



Anhui Expressway Company Limited

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



Interim Report **2009**



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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 were prepared in accordance with the PRC and Hong Kong Accounting Standards and were reviewed by the Audit Committee of the Company.

There was no extraordinary use of funds by the controlling shareholder and its related parties of the Company.

There was no offering for security in violation of specified procedure.

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
Office 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 Accountant	: PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co.,Ltd 11th Floor, PricewaterhouseCoopers Center, Hubin Road, Shanghai
Hong Kong Accountant	: 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

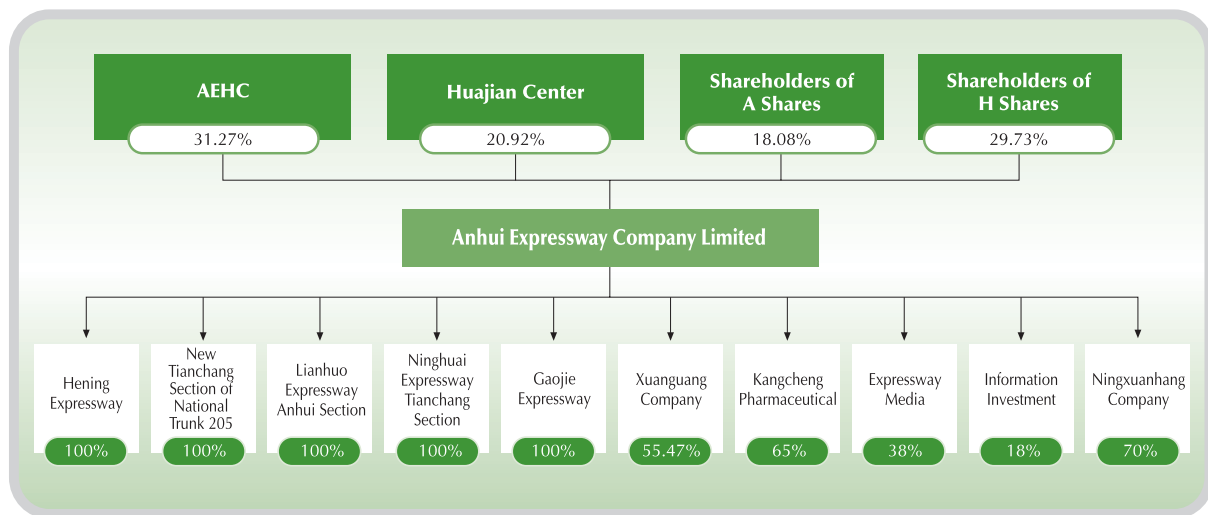
Anhui Expressway Company Limited (the "Company") was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People's Republic of China (the "PRC").

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 Media"	Means	Anhui Expressway Media Company Limited (Original: Anhui Provincial Expressway Advertisement Company Limited)
"Information Investment"	Means	Hefei Information Investment Company Limited
"Xuancheng Highway Management"	Means	Xuancheng City Highway Construction and Management Company Limited
"Ningxuanhang Company"	Means	Anhui Ningxuanhang Expressway 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 last year		Increase/ decrease of the end of the reporting period as compared to the end of the last year (%)
		After adjustment	Before adjustment	
Total assets	8,913,081,953.24	8,591,446,505.77	8,587,027,164.19	3.74
Equity holders (or shareholders' equities)	4,992,320,226.09	5,002,958,393.19	4,998,007,226.20	-0.21
Net asset per share (RMB)	3.0099	3.0164	3.0134	-0.21
	Reporting period (January-June)	Corresponding period last year		Increase/ decrease of the end of the reporting period as compared to the end of the last year (%)
		After adjustment	Before adjustment	
Operating profit	506,789,799.06	477,546,257.56	479,311,583.07	6.12
Total profit	509,168,254.20	479,255,698.67	479,343,691.07	6.24
Net profit	371,056,276.06	334,030,740.13	334,096,734.43	11.08
Net profit after extraordinary items	369,373,246.73	334,006,659.13	334,072,653.43	10.59
Basic earnings per share (RMB)	0.2237	0.2014	0.2014	11.07
Basic earnings per share after extraordinary items (RMB)	0.2227	0.2014	0.2014	10.58
Diluted earnings per share (RMB)	0.2237	0.2014	0.2014	11.07
Returns on net assets (%)	7.43	7.19	7.22	An increase of 0.24 percent point
Net cash flows from operating activities	501,380,197.26	398,164,095.00	398,164,095.00	25.92
Net cash flows from operating activities per share	0.3023	0.2401	0.2401	25.90

