	:	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code	:	230088
Business address of the Company in Hong Kong	:	5th Floor, Jardine House, 1 Connaught Place, Hong Kong
Website of the Company	:	http://www.anhui-expressway.cn
E-mail address of the Company	:	wtgs@anhui-expressway.cn
Newspapers designated for publishing report	:	Domestic: Shanghai Securities Post and China Securities Post
Websites designated for disclosure of interim report	:	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.cn



Addresses designated for keeping interim report	: Shanghai Stock Exchange, 528 Pudong South Road, Shanghai Hong Kong Registrars Limited, 46th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong Company's head office at 520 Wangjiang West Road, Hefei, Anhui, the PRC
Stock Exchange on which the Company's shares are listed	: A Shares: Shanghai Stock Exchange Stock code: 600012 Short name: Wantong Expressway: H Shares: The Stock Exchange of Hong Kong Limited Stock code: 0995 Short name: Anhui Expressway
PRC Accountants	: PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co.,Ltd 11th Floor, PricewaterhouseCoopers Center, Hubin Road, Shanghai
Hong Kong Accountants	: PricewaterhouseCoopers Certified Public Accountants 22nd Floor, Prince's Building, Central, Hong Kong
PRC Legal Adviser	: Anhui Expressway Lawyer's Office 19th Floor, Wangcheng Mansion, 248 Changjiang West Road, Hefei, Anhui, the PRC
Hong Kong Legal Adviser	: Gallant Y.T.Ho & Co 5th Floor, Jardine House, 1 Connaught Place, Hong Kong
Domestic share registrar	: China Securities Central Clearing and Registration Corporation, Shanghai Branch, 36th Floor, China Insurance Mansion, 166 Lujiazui East Road, Shanghai
Overseas share registrar	: Hong Kong Registrars Limited, 46th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

II Corporate Profile

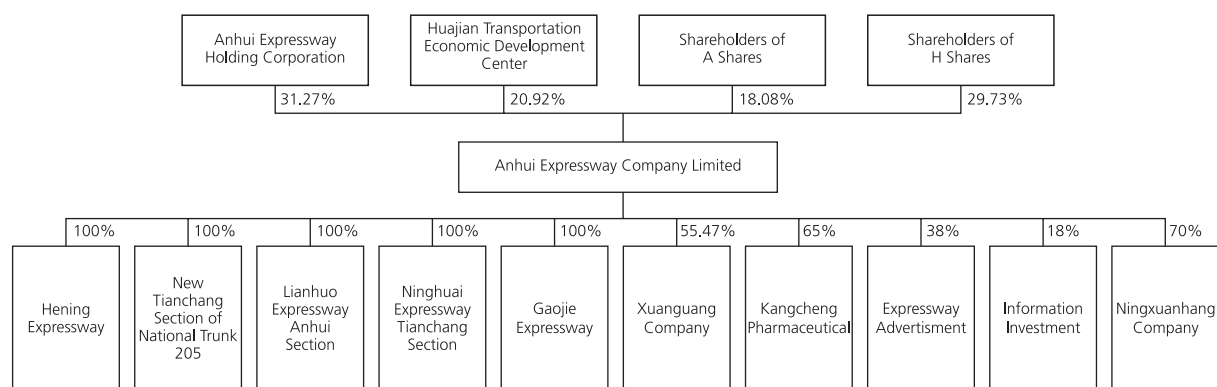
Anhui Expressway Company Limited (the "Company") was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People's Republic of China (the "PRC").

The Company is principally engaged in the operation and management of toll expressways and relevant business in Anhui Province, the PRC.

The Company is the first PRC highway company listed in Hong Kong. It is also the only listed highway company in Anhui Province. On 13th November 1996, H Shares issued by the Company were listed on The Stock Exchange of Hong Kong Limited (Stock code: 0995). On 7th January 2003, A Shares issued by the Company were listed on Shanghai Stock Exchange (Stock code: 600012).

The core business of the Company is the investment, construction, operation and management of toll roads. The Company owns total or partial equities of Hening Expressway, New Tianchang Section of National Trunk 205, Gaojie Expressway, Xuanguang Expressway, Ninghuai Expressway Tianchang Section and Lianhuo Expressway Anhui Section, which are toll highways in Anhui Province.

The structure of the Company, subsidiaries and associated companies (the "Group"):



Notes:

"AEHC"	Means	Anhui Expressway Holding Corporation
"Huajian Center"	Means	Huajian Transportation Economic Development Center
"Xuanguang Company"	Means	Xuanguang Expressway Company Limited
"Kangcheng Pharmaceutical"	Means	Anhui Kangcheng Pharmaceutical Company Limited
"Expressway Advertisement"	Means	Anhui Provincial Expressway Advertisement Company Limited
"Information Investment"	Means	Hefei Information Investment Company Limited
"Xuancheng Highway Management"	Means	Xuancheng Highway Construction and Management Company Limited
"Ningxuanhang Company"	Means	Anhui Ningxuanhang Expressway Investment Company Limited
"Xuancheng Transportation and Construction"	Means	Xuancheng City Transportation and Construction Investment Company Limited

SECTION II SUMMARY OF FINANCIAL STATISTICS

1. Key financial statistics and indicators prepared in accordance with the accounting principles generally accepted in the PRC ("the PRC Accounting Standards") (Unaudited)

1 Key Financial Statistics and Indicators

(Unit: RMB)

	At the end of the reporting period	At the end of the previous year	Change (%)
Total assets	7,880,918,878.82	7,387,901,510.15	6.67
Equity holders (or shareholders'equities)	4,627,759,133.53	4,625,384,399.10	0.05
Net asset per share (RMB)	2.790	2.789	0.04
	Reporting period (January-June)	Corresponding period last year (Restated)	Change (%)
Operating profit	479,311,583.07	491,177,337.30	-2.42
Total profit	479,343,691.07	491,286,932.71	-2.43
Net profit	334,096,734.43	317,176,800.41	5.33
Net profit after extraordinary items	334,072,653.43	317,103,371.49	5.35
Basic earnings per share (RMB)	0.201	0.191	5.24
Basic earnings per share after extraordinary items	0.201	0.191	5.24
Diluted earnings per share (RMB)	0.201	0.191	5.24
Returns on net assets (%)	7.22	7.17	0.05
Net cash flows from operating activities	398,164,095.00	517,834,912.33	-23.11
Net cash flows from operating activities per share	0.240	0.312	-23.08

Note: The above-mentioned financial statistics and indicators such as equity holders, net asset per share, net profit and net profit after extraordinary items are based on figures attributable to shareholders of the parent company.

2 Extraordinary items deducted and amounts involved

Unit: RMB

Extraordinary items	Amounts
Expense for non-principal operations - disposals of fixed assets	-68,685.33
Income from non-principal operations excluding disposal of fixed assets	1,535,221.03
Expense for non-principal operations excluding disposals of fixed assets	-1,434,427.70
Impact of income tax on extraordinary items	-8,027.00
Total	24,081.00

2. Key financial statistics and indicators prepared in accordance with the accounting principles generally accepted in Hong Kong (“the Hong Kong Accounting Standards”) (Unaudited)

Summary of Results

	For the six months ended 30 June		Change (%)
	2008 (RMB'000)	2007 (restated) (RMB'000)	
Turnover	1,332,019	1,081,867	23.12
Operating profit before income taxation	512,685	527,069	-2.73
Profit attributable to equity holders of the Company	347,501	273,614	27.00
Basic earnings per share attributable to equity holders of the Company (RMB)	0.2095	0.1650	26.97

Summary of assets

	As at	As at	Change (%)
	30 June 2008 (RMB'000)	30 June 2007 (RMB'000)	
Total assets	8,896,514	8,367,647	6.32
Total liabilities	3,204,070	2,730,305	17.35
Total net assets (Total equities)	5,692,444	5,637,342	0.98
Net assets per share (RMB)	3.277	3.267	0.31

3. Major difference between financial statements prepared in accordance with different accounting standards

The disclosed financial statements of the Company's H shares listed on the Stock Exchange of Hong Kong Limited are prepared in accordance with the accounting principles of Hong Kong, the disclosure requirements under the Hong Kong Company Ordinance and the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited. These standards differ from the Accounting Standards of the PRC adopted by the Group's statutory financial statements and the relevant financial and accounting systems applicable to joint stock limited company. The impact of such differences on the shareholders' interests as at 30 June 2008 and the net profit in the first half of 2008 under the accounting principles of Hong Kong are summarized below:

	Net profit (Excluding minority interests) RMB'000		minority interests (Excluding minority interests) RMB'000	
	January- June 2008 (Unaudited)	January- June 2007 (Unaudited, restated)	30 June 2008 (Unaudited)	31 December 2007 (Audited)
Reconciliation between PRC and HKGAAP Accounts				
Amount presented in accordance with the Chinese Accounting Standards ("CAS")	334,097	317,177	4,627,759	4,625,384
Reconciliation to HKFRS				
1 Valuation of assets and depreciation toll roads (a)	35,663	37,186	1,017,302	981,638
2 Valuation and amortization of toll roads related land use rights (a)	(690)	(690)	24,938	25,628
3 Accounting for Enterprise Safety Fund (b)	(1,631)	(712)	37,108	38,741
4 Deferred Taxes (c)	(17,447)	(76,135)	(270,129)	(252,683)
5 Minority interest retrospective adjustment (d)	(2,491)	(3,212)	(2,491)	—
Amount presented in accordance with HKFRS (unaudited)	347,501	273,614	5,434,487	5,418,708



Reconciliation items

- (a) In order to issue “H” share in Hong Kong, the toll roads and related land use rights were valued by a PRC certified public valuer and an international certified public valuer on 30th April and 15th August 1996 respectively. The fair value valuated by the international certified public valuer is higher than the PRC certified public valuer’s result by Rmb319,000,000, which was included in the financial statements prepared in accordance with HKFRS. In addition, the depreciation of toll roads under HKFRS is provided based on the share of traffic volume for a particular period over the projected total traffic volume, which is different from the straight-line method adopted by CAS. These differences lead to the reconciliation items presented above.
- (b) According to the regulations of the PRC, the Group is required to accrue 1% of its toll income as Enterprise Safety Fund from 1st January 2004. The fund can only be used for improvements of the safety of its toll roads. The safety fund was initially recorded in long-term payable account and subsequently reversed when utilized. From 1st January 2007, the accrued balance exceeds 2% of total toll income of 2006, so no safety fund was accrued in 2007 according to related regulations issued by Ministry of Finance. Under HKFRS, the safety expenses are charged to income statement when they occurred. These differences lead to the reconciliation items presented above.
- (c) As mentioned in note (a), deferred tax assets and deferred tax liabilities are recognised for the temporary differences arising from the difference between the carrying amount of toll roads, land use rights and their tax base, which mainly due to the valuation and depreciation difference of these assets. These differences lead to the reconciliation items presented above.
- (d) The reconciliation item of minority interest presented above between PRC and HKGAAP accounts was arising from the difference of the net profit between the financial statement prepared in accordance with CAS and HKFRS.

SECTION III CHANGE OF SHARE CAPITAL AND SHAREHOLDINGS

1. The share capital structure changed during the reporting period.

During the reporting period, the total share capital of the Company was not changed. Due to the partial circulating of the second part of restricted circulating shares after restricted terms after the Share Segregation Reform, the capital structure of the Company changed.

(1) Change of shareholdings

(Unit: thousand shares)

	Before changes		Allotment	Increases (+) or Decreases (-)			After changes	
	Number of shares	Percentage (%)		Bonus	Transfer from reserves	Restricted circulating shares	Sub-total	Number of shares
I. Restricted circulating shares								
1. State-owned Shares	435,650.5	26.27			-82,930.5	-82,930.5	352,720	21.27
2. State-owned legal person shares	264,088.5	15.92			-82,930.5	-82,930.5	181,158	10.92
3. Other domestic shares								
Of which:								
Domestic legal person shares								
Domestic individual shares								
4. Overseas shares								
Of which:								
Overseas legal person shares								
Overseas individual shares								
Total restricted circulating shares	<u>699,739</u>	<u>42.19</u>			<u>-165,861</u>	<u>-165,861</u>	<u>533,878</u>	<u>32.19</u>
II. Unrestricted circulating shares								
1. Renminbi-denominated ordinary shares	465,861	28.08			+165,861	+165,861	631,722	38.08
2. Domestic-listed foreign shares								
3. Overseas-listed foreign shares	493,010	29.73					493,010	29.73
4. Others								
Total unrestricted circulating shares	<u>958,871</u>	<u>57.81</u>			<u>+165,861</u>	<u>+165,861</u>	<u>1,124,732</u>	<u>67.81</u>
III Total shares	<u>1,658,610</u>	<u>100</u>			<u>0</u>	<u>0</u>	<u>1,658,610</u>	<u>100</u>

(II) Approval of the change of share capital structure

The Share Segregation Reform Proposal of the Company was approved at the relevant shareholders' meeting of the A share market held on 27 February 2006. The Record Date was 30 March 2006 and the shares re-traded after the implementation of the Share Segregation Reform Proposal on 3 April 2006. According to the undertakings in the Share Segregation Reform Proposal, the second part of 165,861,000 restricted circulating shares held by Huajian Transportation Economic Development Center and Anhui Expressway Holding Corporation will be changed to unrestricted circulating shares on 3 April 2008.

(III) Purchase, Sale and Redemption of the Company's Shares

During the reporting period, the Company, or its subsidiaries, or associated companies did not repurchase any of its listed shares, nor purchase or resell any listed shares of the Company.

(IV) Sufficiency of Public Float

Based on the publicly available information known to the Directors, the Board believes that the Company has maintained sufficient public float as at the latest practicable date prior to the printing of this interim report.

II. Shareholders

(I) Number of shareholders as at the end of the reporting period

As of 30 June 2008, the total number of shareholders, the ten largest shareholders and the ten largest shareholders of unrestricted circulating shares in accordance with the shareholders' register provided by the Hong Kong and domestic registrars of the Company were as follows:

The total number of shareholders	There were total of 82,330 shareholders of the Company, which consist of one state-owned shareholder, one state-owned legal person shareholder, 82,273 A shareholders and 55 H shareholders.
----------------------------------	--

The shareholding of the ten largest shareholders of all shares of the Company

Name of shareholders	Nature of shareholders	Percentage	Total holding shares	Change during the reporting period	Number of restricted circulating shares	Number of shares pledged or locked-up
Anhui Expressway Holding Corporation	Holders of State-owned shares	31.27%	518,581,000	0	352,720,000	None
HKSCC NOMINEES LTD (agent)	Holders of foreign shares	29.38%	487,259,898	+252,000		Not known
Huajian Transportation Economic Development Center	Holders of State-owned shares	20.92%	347,019,000	0	181,158,000	None
Agriculture Bank of China-China AMC Steady Growth mixed Securities Investment Fund	Others	0.39%	6,389,960	+184,764		Not known
National Social Insurance Fund-108 Composition	Others	0.34%	5,700,000	-3,800,000		Not known
ARSENTON NOMINEES LIMITED (agent)	Holders of foreign shares	0.29%	4,802,000	0		Not known
Shenyin & Wanguo - Agriculture Bank of China-BNP PARIBAS	Others	0.21%	3,462,653	-1,731,327		Not known
China Merchants Bank Company Limited - SSE Dividend Transaction Type Open Index Securities Investment Fund	Others	0.21%	3,412,204	+1,325,879		Not known
National Social Insurance Fund-102 Composition	Others	0.15%	2,500,000	-3,500,000		Not known
Bank of China - Harvest Shanghai & Shenzhen 300 Index Securities Investment Fund	Others	0.13%	2,163,580	-367,560		Not known

The shareholding of the top ten holders of unrestricted circulating shares

Name of shareholders	Number of unrestricted circulating shares	Type of shares
HKSCC NOMINEES LTD(agent)	487,259,898	Overseas-listed foreign shares
Anhui Expressway Holding Corporation	165,861,000	Renminbi-denominated ordinary shares
Huajian Transportation Economic Development Center	165,861,000	Renminbi-denominated ordinary shares
Agriculture Bank of China- China AMC Steady Growth mixed Securities Investment Fund	6,389,960	Renminbi-denominated ordinary shares
National Social Insurance Fund-108 Composition	5,700,000	Renminbi-denominated ordinary shares
ARSENTON NOMINEES LIMITED (agent)	4,802,000	Overseas-listed foreign shares
Shenyin & Wanguo - Agriculture Bank of China- BNP PARIBAS	3,462,653	Renminbi-denominated ordinary shares
China Merchants Bank Company Limited -SSE Dividend Transaction Type Open Index Securities Investment Fund	3,412,204	Renminbi-denominated ordinary shares
National Social Insurance Fund-102 Composition	2,500,000	Renminbi-denominated ordinary shares
Bank of China - Harvest Shanghai & Shenzhen 300Index Securities Investment Fund	2,163,580	Renminbi-denominated ordinary shares

Explanations of connected relationship between the above-mentioned shareholders and consistent action

There are no connected relationship between the State-owned Shareholders and the State-owned legal person Shareholders in the above chart. The connected relationship amongst other shareholders cannot be ascertained, nor be known whether they belong to the consistent action stipulated in "Provisions on Information disclosure Management of Shareholders' Shareholding changes of Listed Companies".

Notes: H Shares held by HKSCC NOMINEES LIMITED and ARSENTON NOMINEES LIMITED represented the holding of many clients.

(II) *Shareholdings and the restricted conditions*

Name of holders of restricted shares	Number of restricted shares (shares)	As a percentage of the total share capital (%)	Trading date	Restricted conditions
Anhui Expressway Holding Corporation	352,720,000	21.27	3 April 2009	Note
Huajian Transportation Economic Development Center	181,158,000	10.92	3 April 2009	

Note:

Within twelve months from the day of granting listing status to the restricted circulating shares of the Company held by them, they would not trade or transfer such shares, and that, within twelve and twenty four months, respectively, subsequent to the aforesaid period, the numbers of the originally Non-circulating Shares subsequently listed for trading on the stock exchange would not exceed five per cent and ten per cent, respectively, of the total number of shares of the Company; Within 3 years from the implementation date of the Share Segregation Reform Proposal, the Shareholders of Non-circulating Shares will sell their shares with the price not less than RMB8.28 (such price to be calculated on an ex-rights basis if dividends distribution, allotment of shares and capitalization of capital reserve are implemented).

(III) *Persons who have interests of short positions disclosable under divisions 2 and 3 of Part XV of the Securities and Futures Ordinance*

As at 30 June 2008 so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons who were, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities of Futures Ordinance, or was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were set out as follows:

Names	At end of period (shares)	Increases or decreases during the reporting period	Type of shares	As a percentage of total capital (%)	Pledged or locked-up
Anhui Expressway Holding Corporation	518,581,000 (L)	—	State-owned shares	31.27	No
Huajian Transportation Economic Development Center	347,019,000 (L)	—	State-owned legal person shares	20.92	No

Names	At end of period (shares)	Increases or decreases during period	Type of shares	As a % of total H Shares	Pledged or locked-up
Commonwealth Bank of Australia	64,460,000 (L)	-494,000	H Shares	13.07%	Not known
JPMorgan Chase & Co.	64,128,239 (L) 64,128,239 (P)	+9,728,382 +9,728,382	H Shares	13.01% 13.01%	Not known
T. Rowe Price Associates, Inc. And Its Affiliates	35,372,000 (L)	—	H Shares	7.18%	Not known
Colonial First State Group Ltd	33,358,000 (L)	—	H Shares	6.77%	Not known
Colonial Holding Company (No.2) Pty Limited	33,358,000 (L)	—	H Shares	6.77%	Not known
Colonial Holding Company Pty Ltd.	33,358,000 (L)	—	H Shares	6.77%	Not known
Colonial Ltd	33,358,000 (L)	—	H Shares	6.77%	Not known
First State Investment Managers (Asia) Ltd	33,358,000 (L)	—	H Shares	6.77%	Not known

Names	At end of period (shares)	Increases or decreases during period	Type of shares	As a % of total H Shares	Pledged or locked-up
First State Investments (Bermuda) Ltd	33,358,000 (L)	—	H Shares	6.77%	Not known
The Colonial Mutual Life Assurance Society Ltd	33,358,000 (L)	—	H Shares	6.77%	Not known
First State (Hong Kong) LLC	32,166,000 (L)	—	H Shares	6.52%	Not known
First State Investments (Hong Kong) Limited	30,712,000 (L)	—	H Shares	6.23%	Not known
First State Investments (Singapore)	30,608,000 (L)	—	H Shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited	30,608,000 (L)	—	H Shares	6.21%	Not known
The Bank of New York Mellon Corporation	25,115,984 (L)	Not clear	H Shares	5.09%	Not known

L = Long Position
S = Short Position
P = Lending Pool

Save as disclosed herein, the Directors are not aware of any person who was, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance or, was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any options in respect of such capital as at 30 June 2008.

IV. During the reporting period, there was no change in the controlling shareholders and real controller of the Company.

V. Purchase, sale and redemption of the Company's Shares

As of 30 June 2008, the Company did not repurchase any of its listed shares, nor purchased or re-sell any listed shares of the Company.