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 from beginning of the year to the end of the reporting period
Loss from disposals of non-current assets	-45,734.11
Sporadic fiscal returns	1,000,000.00
Other non-operating income and expenses other than above-mentioned items	1,424,189.25
Minority interests effect amount	-100,812.02
Income tax effect amount	-594,613.79
Total	1,683,029.33

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		
	2009	2008 (Restated)	Change
	(RMB'000)	(RMB'000)	(%)
Turnover	1,380,455	1,358,557	1.61
Operating profit before income taxation	503,490	465,057	8.26
Profit attributable to equity holders of the Company	366,408	315,341	16.19
Basic earnings per share attributable to equity holders of the Company (RMB)	0.2209	0.1901	16.20

Summary of assets

	As at 30	As at 31	
	June 2009	December 2008	Change
	(RMB'000)	(RMB'000)	(%)
Total assets	9,058,068	8,739,408	3.65
Total liabilities	3,738,201	3,387,759	10.34
Total net assets			
(Capital and reserve attributable to equity holders of the Company)	5,116,356	5,131,428	-0.29
Net assets per share (RMB)	3.0847	3.0938	-0.29

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 2009 and the net profit in the first half of 2009 under the accounting principles of Hong Kong are summarized below:

Reconciliation between PRC and HKGAAP Accounts	For the six months ended 30 June			
	2009 (RMB'000)		2008 (Restated) (RMB'000)	
	Shareholders' equities attributable to the shareholders of the Company	Net profit attributable to the shareholders of the Company	Shareholders' equities attributable to the shareholders of the Company	Net profit attributable to the shareholders of the Company
Amount presented in accordance with the Chinese Accounting Standards ("CAS")	4,992,320	371,056	4,644,483	334,031
Reconciliation to HKFRS				
1. Valuation of assets and depreciation toll roads (a)	6,122	(155)	6,431	(7,706)
2. Valuation and amortization of toll roads related to Concession intangible assets (a)	166,756	(4,861)	176,479	(4,861)
3. Accounting for Enterprise Safety Fund (b)	3,564	(664)	4,036	(1,632)
4. Deferred Taxes (c)	(52,117)	791	(55,295)	(5,562)
5. Minority interests	(289)	241	(226)	1,071
Amount presented in accordance with HKFRS (Unaudited)	5,116,356	366,408	4,775,908	315,341



Reconciliation items

- (a) In order to issue “H” share in Hong Kong, concession intangible assets 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 Rmb 319,000,000, which was included in the financial statements prepared in accordance with HKFRS. These differences lead to the reconciliation items presented above.
- (b) According to “Interpretation No.3 to the Accounting Standards for Enterprises” and 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 specific reserve-Safety Fund account and subsequently reversed when utilized. From 1st January 2007, the accrued balance exceeds 2% of total toll income of last year, so no safety fund was accrued in the reporting period 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), valuation and amortization of toll roads related to franchise rights and valuation and depreciation of fixed assets are recognised for the temporary differences arising from the difference between the carrying amount of valuation and amortization of toll roads related to franchise rights and valuation and depreciation of fixed assets, which mainly due to the valuation and depreciation difference of these assets. These differences lead to the reconciliation items presented above. As mentioned in note (b), Safety Funds are recognised for the temporary differences arising from the difference of disposals of Safety Fund between China Fiscal Department and HKFRS. These differences lead to the reconciliation items presented above.

SECTION III CHANGE OF SHARE CAPITAL AND SHAREHOLDINGS

I. 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 circulating of the third part of restricted circulating shares after restricted terms after the Share Segregation Reform, the capital structure of the Company changed.

(I) 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	352,720	21.27			-352,720	-352,720	0	0
2. State-owned legal person shares	181,158	10.92			-181,158	-181,158	0	0
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>533,878</u>	<u>32.19</u>			<u>-533,878</u>	<u>-533,878</u>	<u>0</u>	<u>0</u>
II. Unrestricted circulating shares								
1. Renminbi-denominated ordinary shares	631,722	38.09			+533,878	+533,878	1,165,600	70.28
2. Domestic-listed foreign shares								
3. Overseas-listed foreign shares	493,010	29.72					493,010	29.72
4. Others								
Total unrestricted circulating shares	<u>1,124,732</u>	<u>67.81</u>			<u>+533,878</u>	<u>+533,878</u>	<u>1,658,610</u>	<u>100</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 third part of 533,878,000 restricted circulating shares held by AEHC and Huajian Center will be changed to unrestricted circulating shares on 3 April 2009. By now, the total share capital of the Company was still 1,658.61 million shares, all of which were unrestricted circulating shares.