VI. Pre-emptive Rights

Neither the Articles of Association of the Company nor the PRC laws require the Company to offer pre-emptive rights to its existing shareholders for subscription of new shares according to the proportion of their shareholdings.



SECTION IV DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Shareholdings of Directors, Supervisors and Senior Management

During the reporting period, the Directors, Supervisors and Senior Management of the Company did not hold any shares of the Company and there was no change of the situation.

2. Appointment and dismissal of Directors, Supervisors and Senior Management

The new directors and supervisors were elected at the 2007 Annual General Meeting held on 23 May 2008. Mr. Wang Shui, Mr. Li Yungui, Mr. Tu Xiaobei and Mr. Li Junjie were elected as Executive Directors of the Fifth Board; Mr. Liu Xianfu and Mr. Meng Jie were elected as Non-Executive Directors of the Fifth Board; Mr. Leung Man Kit, Ms. Li Mei and Ms. Guo Shan were elected as Independent Non-Executive Directors of the Fifth Board; Mr. Li Huaijie and Mr. Dong Zhi were elected as Supervisors of the Fifth Supervisory Committee (Mr. Yang Yicong was elected as a member of the Fifth Supervisory Committee at a separate meeting held by the staff and workers of the Company). The term of the new directors and supervisors is for a period of three years commencing from 17 August 2008.

The First Meeting of the Fifth Board was held on 18 August 2008, at which Mr. Wang Shui was elected as the Chairman of the Company and Mr. Tu Xiaobei was elected as the Deputy Chairman of the Company; Mr. Li Yungui was appointed as the General Manager of the Company; Mr. Li Junjie, Mr. Xie Xinyu and Mr. Wang Changyin were appointed as the Deputy General Manager of the Company; Mr. Xie Xinyu was appointed as Company Secretary of the Company; Mr. Li Yungui and Mr. Xie Xinyu were appointed as authorized representative pursuant to Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

The First Meeting of the Fifth Supervisory Committee was held on 18 August 2008, at which Mr. Li Huaijie was elected as the Chairman of the Supervisory Committee.

3. Interests to be disclosed of Directors, Supervisors and Senior Management

As at 30 June 2008, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in any shares, or underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests which he was taken) or deemed to have under such provisions of the Securities and Futures Ordinance or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and the Takeovers Code.



SECTION V CHAIRMAN'S STATEMENT

During the reporting period, in accordance with the PRC accounting standards, the Group recorded a revenue of RMB845,565 thousands for the whole year. The unaudited net profit attributable to shareholders of the parent company was RMB334,097 thousands, basic earnings per share was RMB0.201. In accordance with Hong Kong accounting standards, the unaudited net profit attributable to equity holders of the Company was RMB347,501 thousands, basic earnings per share was RMB0.2095.

Review


In the first half of 2008, the GDP of China reached RMB13,061.9 billion, with a year-on-year growth of 10.4%. The economy of Anhui province lengthened its strong development momentum in recent years and continued to move forward in a stable manner on a higher growth platform. GDP of the whole province was RMB418.07 billion, with a year-on-year growth of 14.2% and recorded the highest growth for the same period in the past 13 years. In the first half of 2008, the turnover volume of goods on the expressways of the PRC and Anhui province increased by 15.2% and 14.0% respectively. Turnover volume of passengers on expressways recorded a year-on-year growth of 8.3% and 9.1%.

During the first half of the year, the widening of four-lane to eight-lane of Hening Expressway and reconstruction of Gaojie Expressway continued to proceed smoothly. The widening and reconstruction of the above expressways created room for expanding vehicle volume for the Company's expressways.

In the first half of the year, the Company partnered with Xuancheng City Transportation Construction Investment Company Limited to set up Anhui Ningxuanhang Expressway Investment Company Limited ("Ningxuanhang Company") for joint investment in the construction of Anhui Section of Ningxuanhang Expressway. Situated at the southern part of Anhui province, the project is the major passageway that connects Anhui province and the economically developed Yangtze River Delta area. It has a positive accelerating effect on the refinement of the expressway networks of Anhui province, Yangtze River Delta and the PRC. The implementation of the project will not only satisfy the development needs of the regional economy, but will also have a positive effect on increasing the profitability of the Company and its long-term development.

Outlook

Under the setting of global economic difficulty, the Chinese economy's quest for a soft landing and the structural adjustment of industries, the Chinese economy will continue to function on high ground but with a slowdown in growth, which would have a certain effect on the demand of transport and the traffic of vehicles. The trend of urbanization and the growth in vehicle ownership will become the major driving force for future development of the industry, and the Company's regional advantage will enable it to fully benefit from regional economic restructuring and the upgrade of industry structure. Anhui has been duly included in the planning of the Yangtze River Delta area, which has provided an important opportunity for Anhui's economy to achieve leaping development and speedy advancement. At the same time, as the industries in the eastern area and along the coastal area continue to shift, the central area will become an area with the most vitality and promising future.



The continuous growth of the Chinese economy, enormous development potential of the regional economy, favourable development prospect of the industry and the fast vehicle ownership growth within the region all created a favourable external environment for the Group's development. However, the Group is facing problems such as the widening difficulty in project acquisition, the re-allocation of overall vehicle traffic following the capacity expansion of road networks and competition from other transportation modes, etc. From now on, the Company will continue to improve its management standards and extensively enhance its core competitiveness. It will continue to rely on the support of its substantial shareholders and expand the scale of operation of the Company through ongoing uncovering and acquisition of quality expressway projects in order to move forward in its path to success.

The fifth board of directors of the Company has been elected. The board of directors of the Company will continue to uphold its principles of integrity and diligence in carrying out its duties, to make good use of the professional qualities of all directors in order to improve the decision making efficiency and governing standards of the Company.

Chairman

Wang Shui

Hefei, Anhui, the PRC

18 August 2008

SECTION VI REPORT OF THE BOARD OF DIRECTORS

During the reporting period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB845,565 thousands (Corresponding period in 2007: RMB832,777 thousands), representing an increase of 1.54% compared with that of the corresponding period of last year. The total profit was RMB479,344 thousands (Corresponding period in 2007: RMB491,287 thousands), representing a decrease of 2.43% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the parent company reached RMB334,097 thousands (Corresponding period in 2007: RMB317,177 thousands), representing an increase of 5.33% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2014 (Corresponding period in 2007: RMB0.1912), representing an increase of 5.33% compared with that of the corresponding period of last year. The increase of net profit was mainly due to the adjustment of income taxation rate of 33% to 25% after implementing the new enterprise income tax law.

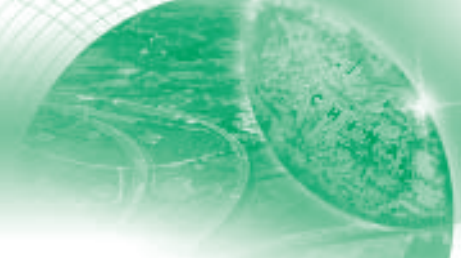
In accordance with the Hong Kong Accounting Standards, the Group achieved a turnover of RMB1,332,019 thousands representing an increase of 23.12% compared with that of the corresponding period of last year. Profit before taxation was RMB512,685 thousands, representing a decrease of 2.73% compared with that of the corresponding period of last year. Unaudited profit attributable to equity holders of the Company was RMB347,501 thousands, representing an increase of 27.00% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2095, representing an increase of 26.97% compared with that of the corresponding period of last year. The substantial increase of the Group's turnover was mainly because that, according to HK(IFRIC) – Int 12 and HKAS 18 implemented from 1 January 2008, as a toll roads operator, the Group accounts for turnover relating to toll roads construction or upgrade services. The increase of profit attributable to equity holders of the Company was mainly due to the adjustment of income taxation rate of 33% to 25% after implementing the new enterprise income tax law.

I Business Review (In accordance with the PRC Accounting Standards)

1 Toll Expressways

The Company is principally engaged in holding, operating and developing the toll expressways and highways in and outside of Anhui Province. During the reporting period, the Company is principally engaged in operating and managing Hening Expressway (134 km), Gaojie Expressway (110 km), Xuanguang Expressway (84 km), Lianhuo Expressway Anhui Section (54 km), Ninghuai Expressway Tianchang Section (14 km) and New Tianchang Section of National Trunk 205 (30 km) with a total mileage of 426km.

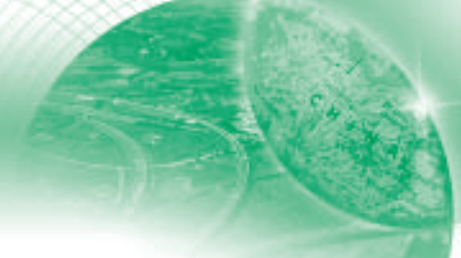
Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
Hening Expressway	134	4	8	3	Commencing from 16 August 1996 to 15 August 2026
New Tianchang Section of National Trunk 205	30	4	1	—	Commencing from 1 January 1997 to 31 December 2026
Gaojie Expressway	110	4	3	4	Commencing from 1 October 1999 to 30 September 2029



Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
Xuanguang Expressway	84	4	4	1	Commencing from 1 January 1999 to 31 December 2028 (South Ring Road: Commencing from 1 September 2003 to 31 December 2028)
Lianhuo Expressway Anhui Section	54	4	5	1	Commencing from 1 January 2003 to 30 June 2032
Ninghuai Expressway Tianchang Section	14	6	1	1	Tentatively fixed at three years Commencing from 18 December 2006, The formal toll collection period will be determined by the future evaluation.

Operations of Each Road

Name of roads	Share of interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2008	First half of 2007	Change (%)	First half of 2008	First half of 2007	Change (%)
		Hening Expressway	100%	13,828	15,113	-8.50	293,901
New Tianchang Section of National Trunk 205	100%	6,537	8,343	-21.64	24,231	34,620	-30.01
Gaojie Expressway	100%	9,721	9,591	1.35	220,695	217,821	1.32
Xuanguang Expressway	55.47%	10,608	10,358	2.41	146,278	142,473	2.67
Lianhuo Expressway Anhui Section	100%	7,410	7,358	0.70	98,777	91,661	7.76
Ninghuai Expressway Tianchang Section	100%	10,451	8,450	23.68	19,656	16,046	22.50



Name of roads	Share of interests	Proportion of passenger vehicles to goods vehicles		Toll income per vehicle (RMB)		Change (%)
		First half of 2008	First half of 2007	First half of 2008	First half of 2007	
Hening Expressway	100%	59:41	60:40	117	116	0.86
New Tianchang Section of National Trunk 205	100%	44:56	41:59	20	23	-13.04
Gaojie Expressway	100%	38:62	39:61	125	126	-0.79
Xuanguang Expressway	55.47%	51:49	49:51	76	76	—
Lianhuo Expressway Anhui Section	100%	35:65	33:67	73	69	5.79
Ninghuai Expressway Tianchang Section	100%	72:28	76:24	10	10	—

Note: Ninghuai Expressway Tianchang Section was opened to traffic on 18 December 2006.

At the beginning of 2008, due to the impact of snow disaster, traffic volumes of each road of the Company had a substantial decrease and the toll income decreased by 16.34% compared with that of the corresponding period of last year. Resulted from the above reason, toll income decreased by 2.07% compared with that of the corresponding period of last year.

During the reporting period, Ninghuai Expressway Tianchang Section's open to traffic diverted the traffic volumes of New Tianchang Section of National Trunk 205, the traffic volumes of which had a substantial decrease compared with that of the corresponding period of last year. With the calculation combining the above two highways, the converted average daily traffic volumes for entire journey for the first half of 2008 was 16,988, representing an increase of 1.16% compared with that of the corresponding period of last year, the toll income was RMB43,887 thousands, representing a decrease of 13.38% compared with that of the corresponding period of last year. The reason for the decrease of toll income was , on one hand, the impact from snow disaster, and on other hand, that the mileage of Ninghuai Expressway was 14 km, which was far shorter compared with New Tianchang Section of National Trunk 205' mileage of 30 km.

Due to the constant denseness of highway networks in the north of Anhui Province and widening of four-lane to eight-lane of Hening Expressway, traffic volumes of Hening Expressway decreased to some extent.

Also, due to the constant denseness of highway networks in the north of Anhui Province, traffic volumes of Lianhuo Expressway Anhui Section increased very slowly.

Reconstruction of Xuanguang Expressway South Ring Road has been finished by the end of 2007 and the traffic volumes are picking up.

2. *Operating results of subsidiaries of the Company (In accordance with the PRC Accounting Standards):*

Unit: RMB'000

	Revenue	Operating costs	Operating profit	Net profit
Xuanguang Expressway Company Limited	147,491	39,498	74,558	55,924

3. *Investment*

(1) Widening of four-lane to eight-lane of Hening Expressway

The widening of four-lane to eight-lane of Hening Expressway with the section of Dashushan to inter-connected interchange of Longxi commenced in August 2006. The widening works is to be completed within 3 years with a total length of 42.64 km. A plan of "Principally merging on both sides and partial segregation" is adopted for the widening works. During the widening works in process, Hening Expressway will be operated as usual. The total investment of the widening works is expected to be approximately RMB1.964 billion.

During the reporting period, RMB397 million was invested in the widening works, as at the end of the reporting period, the accumulated investment was RMB1,190 million.

(2) Reconstruction of Gaojie Expressway

The reconstruction of Gaojie Expressway was commenced at the end of 2007 with the budgetary estimate of RMB970 million within two years. During the reconstruction, Gaojie Expressway will keep running as usual.

During the reporting period, RMB116 million million was invested in the reconstruction works, as at the end of the reporting period, the accumulated investment was RMB116 million.

(3) The construction of Wantong Expressway Hi-tech Industrial Park

The construction of Wantong Expressway Hi-tech Industrial Park was commenced at the beginning of 2007 with the budgetary estimate of approximately RMB137 million and will be finished at the end of 2009.

During the reporting period, RMB11 million was invested in the construction of Wantong Expressway Hi-tech Industrial Park and the accumulated investment was RMB65 million.

(4) Investment to set up Ningxuanhang Company

A resolution was passed at the Board meeting held in march 2008 that the the Company partnered with Xuancheng City Transportation Construction Investment Company Limited to set up Ningxuanhang Company for joint investment in the construction of Nanjing-Xuancheng-Hangzhou Expressway Anhui Section. The registered capital of Ningxuanhang Company was RMB100 million, the Company invested RMB70 million to hold 70% shares.

During the reporting period, the Company has paid the initial investment of RMB28,000 thousands. The second investment of RMB42,000 thousands was paid in July 2008.

II Operation Results Analysis (in accordance with the PRC Accounting Standards)

Key financial index	January-June	January-June	Change
	2008	2007	
	(RMB'000)	(RMB'000)	(%)
Revenue	845,565	832,777	1.54
Operating costs	253,163	230,975	9.61
Administrative expenses	56,743	49,369	14.94
Finance costs	31,196	35,054	-11.01
Operating profit	479,312	491,177	-2.42
Net profit attributable to shareholders of parent company	334,097	317,177	5.33

Revenue

During the reporting period, the Group achieved a revenue of RMB845,565 thousands, representing an increase of 1.54% compared with that of the corresponding period of last year. Among which, Hening Expressway, New Tianchang Section of National Trunk 205, Gaojie Expressway, Xuanguang Expressway, Lianhuo Expressway Anhui Section and Ninghuai Expressway Tianchang Section, represented an increase of -1.17%, -32.82%, 4.62%, 2.95%, 9.86% and 29.90%, compared with that of the corresponding period of last year respectively.

Composition and percentage of revenue (including toll income and other business income) are as follows:

Name of the roads	January-June		As a percentage of the total income (%)	January-June		As a percentage of the total income (%)
	2008	2007		2008	2007	
	Toll income (RMB'000)	Other business income (RMB'000)		Toll income (RMB'000)	Other business income (RMB'000)	
Hening Expressway	293,901	24,458	37.65	317,890	4,233	38.68
New Tianchang Section of National Trunk 205	24,231	220	2.89	34,620	1,775	4.37
Gaojie Expressway	220,695	11,276	27.43	217,821	3,902	26.63
Xuanguang Expressway	146,278	1,214	17.44	142,473	789	17.20
Lianhuo Expressway Anhui Section	98,777	3,507	12.10	91,661	1,441	11.18
Ninghuai Expressway Tianchang Section	19,656	1,352	2.49	16,046	126	1.94
Total	803,538	42,027	100	820,511	12,266	100

Operating costs

During the reporting period, the operating costs related to toll roads of the Group was RMB253,163 thousands, representing an increase of 9.61%, which was mainly due to the increase of operating costs of other roads.

Project of Costs	Percentage of specific operating costs (%)			Total
	Depreciation and amortization	Road maintenance expenses	Other costs	
First half of 2008	68.27	16.77	14.96	100.00
First half of 2007	74.91	18.03	7.06	100.00

Administrative expenses

During the reporting period, the Group's administrative expenses were RMB56,743 thousands, representing an increase of 14.94% compared with that of the corresponding period of last year, which was mainly due to the increase of labor costs.

Finance costs

During the reporting period, the Group's finance costs were RMB31,196 thousands, representing a decrease of 11.01% compared with that of the corresponding period of last year, which was mainly because that as stated in the 2007 Annual Report, pursuant to a resolution at the 9th meeting of second Board of Directors of Xuanguang Company, the settlement period for the long-term payables to Xuancheng Highway Management was substantially changed. The difference between carrying amount of the original and new financial liability resulted in a decrease of amortization of long-term payables as compared with prior year, so the finance during the reporting period decreased as compared with prior year.

Operating profit

Owing to the above composite factors, the operating profit of the Group during the reporting period decreased by 2.42% to RMB479,312 thousands. The gross profit margin of the Group during the reporting period was 70.06% (Corresponding period of 2007: 72.26%).

During the reporting period, revenue and gross profit margin of the Group are as follows:

Unit: RMB'000

Name of roads	Revenue	Operating costs	Gross profit margin (%)	Change in revenues (%)	Change in costs (%)	Change in gross profit margin (%)
Hening Expressway	318,359	88,769	72.12	-1.17	29.31	-6.57
New Tianchang Section of National Trunk 205	24,451	11,905	51.31	-32.82	8.21	-18.46
Gaojie Expressway	231,972	56,784	75.52	4.62	-4.84	2.43
Xuanguang Expressway	147,491	39,498	73.22	2.95	9.16	-1.52
Lianhuo Expressway Anhui Section	102,284	44,546	56.45	9.86	1.89	3.41
Ninghuai Expressway Tianchang Section	21,008	11,661	44.49	29.90	-0.76	17.15
Total	845,565	253,163	70.06	1.54	9.61	-2.20



Net profit

During the reporting period, the total profit of the Group was RMB479,344 thousands, net profit attributable to shareholders of the parent company was RMB334,097 thousands, representing an increase of -2.42% and 5.33% respectively compared with that of the corresponding period of last year. During the reporting period, the basic earnings per was RMB0.2014. The main reason for the increase in net profit was that the income taxation rate was adjusted from 33% to 25% after implementing the new enterprise income tax law in 2008, the income tax expenses represented a decrease of 19.59% compared with that of the corresponding period of last year.

III Analysis of Financial Condition (in accordance with the PRC Accounting Standards)

Total assets

As at the end of the reporting period, the total assets of the Group was RMB7,880,919 thousands, representing an increase of 6.67% compared with that at the end of last year, which was mainly due to the increase of investment in widening of four-lane to eight-lane of Hening Expressway, reconstruction of Gaojie Expressway and the construction of Wantong Expressway Hi-tech Industrial Park.

Current liabilities

As at 30 June 2008, the Group's current liabilities was RMB2,623,984 thousands (As at 31 December 2007: RMB2,172,928 thousands), of which RMB1,935,000 thousands was short term borrowings, RMB454,530 thousands was accounts payables, RMB3,496 thousands was interests payables, RMB43,179 thousands was staff wages payables, RMB99,242 thousands was tax payables, RMB88,537 thousands was other payables, (including RMB29,832 thousands of toll income collected on behalf of the inter-network settlement center, RMB38,505 thousands of deposit from engineering projects, RMB7,220 thousands was provision on road maintenance and central control maintenance expenses and other payables was RMB12,980 thousands). Pursuant to the current working capital conditions, the facilities not yet utilized and future funding arrangements, the Group expects that it will have sufficient funds to repay the amounts due to as mentioned above.

Long-term liabilities

As at 30 June 2008, the Group's long term liabilities was RMB373,709 thousands (As at 31 December 2007: RMB370,955 thousands), which was mainly the balances of RMB242,211 thousands accrued from the total payables of the investment in Xuanguang Company by Xuancheng Highway Management Company Limited and the registered capital, the remaining of RMB33,072 thousands of the Group's provision for enterprise safety fund, deferred taxation liabilities of RMB51,426 thousands and government subsidies of RMB47,000 thousands confirmed as revenue of Ninghuai Expressway Tianchang Section.

Shareholders' equities (including minority interests)

As at 30 June 2008, the Group's shareholders' equities was RMB4,883,226 thousands representing an increase of RMB39,207 thousands from that at the beginning of the year, which was mainly due to the investment of RMB12,000 thousands of minority interests of Ningxuanhang Company during the reporting period and increase of RMB27,207 thousands of the Group's operation accumulation.

Cash flows of the Group

As at 30 June 2008, the Group's cash and cash equivalent were RMB492,027 thousands, representing a net increase of RMB44,257 thousands compared with that of the corresponding period last year.