(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 2009, 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 72,974 shareholders of the Company, which consist of one state-owned shareholder, one state-owned legal person shareholder, 72,904 A shareholders and 68 H shareholders.
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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	State	31.27%	518,581,000	0	0	None
HKSCC NOMINEES LIMITED (agent)	Overseas legal person	29.29%	485,883,898	-1,246,000	0	Not known
Huajian Transportation Economic Development Center	State legal person	20.92%	347,019,000	0	0	None
ARSENTON NOMINEES LIMITED (agent)	Overseas legal person	0.29%	4,802,000	0	0	Not known
Pictet Asset Management - Pictet Funds (LUX)	Others	0.24%	3,999,970	+3,999,970	0	Not known
Shanxi Huiteng International Cargo Agent Company Limited	Others	0.20%	3,255,000	+553,301	0	Not known
Song Yicai	Domestic individual shares	0.16%	2,670,388	+2,670,388	0	Not known
National Social Insurance Fund-102 Composition	Others	0.15%	2,500,000	0	0	Not known
Yang Hongmei	Domestic individual shares	0.07%	1,215,000	+1,215,000	0	Not known
Chen Xiangyang	Domestic individual shares	0.07%	1,157,600	+1,157,600	0	Not known



The shareholding of the top ten holders of unrestricted circulating shares

Name of shareholders	Number of unrestricted circulating shares	Type of shares
Anhui Expressway Holding Corporation	518,581,000	Renminbi-denominated ordinary shares
HKSCC NOMINEES LIMITED (agent)	485,883,898	Overseas-listed foreign shares
Huajian Transportation Economic Development Center	347,019,000	Renminbi-denominated ordinary shares
ARSENTON NOMINEES LIMITED (agent)	4,802,000	Overseas-listed foreign shares
Pictet Asset Management - Pictet Funds (LUX)	3,999,970	Renminbi-denominated ordinary shares
Shanxi Huiteng International Cargo Agent Company Limited	3,255,000	Renminbi-denominated ordinary shares
Song Yicai	2,670,388	Renminbi-denominated ordinary shares
National Social Insurance Fund-102 Composition	2,500,000	Renminbi-denominated ordinary shares
Yang Hongmei	1,215,000	Renminbi-denominated ordinary shares
Chen Xiangyang	1,157,600	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) *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 2009 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	As a percentage Type of shares	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		Type of shares	As a % of total H Shares	Pledged or locked-up
			during period			
Commonwealth Bank of Australia	83,596,000(L)	—		H Shares	16.96%	Not known
Colonial Holding Company Ltd	83,596,000(L)	—		H Shares	16.96%	Not known
Commonwealth Insurance Holdings Ltd	83,596,000(L)	—		H Shares	16.96%	Not known
Colonial First State Group Ltd	83,596,000(L)	—		H Shares	16.96%	Not known
First State Investment Managers (Asia) Ltd	83,596,000(L)	—		H Shares	16.96%	Not known
First State Investments (Bermuda) Ltd	83,596,000(L)	—		H Shares	16.96%	Not known
First State (Hong Kong) LLC	83,596,000(L)	—		H Shares	16.96%	Not known
First State Investments (Hong Kong) Ltd	83,596,000(L)	—		H Shares	16.96%	Not known
JPMorgan Chase & Co.	44,336,250(L) 42,088,250(P)	—		H Shares	8.99% 8.54%	Not known
JPMorgan Chase Bank, N.A.	42,088,250(L)	—		H Shares	8.54%	Not known
The Bank of New York Mellon Corporation	44,177,030(L) 16,850,000(P)	—		H Shares	8.96% 3.42%	Not known
The Bank of New York Mellon	44,177,030(L)	—		H Shares	8.96%	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

Names	At end of period (shares)	Increases or decreases		Type of shares	As a % of total H Shares	Pledged or locked-up
		during period				
Colonial 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 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
Franklin Templeton Investments (Asia) Limited	25,106,000(L)	—		H Shares	5.09%	Not known
First State Investments (UK Holdings) Ltd	8,718,000(L)	—		H Shares	1.77%	Not known
SI Holdings Limited	8,718,000(L)	—		H Shares	1.77%	Not known
First State Investment Management (UK) Limited	8,718,000(L)	—		H Shares	1.77%	Not known
JPMorgan Asset Management Holdings Inc.	2,120,000(L)	—		H Shares	0.43%	Not known
JF Asset Management Limited	1,000,000(L)	—		H Shares	0.20%	Not known
JPMorgan Asset Management (Asia) Inc.	1,000,000(L)	—		H Shares	0.20%	Not known
J.P. Morgan Investment Management Inc.	766,000(L)	—		H Shares	0.16%	Not known
JPMorgan Asset Management (UK) Limited	354,000(L)	—		H Shares	0.07%	Not known