During the reporting period, the Group's net operating cash inflow was RMB398,164 thousands, representing a decrease of RMB119,671 thousands compared with that of the corresponding period last year, which was mainly because that during the reporting period, the Group's tax expenses increased RMB67,373 thousands compared with that of the corresponding period last year, staff wages increased RMB37,709 thousands compared with that of the corresponding period last year and other operating costs increased RMB29,370 thousands compared with that of the corresponding period last year.

During the reporting period, the Group's net cash outflow used in investment was RMB488,990 thousands, which was mainly used in Widening of Hening Expressway, reconstruction of Gaojie Expressway and building of Wantong new and hi-tech industrial park.

During the reporting period, the Group's net cash inflow from financing activities was RMB175,675 thousands, which was mainly due to the increase of bank loans compared with that of the corresponding period last year.

During the reporting period, the Group's bank loans were RMB1,895,000 thousands in aggregate. As at the end of the reporting period, the balance of bank loans was RMB1,935,000 thousands. Interests rate for the bank loans above were 5.832% to 7.0965% (corresponding period of 2007: 5.265%).

Capital expenditures

During the reporting period, the Group's capital expenditure totaled RMB492,454 thousands, which was mainly composed of the Widening of Hening Expressway, reconstruction of Gaojie Expressway and building of Wantong new and hi-tech industrial park, which was funded by the Group's internal funds and bank loans.


As at the end of the reporting period, outstanding capital commitments of the Group were as follows:

The capital expenditure commitment of the widening of four-lane to eight-lane of Hening Expressway was RMB102,728 thousands authorized by the Board but not contracted for; RMB670,988 thousands contracted for but not necessarily confirmed in the financial statement.

The capital expenditure commitment of the reconstruction of Gaojie Expressway was RMB198,656 thousands authorized by the Board but not contracted for; RMB655,888 thousands contracted for but not necessarily confirmed in the financial statement.

Capital Structure

	As at 30 June 2008		As at 31 December 2007	
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)
Current liabilities	2,623,984	33.30	2,172,928	29.41
Long-term liabilities	373,709	4.74	370,955	5.02
Shareholders' equities	4,627,759	58.72	4,625,384	62.61
Minority interests	255,466	3.24	218,634	2.96



The structure of shareholders' equities and liabilities of the Group was reasonable. As at 30 June 2008, the Group held total cash and cash equivalent of RMB492,027 thousands and bank loans of RMB1,935,000 thousands. The gearing ratio was 38.04% (34.43% on 31 December 2007).

IV Change of Taxation Policies

According to the PRC Enterprise Income Tax Law implemented from 1 January 2008, during the first half of 2008, the Company and its subsidiaries' enterprise income taxation rate was adjusted to 25% (corresponding period of 2007: 33%). During the reporting period, the Group's income taxation expenses were RMB120,415 thousands, representing a decrease of 19.59% compared with that of the corresponding period last year.

In addition, through the Company's active application, the Department of Finance of Anhui Province has agreed to return 40% (Divided part of provincial finance) of the repaid enterprise income tax approximately RMB150 million subject to an income tax rate of 33% for the year 2006, the amount was about RMB36,700 thousands, which will be regarded as non-operating income for the period when received.

VI During the reporting period, the Group did not have any contingent liabilities.



SECTION VII MAJOR EVENTS

1. Corporate Governance

The Company had, since its establishment, gradually built and upgraded various internal management systems and corporate governance rules according to the relevant laws and regulations such as the “Company Law”, “Securities Law”, “Corporate governance standards of listed companies”, “Guidelines for the prospectus of listed companies”, and has regularized its operations.

Amendment and improvement of the governing system of the Company

Based on the spirit of the relevant documents of the China Securities Regulatory Commission and the stock exchange, at the 17th meeting of the fourth board of directors held on 6 March 2008, the Company considered and passed the “Work System of Independent Directors’ Annual Report” and “Work Rules of the Audit Committee”. All independent directors of the Company and members of the Board’s Audit Committee fully participated and supervised the auditing process of the 2007 annual report, and demonstrated the effect of the independent directors and the Audit Committee in full in the process of advance communication with the accounting firm to exchanging ideas on the preliminary draft, which facilitated the improvement of governance of the Company.

Special events on corporate governance

According to the requirements of the “Notice related to the further advancement of special activities on corporate governance 2008” (Listing Division Letter [2008] No. 116) of the CSRC and the “Notice related to further improvement of the relevant work of the special activities on corporate governance in the jurisdiction districts” (ASRB [2008] No. 29) of Anhui Provincial Securities Regulatory Bureau, the Company conducted detailed analysis and examination on the items listed on the corporate governance rectification report. As at 30 June 2008, rectification problems involved in the corporate governance process have all been rectified within the rectification period in accordance with requirements and there are no incompleteness of rectification. “Explanation related to rectification of special activities on corporate governance” was approved by the 20th meeting of the fourth board of directors, and the text was disclosed on the website of the Shanghai Stock Exchange and the website of the Stock Exchange of Hong Kong Limited on 21st July 2008.

The Company will continue to strictly adhere to laws and regulations such as the Company Law, Securities Law, Administrative Measures on Disclosure of Listed Company Information, share Listing Rules, etc. and the requirements of the relevant rules. It will earnestly follow through the spirit of the special activities and continue to improve the various management rules of the Company in order to continuously improve the regulated operation of the Company and its governance standards, and safeguard the legal interest of the Company and all shareholders, and promote the sustained healthy development of the Company.

Code on Corporate Governance Practice

For the six months ended 30 June 2008, Directors of the Company confirmed that the Company has complied with the relevant requirements of the Appendix 14 “Code on Corporate Governance Practice” of the Listing Rules of the Stock Exchange of Hong Kong Limited (“Listing Rules”)



Audit Committee

During the reporting period, the Audit Committee convened three meetings, which reviewed the 2007 Annual Results Report and Financial Statement prepared in accordance with the PRC and Hong Kong Accounting Standards, the 2008 First Quarterly Report, as well as the 2008 Interim Results Report and Unaudited Financial Statement prepared in accordance with the PRC and Hong Kong Accounting Standards.

Independent Non-executive Director

The Company has appointed enough Independent Non-executive Directors with professional knowledge in accordance with Rules 3.10(1) and 3.10(2) of Listing Rules. The Company appointed 3 Independent Non-executive Directors, one of which is specialized in accounting and financial management.

Mode Code for Securities Transactions for Directors and Supervisors of the Company

For the six months ended 30 June 2008, the Company has adopted the code provisions on the trading of shares of the Company by relevant directors contained in the "Model Code for Securities Transactions by Directors and Supervisors of Listed Issuers" ("Model Code for Securities Transactions") as set out in the Appendix 10 of the "Listing Rules". After making specific enquiries of all directors and supervisors, the Company confirms that all directors and supervisors fully complied with the "Model Code for Securities Transactions".

2. Profit appropriation for 2008 interim

The Board of Directors of the Company recommends that the Company will neither pay the dividends for six months as at 30 June 2008 nor transfer the capital surplus to share capital.

3. Implementation of the profit appropriation for the reporting period

The 2007 profit appropriation plan of the Company was approved by the 2007 Annual General Meeting held on 23 May 2008, details are as follows: To pay a final dividend of RMB331,722 thousands on the basis of RMB2 for every 10 shares (tax inclusive) based on the total number of shares outstanding at the end of 2007 of 1,658,610,000 shares.

According to the authorization given by the General Meeting, the Board of Directors of the Company published the resolutions of 2007 General Meeting on 26 May 2008 in the Shanghai Securities Post, China Securities Post and on the website of The Stock Exchange of Hong Kong Limited, and determined a dividend for H shares of HK\$0.2239, which was priced in RMB and paid in HK\$. The registration date of the H Shareholders was 21 April 2008 and the dividend payout date was 20 June 2008. On 18 June 2008, the Company published the 2007 profit appropriation implement announcement in the Shanghai Securities Post and China Securities Post and determined that the A Shareholders' registration date was 24 June 2008, the ex-dividend date was 25 June 2008 and the dividend payout date of 1 July 2008.

The 2007 profit appropriation proposal has been implemented.

4. Material Litigation and Arbitration

The Company was not involved in any material litigation or arbitration during the reporting period.

5. Material Acquisition and Disposals of Assets and Mergers

During the reporting period, the Company was not involved in any material acquisition and disposals of assets and mergers

6. Material Connected Transactions

During the reporting period, the Company was not involved in any material connected transactions.

7. Material Contracts and their Implementation

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

During the reporting period, the Company was not involved in any material custody, subcontracting and leasing.

(2) *Material guarantee*

During the reporting period, the Company did not provide guarantee for shareholders, connected persons and other companies.

(3) *Financial entrustment*

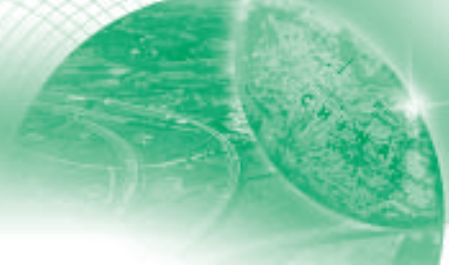
During the reporting period, the Company was not involved in any financial entrustment business.

(4) *Entrusted deposit and overdue fixed deposit*

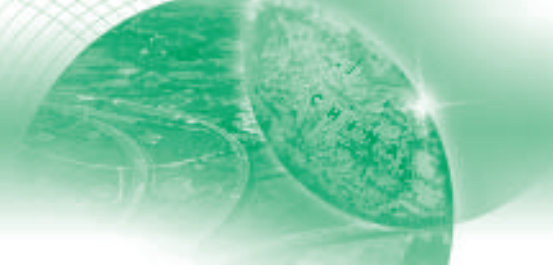
During the reporting period, the Company did not have any entrusted deposit with financial institutions in the PRC, neither has the Company experienced any incident of not being able to withdraw fixed deposits when they became matured.

8. Commitments of the Company and shareholders with more than 5% equities

- (1) Pursuant to the Reorganization Agreement signed by the Company and AEHC on 12 October 1996, AEHC has undertaken that it will not participate in any businesses or activities, which will compete against the Company either directly or indirectly.
- (2) Particular undertakings made by the shareholders of non-circulating shares of the Company during the Share Segregation Reform and their implementation.