Names	At end of period (shares)	Increases or decreases		Type of shares	As a % of total H Shares	Pledged or locked-up
			during period			
JPMorgan Asset Management Holdings (UK) Limited	354,000(L)	—		H Shares	0.07%	Not known
JPMorgan Asset Management International Limited	354,000(L)	—		H Shares	0.07%	Not known
J.P. Morgan Whitefriars Inc.	128,000(L)	—		H Shares	0.03%	Not known
J.P. Morgan Overseas Capital Corporation	128,000(L)	—		H Shares	0.03%	Not known
J.P. Morgan International Finance Limited	128,000(L)	—		H Shares	0.03%	Not known
Bank One International Holdings Corporation	128,000(L)	—		H Shares	0.03%	Not known
J.P. Morgan International Inc.	128,000(L)	—		H Shares	0.03%	Not known
JPMorgan Chase Bank, N.A.	128,000(L)	—		H Shares	0.03%	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 2009.

(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 2009, 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

During the reporting period, there was no appointment and dismissal of Directors, Supervisors and Senior Management of the Company.

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

As at 30 June 2009, none of the Directors, Supervisors or their associates 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 RMB856,715 thousands for the whole year. The unaudited net profit attributable to shareholders of the parent company was RMB371,056 thousands, basic earnings per share was RMB0.2237. In accordance with Hong Kong Accounting Standards, the unaudited net profit attributable to equity holders of the Company was RMB366,408 thousands, basic earnings per share was RMB0.2209.

Review

Since the second half of last year, the PRC has timely adjusted its economic policies under the international financial crisis, which effectively bridled the recession and favoured the growth of the economy. In the first half of 2009, gross domestic product amounted to RMB13,986.2 billion, representing a period-on-period increase of 7.1% in terms of comparable prices.

In the first half of 2009, the economy of Anhui Province has been recovering and provincial GDP amounted to RMB451.29 billion, representing an increase of 11.8% over the corresponding period last year. As at the end of June, total investment in transportation infrastructure amounted to RMB7.561 billion, representing an increase of 6.81% over the corresponding period last year. The total provincial highway and waterway transportation volume of passengers was 674.08 million; turnover volume of passengers was 43,574.33 million person kilometres; transportation volume of goods was 893.12 million tons; and the turnover volume of goods was 252,488.1 million ton kilometres, all of which representing increases of 7.73%, 9.59%, 6.44% and 4.27% over the corresponding period last year respectively.

With the revival of economy, transportation volume of the highways operated by the Group bounced back. In the first half of the year, the Group recorded toll revenue of RMB820,893 thousands, representing an increase of 2.16% over the corresponding period last year.

Renovation of Gaojie Expressway was completed ahead of schedule in June 2009. As such, traffic conditions of Gaojie Expressway were greatly improved. In the first half of the year, the widening construction from four lanes to eight lanes on Hening Expressway was in good progress and is expected to be completed by September.

The initial design and use of land of Ningxuanhang Expressway Xuancheng-Ningguo Section, which was invested by the Group, have been approved by the Provincial Development and Reform Commission and the Ministry of Land and Resources. Land expropriation and demolition have been launched and the construction is expected to fully commence in the second half of the year. Situated in the southern part of Anhui Province, this project is a major traffic route connecting the Anhui Province and economically advanced Yangtze River Delta region, and has a positive effect on the improvement of the traffic networks in Anhui Province, Yangtze River Delta and the country. Implementation of the project will not only satisfy the needs arising from the region's economic development, but will also have a positive effect on the profitability enhancement and the long-term development of the Company.



Outlook

The current development of the PRC economy is crucial to its recovery. Although the economy has bottomed out, the foundation for long term revival is still unsound and the challenges and difficulties of the economy will have impacts on the traffic volume and ratio of passenger vehicles to goods vehicles of our highways.