Name of shareholders	Particular commitments	The implementation of their undertakings
Anhui Expressway Holding Corporation Huajian Transportation Economic Development Center	<ol style="list-style-type: none"><li data-bbox="608 401 1062 638">(1) The Shareholders of Non-circulating Shares have undertaken to pay relevant expenses arising from the Share Segregation Reform proportional to the respective percentages of the Company's Non-circulating Shares held by them immediately prior to the implementation of the Share Segregation Reform;<li data-bbox="608 659 1062 1084">(2) Within 3 years from the implementation date of the Share Segregation Reform Proposal, the Shareholders of Non-circulating Shares undertook to sell their shares, if they need to, with the price not less than RMB8.28 (such price to be calculated on an ex-rights basis if dividends distribution, allotment of shares and capitalization of capital reserve are implemented); The proceeds from any sale by Shareholders of Non-circulating Share in breach of such undertaking shall be reverted to the Company's account for the benefit of all shareholders of the Company;<li data-bbox="608 1106 1062 1468">(3) All Shareholders of Non-circulating Shares undertook that, during three continuous years immediately following the completion of implementation of the Reform Proposal, they should propose at the annual general meeting of the Company that the Company's dividends distributable in cash shall not be less than 60% of the period available for distribution to the shareholders for the corresponding periods and undertook to vote for such resolutions at the annual general meeting;<li data-bbox="608 1489 1062 1817">(4) Shareholders of Non-circulating Shares undertook that, upon the completion of this Share Segregation Reform, they will make recommendation for formulation of long term incentive scheme, including the share incentive scheme, to the Board of Directors of the Company. Such long-term incentive scheme will be implemented by Board of Directors in accordance with the relevant regulation of the State or upon approval by the general meeting of shareholders;<li data-bbox="608 1839 1062 2020">(5) In the future, Anhui Expressway Holding Corporation will continue to support the Company to purchase good-quality road assets owned by Anhui Expressway Holding Corporation, as always, and pay attention to protect shareholders' interests.	Implemented their undertakings carefully without breach.



9. Appointment and Dismissal of Auditors

PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd and PricewaterhouseCoopers Certified Public Accountants were appointed as the Company's 2008 PRC and Hong Kong auditors at the 2007 Annual General Meeting.

10. Punishment and Reconstruction of the Listed Company, Directors, Supervisors, Senior Management, Shareholders and the Real Controller of the Company

During the reporting period, the Listed Company, Directors, Supervisors, Senior Management, Shareholders and the Real Controller of the Company have not been involved in any punishment of regulatory authorities

11. Analysis on Other Major Events and Their Impact and Resolving Proposals

During the reporting period, the Company was not involved in other major events

12. Information Disclosure Index

During the reporting period, the Company's A shares announcements were all published in the Shanghai Securities Post and China Securities Post. The Company's H shares announcements were all disclosed on the websites of the Stock Exchange of Hong Kong Limited and the Company..

Items	Newspapers designated for publishing reports	Publishing date	Website designated for disclosure of reports
Announcement, Waiver from compliance with Rule 3.24 of Listing Rules	China Securities Post, Shanghai Securities Post	5 February 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn, Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Announcement on the adjustment of the applicable income tax rate for the previous fiscal year 2006 of the Company	China Securities Post, Shanghai Securities Post	29 February 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn, Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Announcement of the Resolutions of the 17th Meeting of the 4th Board	China Securities Post, Shanghai Securities Post	7 March 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn, Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk



Items	Newspapers designated for publishing reports	Publishing date	Website designated for disclosure of reports
Listing announcement of restricted circulating shares	China Securities Post, Shanghai Securities Post	28 March 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn
Announcement of the Resolutions of the 18th Meeting of the 4th Board, Announcement of the Resolutions of the 12th Meeting of the 4th Supervisory Committee, Notice of 2007 Annual General Meeting, Summary of 2007 Annual Report	China Securities Post, Shanghai Securities Post	31 March 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn
2007 Annual Results Announcement, Notice of 2007 Annual General Meeting		31 March 2008	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2008 First Quarterly Report	China Securities Post, Shanghai Securities Post	24 April 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Correcting announcement	China Securities Post, Shanghai Securities Post	8 May 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn
Resolutions passed at the 2007 Annual General Meeting	China Securities Post, Shanghai Securities Post	26 May 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Change of Directors and Supervisors		26 May 2008	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Announcement on Implementation of the Payment of Dividends for 2007	China Securities Post, Shanghai Securities Post	18 June 2008	Website of the Shanghai Stock Exchange: www.sse.com.cn

SECTION VIII ACCOUNTS

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

as at 30 June 2008

(All amounts in Renminbi thousands unless otherwise stated)

ASSETS	Note	As at	
		30 June 2008 (unaudited)	31 December 2007 (audited)
Non-current assets			
Property, plant and equipment	3(a),5	2,034,290	1,506,710
Investment property	5	22,356	22,841
Land use rights	5	562,672	574,381
Intangible assets	3(a),5	5,737,139	5,812,754
Investments in associates		3,905	7,409
Available-for-sale financial assets	6	18,000	18,000
		<u>8,378,362</u>	<u>7,942,095</u>
Current assets			
Inventories		3,158	2,983
Trade and other receivables	7	22,967	15,391
Cash and cash equivalents		492,027	407,178
		<u>518,152</u>	<u>425,552</u>
Total assets		<u>8,896,514</u>	<u>8,367,647</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital	8	1,658,610	1,658,610
Share premium	8	1,415,593	1,415,593
Other reserves	9	1,754	3,385
Retained earnings			
– Proposed final dividend	19	—	331,722
– Others		2,358,530	2,009,398
		<u>5,434,487</u>	<u>5,418,708</u>
Minority interest		<u>257,957</u>	<u>218,634</u>
Total equity		<u>5,692,444</u>	<u>5,637,342</u>

The notes on pages 40 to 54 are an integral part of these condensed financial information

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

as at 30 June 2008

(All amounts in Renminbi thousands unless otherwise stated)

	Note	As at	
		30 June 2008 (unaudited)	31 December 2007 (audited)
LIABILITIES			
Non-current liabilities			
Long-term payables	12	242,211	235,070
Deferred income tax liabilities		290,875	274,307
Deferred income		47,000	48,000
		<u>580,086</u>	<u>557,377</u>
Current liabilities			
Trade and other payables	10	602,139	574,867
Current income tax liabilities		86,845	208,061
Borrowings	11	1,935,000	1,390,000
		<u>2,623,984</u>	<u>2,172,928</u>
Total liabilities		<u>3,204,070</u>	<u>2,730,305</u>
Total equity and liabilities		<u>8,896,514</u>	<u>8,367,647</u>
Net current liabilities		<u>(2,105,832)</u>	<u>(1,747,376)</u>
Total assets less current liabilities		<u>6,272,530</u>	<u>6,194,719</u>

The notes on pages 40 to 54 are an integral part of these condensed financial information

Approved by the Board of Directors on 18 August 2008

Wang Shui
Director

Li Yungui
Director

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

for the six months ended 30 June 2008

(All amounts in Renminbi thousands unless otherwise stated)

	Note	For the six months ended	
		30 June 2008 (unaudited)	30 June 2007 (restated) (unaudited)
Revenues	3(a),14	1,332,019	1,081,867
Cost of sales	3(a),15	(732,814)	(471,491)
Gross profit		599,205	610,376
Other gains -net	13	3,209	2,252
Administrative expenses	15	(57,387)	(50,038)
Operating profit		545,027	562,590
Finance costs	16	(32,828)	(35,625)
Share of profit of associates		486	104
Profit before income tax		512,685	527,069
Income tax expense	17	(137,861)	(225,877)
Profit for the period		374,824	301,192
Attributable to :			
Equity holders of the Company		347,501	273,614
Minority interest		27,323	27,578
		374,824	301,192
Basic earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RMB per share)	18	0.2095	0.1650
Dividends	19	—	—

The notes on pages 40 to 54 are an integral part of these condensed financial information

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

for the six months ended 30 June 2008

(All amounts in Renminbi thousands unless otherwise stated)

	For the six months ended	
	30 June 2008 <i>(unaudited)</i>	30 June 2007 <i>(unaudited)</i>
Cash flows from operating activities		
Cash generated from operations	640,673	682,040
Interest paid	(49,603)	(26,971)
Income tax paid	(242,509)	(164,205)
Net cash generated from operating activities	348,561	490,864
Cash flows from investing activities		
Purchase of property, plant and equipment	(492,454)	(257,353)
Prepaid lease for land use rights	—	(5,800)
Proceeds from sale of property, plant and equipment	287	—
Interest received	2,277	1,242
Dividends received	900	900
Net cash used in investing activities	(488,990)	(261,011)
Cash flows from financing activities		
Proceeds from borrowings	1,895,000	1,276,000
Repayments of borrowings	(1,350,000)	(1,261,000)
Cash received from capital contributions by minority shareholder	12,000	—
Dividends paid to the Company's shareholders	(331,722)	(197,536)
Net cash generated from/(used in) financing activities	225,278	(182,536)
Net increase in cash and cash equivalents	84,849	47,317
Cash and cash equivalents at beginning of the period	407,178	400,453
Cash and cash equivalents at end of the period	492,027	447,770

The notes on pages 40 to 54 are an integral part of these condensed financial information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2008

(All amounts in Renminbi thousands unless otherwise stated)

	Attributable to equity holders of the Company				Minority	Total
	Ordinary share capital	Share premium	Other reserves	Retained earnings	Interest	
Note	(Note 8)	(Note 8)	(Note 9)			
Balance at 1 January 2007 (audited)	1,658,610	1,447,459	(41,689)	2,331,971	65,110	5,461,461
Profit for the half-year (unaudited)	—	—	—	273,614	27,578	301,192
Utilization of Enterprise Safety Fund (unaudited)	—	—	(713)	713	—	—
Total recognized income for the period ended 30 June 2007 (unaudited)	—	—	(713)	274,327	27,578	301,192
Dividends relating to 2006 (unaudited)	—	—	—	(414,653)	—	(414,653)
Balance at 30 June 2007 (unaudited)	<u>1,658,610</u>	<u>1,447,459</u>	<u>(42,402)</u>	<u>2,191,645</u>	<u>92,688</u>	<u>5,348,000</u>
Balance at 1 January 2008 (audited)	1,658,610	1,415,593	3,385	2,341,120	218,634	5,637,342
Profit for the half-year (unaudited)	—	—	—	347,501	27,323	374,824
Utilization of Enterprise Safety Fund (unaudited)	—	—	(1,631)	1,631	—	—
Total recognized income for the period ended 30 June 2008 (unaudited)	1	—	(1,631)	349,132	27,323	374,824
Capital contribution by minority shareholder (unaudited)	—	—	—	—	12,000	12,000
Dividends relating to 2007 (unaudited)	19	—	—	(331,722)	—	(331,722)
Balance at 30 June 2008 (unaudited)	<u>1,658,610</u>	<u>1,415,593</u>	<u>1,754</u>	<u>2,358,530</u>	<u>257,957</u>	<u>5,692,444</u>

The notes on pages 40 to 54 are an integral part of these condensed financial information



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2008

(All amounts in Renminbi thousands unless otherwise stated)

1. General information

Anhui Expressway Company Limited ("the Company") was incorporated in the People's Republic of China ("PRC") on 15th August 1996 as a joint stock limited company. The Company and its subsidiaries are principally engaged in the operation and management of the toll roads in the Anhui Province.

The Company's H shares and A shares have been listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange since November 1996 and January 2003, respectively. The address of its registered office is No. 669, West Changjiang Road, Hefei, Anhui, the PRC.

Pursuant to a resolution of Board of Director's meeting dated 6 March 2008, the Company set up Anhui Ningxuanhang Expressway Investment Co., Ltd. ("Ningxuanhang"), a new subsidiary, jointly with Xuancheng Communication Construction Co., Ltd. ("Xuancheng Communication Construction"). The registered capital of Ningxuanhang is RMB100,000,000 and the Company's share of equity interests is 70%. As of 30 June 2008, the first installment of RMB28,000,000 and RMB12,000,000 have been injected by the Company and Xuancheng Communication Construction, respectively and verified by a local CPA firm.

The condensed consolidated interim financial information was approved by the Board of Directors for issue on 18 August 2008.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2008 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with HKFRSs.

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Effect of applying new HK(IFRIC)


In 2008, the Group applied HK (IFRIC) - Int 12, 'Service concession arrangements', which is relevant to its operations. The comparatives have been adjusted as required, in accordance with relevant requirements.

HK(IFRIC) - Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. The adoption of HK (IFRIC) - Int 12 resulted in a change in accounting for the Group's toll roads. Before adoption of HK(IFRIC) - Int 12, the Group's toll roads were recorded as property, plant and equipment. In accordance with HK(IFRIC) – Int 12, the Group's toll roads shall be recognized as intangible assets-service concession arrangement to the extent that the Group receives a right (a license) to charge users of the public service. And as a toll roads operator, the Group accounts for revenue and costs relating to toll roads construction or upgrade services with HKAS 11 Construction Contracts and accounts for revenue and costs relation to toll roads operation services in accordance with HKAS 18 Revenue.

The adoption of HK(IFRIC) - Int 12 resulted in:

	30 June 2008 (unaudited)	31 December 2007 (unaudited)
Increase in intangible assets	5,734,735	5,809,269
Decrease in property, plant and equipment	(5,734,735)	(5,809,269)
	For the six months ended	
	30 June 2008 (unaudited)	30 June 2007 (unaudited)
Increase in revenues for construction/upgrade services	512,992	276,296
Increase in cost of sales for construction/upgrade services	512,992	276,296

Other than accounts disclosed above, the adoption of HK(IFRIC) – Int 12 does not have significant impact to the condensed consolidated interim financial information for the six months ended 30 June 2008.

- 
- (b) The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant for the Group:
- HK(IFRIC) 11, HKFRS 2 – ‘Group and treasury share transactions’; and
 - HK(IFRIC) 14, ‘HKAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction’.
- (c) The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:
- IFRIC 13, ‘Customer loyalty programmes’, effective for annual periods beginning on or after 1 July 2008. This interpretation is not currently relevant to the Group’s operations because none of the Group’s companies operate any loyalty programs;
 - HKFRS 8, ‘Operating segments’, effective for annual periods beginning on or after 1 January 2009. HKFRS 8 replaces HKAS 14, ‘Segment reporting’, and requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. HKFRS 8 is not currently relevant to the Group because apart from operating and managing toll roads, the Group does not conduct other businesses which have significant impact on the Group’s results; its revenues are primarily generated in the Anhui Province, PRC and its assets are mainly located in Anhui Province, PRC;
 - HKAS 23 (amendment), ‘Borrowing costs’, effective for annual periods beginning on or after 1 January 2009. As the Group is already capitalizing borrowing costs to qualifying assets, if any, this amendment would not have significant impact to the Group’s accounts;
 - HKFRS 2 (amendment) ‘Share-based payment’, effective for annual periods beginning on or after 1 January 2009. This amendment is not currently relevant to the Group’s operation;
 - HKAS 1 (amendment), ‘Presentation of financial statements’, effective for annual periods beginning on or after 1 January 2009. Management is in the process of developing proforma accounts under the revised disclosure requirements of this standard;
 - HKAS 32 (amendment), ‘Financial instruments: presentation’, and consequential amendments to HKAS 1, ‘Presentation of financial statements’, effective for annual periods beginning on or after 1 January 2009. This is not relevant to the Group as the Group does not have any puttable instruments; and
 - HKFRS 3 (amendment), ‘Business combinations’ and consequential amendments to HKAS 27, ‘Consolidated and separate financial statements’, HKAS 28, ‘Investments in associates’ and HKAS 31, ‘Interests in joint ventures’, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group. The Group does not have any joint ventures.

4. Segment information

Apart from operating and managing toll roads, the Group does not conduct other businesses which have significant impact on the Group's results. Accordingly, no segment income statement has been prepared by the Group. The Group also operates within one geographical segment because its revenues are primarily generated in the Anhui Province, PRC and its assets are mainly located in Anhui Province, PRC. Accordingly, no geographical segment data is presented.

5. Capital Expenditures

	Intangible assets - Service concession arrangement	Intangible assets - Software costs	Intangible assets - Total	Property, plant and equipment	Investment property	Land use rights
Six months ended 30 June 2007						
Opening net book amount						
as at 1 January 2007 (audited)	—	3,988	3,988	6,688,818	—	575,267
Restatement (Note 3(a))	5,828,431	—	5,828,431	(5,828,431)	—	—
Restated opening net book amount						
as at 1 January 2007 (unaudited)	5,828,431	3,988	5,832,419	860,387	—	575,267
Additions	75	—	75	316,863	—	5,800
Transfer	3,646	—	3,646	(3,646)	—	—
Disposals	—	—	—	(18)	—	—
Depreciation/amortization (Note 15)	(78,255)	(252)	(78,507)	(46,913)	—	(11,494)
Closing net book amount						
as at 30 June 2007 (unaudited)	5,753,897	3,736	5,757,633	1,126,673	—	569,573
Six months ended 30 June 2008						
Opening net book amount						
as at 1 January 2008 (audited)	—	3,485	3,485	7,315,979	22,841	574,381
Restatement (Note 3(a))	5,809,269	—	5,809,269	(5,809,269)	—	—
Restated opening net book amount						
as at 1 January 2008 (unaudited)	5,809,269	3,485	5,812,754	1,506,710	22,841	574,381
Additions	7,189	—	7,189	571,727	—	—
Disposals	—	—	—	(356)	—	—
Depreciation/amortization (Note 15)	(82,453)	(351)	(82,804)	(43,791)	(485)	(11,709)
Closing net book amount						
as at 30 June 2008 (unaudited)	5,734,005	3,134	5,737,139	2,034,290	22,356	562,672

6. Available-for-sale financial assets

There were no disposals or impairment provisions on available-for-sale financial assets in the six months ended 30 June 2008.

Available-for-sale financial assets include the following:

	30 June 2008 (unaudited)	31 December 2007 (audited)
Unlisted equity securities, at cost	<u>18,000</u>	<u>18,000</u>

The unlisted equity securities represent the Company's 18% equity interest in an unlisted company located in Anhui Province, the PRC. The securities are measured at cost less provision for impairment. Since there is no active market for similar equity instruments, the fair value cannot be measured reliably.

7. Trade and other receivables

	30 June 2008 (unaudited)	31 December 2007 (audited)
Prepayments	261	192
Dividend receivables	3,990	—
Other receivables (a)	<u>18,716</u>	<u>15,199</u>
	<u>22,967</u>	<u>15,391</u>

(a) As at 30 June 2008, other receivables mainly include receivable generated from toll road management of RMB9,296 thousand (31 December 2007: RMB9,540 thousand).

At 30 June 2008, all the trade and other receivables were aged within one year and were full performing. Provision for impairment was not required.

The carrying amounts of the trade and other receivables approximate their fair value.

8. Share capital and share premium

	Number of shares <i>(thousands)</i>	Ordinary share capital	Share premium	Total
At 1 January 2007 (audited)	1,658,610	1,658,610	1,447,459	3,106,069
Changes in the period (unaudited)	—	—	—	—
	<u>1,658,610</u>	<u>1,658,610</u>	<u>1,447,459</u>	<u>3,106,069</u>
At 30 June 2007 (unaudited)	1,658,610	1,658,610	1,447,459	3,106,069
At 1 January 2008 (audited)	1,658,610	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—
	<u>1,658,610</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>

The total authorised number of ordinary shares is 1,658,610,000 shares with a par value of RMB1 per share. All issued shares are fully paid.

Share reform plan

Pursuant to the Revised Share Reform Plan announced by the Company on 14 February 2006, AEHC and Huajian Transportation Economic Development Centre, both of whom are shareholders of the Company, proposed to offer, free of consideration, the holders of A Shares on the basis of 2 shares and RMB4.35 for every 10 A Shares held by these shareholders on 30 March 2006. The original non-circulating A shares held by AEHC and Huajian Transportation Economic Development Centre would be granted the status of listing after implementation of the Revised Share Reform Plan. The proposal has been approved by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (Wan Guo Zi Chan Quan Han 2006 No.50), Ministry of Commerce of the PRC (Shang Zi Pi 2006 No.844) and has been approved at the relevant shareholders' meeting held on 27 February 2006.

Pursuant to the Revised Share Reform Plan, 165,861,000 non-circulating A shares equally held by AEHC and Huajian Transportation Economic Development Centre were transferred to circulating A shares on 3 April 2007 and 3 April 2008, respectively.

9. Other reserves

	Capital Surplus	Statutory Surplus Reserve Fund	Discretionary Surplus Reserve Fund	Enterprise Safety Fund	Excess of the consideration over carrying amount of the minority interests acquired	Total
Balance at 1 January 2007 (audited)	2,243	613,737	658	40,820	(699,147)	(41,689)
Utilization of Enterprise Safety Fund	—	—	—	(713)	—	(713)
Balance at 30 June 2007 (unaudited)	<u>2,243</u>	<u>613,737</u>	<u>658</u>	<u>40,107</u>	<u>(699,147)</u>	<u>(42,402)</u>
Balance at 1 January 2008 (audited)	2,243	660,890	658	38,741	(699,147)	3,385
Utilization of Enterprise Safety Fund	—	—	—	(1,631)	—	(1,631)
Balance at 30 June 2008 (unaudited)	<u>2,243</u>	<u>660,890</u>	<u>658</u>	<u>37,110</u>	<u>(699,147)</u>	<u>1,754</u>

10. Trade and other payables

	30 June 2008 (unaudited)	31 December 2007 (audited)
Payables on capital expenditures	426,144	363,598
Payables on repair and maintenance projects	35,606	37,095
Other taxation payables	12,397	19,536
Accrued expenses	9,008	9,059
Other payables	118,984	145,579
	<u>602,139</u>	<u>574,867</u>

At 30 June 2008 and 31 December 2007, trade and other payables were aged within one year.

11. Borrowings

	As at 30 June 2008		As at 31 December 2007	
	<i>Interest rate</i> <i>per annum</i> <i>(unaudited)</i>	<i>RMB'000</i>	<i>Interest rate</i> <i>per annum</i> <i>(audited)</i>	<i>RMB'000</i>
Current unsecured short-term bank borrowings-fixed rate	6.61%	1,745,000	5.17%	1,390,000
Current unsecured short-term bank borrowings-floating rate	5.94%	<u>190,000</u>	—	<u>—</u>
		<u>1,935,000</u>		<u>1,390,000</u>

At 30 June 2008, the carrying amounts of short-term borrowings approximate their fair value.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	30 June 2008 (unaudited)	31 December 2007 <i>(audited)</i>
Within 6 months	<u>190,000</u>	<u>—</u>

The Group has the following un-drawn borrowing facilities at the balance sheet date:

	30 June 2008 (unaudited)	31 December 2007 <i>(audited)</i>
Floating rate and expiring within one year	<u>510,000</u>	<u>1,120,000</u>

12. Long-term payables

The carrying amounts and fair values of long-term payables to minority shareholder of a subsidiary are as follows:

	Carrying Amounts (Note 22)		Fair values	
	30 June 2008 RMB'000	31 December 2007 RMB'000	30 June 2008 RMB'000	31 December 2007 RMB'000
Xuancheng Highway Management Company ("XHMC")	<u>242,211</u>	<u>235,070</u>	<u>203,215</u>	<u>195,487</u>

Long-term payables to the minority shareholder of Xuan Guang Expressway Company Limited ("Xuan Guang") represented XHMC's share of total investment in excess of its equity contribution in Xuan Guang. The long-term payables to minority shareholder of a subsidiary are unsecured and free of interest. As of 30 June 2008, the repayment terms of such long-term payables did not change with 2007 as disclosed in annual financial statements for the year ended 31 December 2007.

The fair values of long-term payables to minority shareholder are based on cash flows discounted using 7.83%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2008 (2007: 7.83%).

13. Other gains – net

	For the six months ended	
	30 June 2008 (unaudited)	30 June 2007 (unaudited)
Dividend income	900	900
Interest income	2,277	1,242
Others	32	110
	<u>3,209</u>	<u>2,252</u>

14. Revenues

	For the six months ended	
	30 June 2008 <i>(unaudited)</i>	30 June 2007 <i>(unaudited)</i>
Toll income, rental income and others	819,027	805,571
Toll roads construction/upgrade services (Note 3 (a))	512,992	276,296
	<u>1,332,019</u>	<u>1,081,867</u>

15. Expenses by nature

Expenses included in cost of sales and administrative expenses are analyzed as follows:

	For the six months ended	
	30 June 2008 <i>(unaudited)</i>	30 June 2007 <i>(unaudited)</i>
Toll roads construction/upgrade services (Note 3 (a))	512,992	276,296
Depreciation and amortization expenses (Note 5)	138,789	136,914
Repair and maintenance expenses	81,034	58,283
Employee benefit expenses	45,520	41,996
Others	11,866	8,040
	<u>790,201</u>	<u>521,529</u>

16. Finance costs

	For the six months ended	
	30 June 2008 <i>(unaudited)</i>	30 June 2007 <i>(unaudited)</i>
Interest expense:		
– bank borrowings	25,687	26,971
– long-term payables to minority shareholder of a subsidiary amortization	7,141	8,654
	<u>32,828</u>	<u>35,625</u>

17. Income tax expense

(a) Hong Kong profits tax

There were no Hong Kong profits tax liabilities as the Group did not earn any income assessable to Hong Kong profits tax.

(b) PRC Enterprise Income Tax ("EIT")

Effective from 1 January 2008, the Company and its subsidiaries, associated companies shall determine and pay the CIT in accordance with the new CIT Law as approved by the National People's Congress on 16 March 2007. Under the new CIT Law, the CIT rate applicable to the Company and its subsidiaries, associated companies has changed from 33% to 25% from 1 January 2008 onwards.

	For the six months ended	
	30 June 2008 (unaudited)	30 June 2007 (unaudited)
Current income tax	121,293	160,988
Deferred income tax	16,568	64,889
	<u>137,861</u>	<u>225,877</u>

18. Earnings per share

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

	For the six months ended	
	30 June 2008 (unaudited)	30 June 2007 (unaudited)
Profit attributable to equity holders of the Company	347,501	273,614
Weighted average number of ordinary shares in issue (thousands)	<u>1,658,610</u>	<u>1,658,610</u>
Basic earnings per share (expressed in RMB per share)	<u>0.2095</u>	<u>0.1650</u>

19. Dividends

The final dividend in respect of 2007 of RMB0.20 per share, amounting to a total dividend of RMB331,722,000 was approved at the Annual General Meeting on 23 May 2008. It has been reflected as an appropriation of retained earnings for the six months ended 30 June 2008.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 July 2008 (same period of 2007: nil).

20. Capital commitments

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

	30 June 2008 (unaudited)	31 December 2007 (audited)
Capital expenditures		
– Approved but not contracted for	301,384	189,162
– Contracted but not provided for	<u>1,326,876</u>	<u>981,784</u>

21. Contingent liabilities

As described in the annual financial statements for the year ended 31 December 2007, the Company's income tax expense in 2006 was adjusted by tax authority in the year of 2007.

As of the date of the issuance of the condensed consolidated financial information, the Company's management believes it is not likely that the income tax rate for the years before 2006 will be adjusted and the contingency does not have significant impact to the condensed consolidated financial information as well.

22. Related-party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Name of related party and relationship

Name	Relationship with the Group
Xuancheng Highway Management Company ("XHMC")	Minority shareholder of the Company's subsidiary

(b) Related party transactions

Transactions with the State-owned Enterprises

	For the six months ended	
	30 June 2008 <i>(unaudited)</i>	30 June 2007 <i>(unaudited)</i>
Borrowings from banks	505,000	1,276,000
Toll road repair and maintenance cost paid and payable	1,556	4,084
Toll road construction / upgrade cost paid and payable	298,634	109,795
	<u>805,190</u>	<u>1,389,879</u>

Except for transactions with the state-owned enterprises as disclosed above, there were no significant transactions with related parties for the six months period ended 30 June 2008.

(c) Period-end balances

(i) Payables to related parties

	30 June 2008 <i>(unaudited)</i>	31 December 2007 <i>(audited)</i>
Other state-owned Enterprises	<u>21,300</u>	<u>120,944</u>

22. Related-party transactions (continued)

(c) Period-end balances (continued)

(ii) Bank deposits and borrowings

	30 June 2008 (unaudited)	31 December 2007 (audited)
State-owned banks-bank deposits	316,082	272,442
State-owned banks-borrowings	545,000	440,000

(iii) Long-term payables to minority shareholder of a subsidiary (Note 12)

	30 June 2008 (unaudited)	31 December 2007 (audited)
XHMC	242,211	235,070

As at 30 June 2008 and 31 December 2007, amounts due from and due to the related parties as aforementioned, except for long term payables to XHMC as disclosed in Note 12, mainly arose from the above transactions and payments made by the Company and related parties on behalf of each other. These amounts are unsecured and are repayable within 1 year.

23. Approval on the condensed consolidated interim financial information

The condensed consolidated interim financial information was reviewed by the audit committee of the Company and approved by the Board of Directors on 18 August 2008.

24. Events occurring after the balance sheet date

In July 2008, the Company received income tax refund of RMB36,700 thousands from Anhui Department of Finance as government grant and this refund was recorded as other income upon receipts.

Pursuant to a resolution of Board of Director's meeting on date of 18 August 2008, the Company was approved to increase capital at a consideration of RMB 17,556 thousand by the equity capital invested in Anhui Expressway Advertisement Co., Ltd.

Pursuant to a resolution of Board of Director's meeting on date of 18 August 2008, the Company was approved < the proposal of plan to issue convertible bonds > and < the proposal of issuing fund-raising investment projects feasibility >. Above proposals should be approved by the Company's temporary Board of Director's meeting.



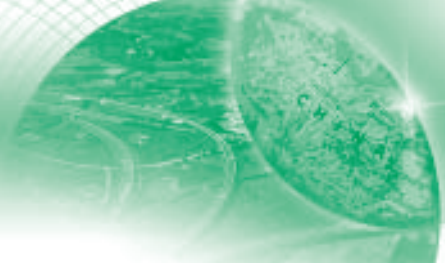
SECTION IX DOCUMENTS AVAILABLE FOR INSPECTION

1. The Interim Report signed by the Chairman;
2. The accounts, signed by the legal representative, the officer in charge of accounting works and the chief financial officer, and stamped with corporate seal;
3. The original copies of corporate documents and announcements published in the Shanghai Securities Post, China Securities Post, Hong Kong Commercial Daily and The Standard in Hong Kong.
4. The Memorandum and Articles of Association;
5. The Interim Report disclosed in other securities market;
6. Other relevant materials By Order of the Board

Wang Shui

Chairman

18 August 2008



SECTION X CONFIRMATION OPINION TO 2008 INTERIM REPORT BY DIRECTORS AND SENIOR MANAGEMENT

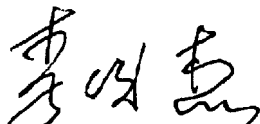
Being the Directors and Senior Management of Anhui Expressway Company Limited, we hereby confirm in writing that the content of the 2008 interim report is authentic, accurate, complete, of the opinion that there are no false representations or misleading statements contained in or material omissions from this report; and shall be severally and jointly accept responsibility for the authenticity, accuracy and completeness of the content of this report.

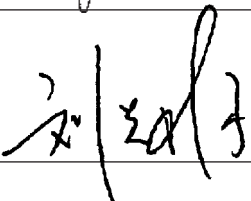
Directors' Signature:

Wang Shui: _____ 

Li Yungui: _____ 

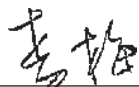
Tu Xiaobei: _____ 

Li Junjie: _____ 

Liu Xianfu: _____ 

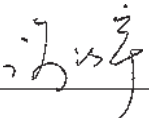
Meng Jie: _____ 

Leung Man Kit: _____ 

Li Mei: _____ 

Guo Shan: _____ 

Senior Management Members' Signatures:

Xie Xinyu: _____ 

Wang Changyin: _____ 

Liang Bing: _____ 

18 August 2008