All of the Group's toll roads are situated in Anhui Province. Benefited from the rapid economic recovery and improvement of provincial highway network in Anhui, the implementation of investment expansion policy in the PRC and the completion of the Company's highway reconstruction projects, it is expected that traffic volume will maintain its growth momentum in the second half of the year. Besides, most of the expressways operated by the Group are national trunk highways located at prime regions and are superior assets with strong risk resistance.

In addition to economic impacts, the Group is also facing challenges from the reallocation of overall traffic volume as a result of the expansion of expressway network and the effect of the development of railway and airline transport industries on highway transport.

The Company will continue to concentrate on the investment, construction, operation and management of toll roads. Apart from strengthening the management of existing expressways, the Company will also expand its asset portfolio to further increase its market shares in the toll road market in Anhui Province and consolidate its overall capacity and core competitiveness in order to build the Company into a large toll road company featuring significant core business, healthy operation, sound governance structure and high management level.

Chairman

Wang Shui

Hefei, Anhui, the PRC
21 August 2009

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 RMB856,715 thousands (Corresponding period in 2008: RMB842,481 thousands), representing an increase of 1.68% compared with that of the corresponding period of last year. The total profit was RMB509,168 thousands (Corresponding period in 2008: RMB479,256 thousands), representing an increase of 6.24% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the parent company reached RMB371,056 thousands (Corresponding period in 2008: RMB334,031 thousands), representing an increase of 11.08% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2237 (Corresponding period in 2008: RMB0.2014), representing an increase of 11.07% compared with that of the corresponding period of last year.

In accordance with the Hong Kong Accounting Standards, the Group achieved a turnover of RMB1,380,455 thousands representing an increase of 1.61% compared with that of the corresponding period of last year. Profit before taxation was RMB503,490 thousands, representing an increase of 8.26% compared with that of the corresponding period of last year. Unaudited profit attributable to equity holders of the Company was RMB366,408 thousands, representing an increase of 16.19% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2209, representing an increase of 16.20% compared with that of the corresponding period of last year.

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.

Items	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
Xuanguang Expressway	84	4	4	2	Commencing from 1 January 1999 to 31 December 2028 (South Ring Road: Commencing from 1 September 2003 to 31 December 2028)



Items	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
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

Items	Share of interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2009	First half of 2008	Change (%)	First half of 2009	First half of 2008	Change (%)
		Hening Expressway	100%	14,937	13,828	8.02	320,797
New Tianchang Section of National Trunk 205	100%	5,277	6,537	-19.27	18,734	24,231	-22.69
Gaojie Expressway	100%	10,185	9,721	4.77	211,989	220,695	-3.94
Xuanguang Expressway	55.47%	11,952	10,768	11.00	159,207	146,278	8.84
Lianhuo Expressway Anhui Section	100%	6,531	7,410	-11.86	83,445	98,777	-15.52
Ninghuai Expressway Tianchang Section	100%	13,303	10,451	27.29	26,676	19,656	35.71

Items	Share of interests	Proportion of passenger vehicles to goods vehicles		Toll income per vehicle (RMB)		Change (%)
		First half of 2009	First half of 2008	First half of 2009	First half of 2008	
		Hening Expressway	100%	65:35	59:41	
New Tianchang Section of National Trunk 205	100%	47:53	44:56	20	20	—
Gaojie Expressway	100%	45:55	38:62	115	125	-8.00
Xuanguang Expressway	55.47%	58:42	51:49	74	76	-2.63
Lianhuo Expressway Anhui Section	100%	44:56	35:65	71	73	-2.74
Ninghuai Expressway Tianchang Section	100%	73:27	72:28	11	10	10.00

Given the general economic conditions, the Group's toll income was RMB820,848 thousands, representing an increase of 2.15% over the corresponding period last year and the traffic volume structure was also affected as evidenced by the decreased percentage of goods vehicles of each road during the reporting period.

During the reporting period, by virtue of gradual economic recovery, the toll income and traffic volumes of Hening Expressway, Ninghuai Expressway Tianchang Section and Xuanguang Expressway recorded positive growth. The significant growth of Ninghuai Expressway Tianchang Section was also attributable to the continuous diverted traffic from the traffic volumes of New Tianchang Section of National Trunk 205, the traffic volumes of which had a substantial decrease over the corresponding period last year. With the calculation combining the above two highways, the converted average daily traffic volumes for entire journey was 18,580, representing an increase of 9.37% over the corresponding period last year, the toll income was RMB43,887 thousands, representing an increase of 3.47% over the corresponding period last year.

During the reporting period, Lianhuo Expressway Anhui Section, Gaojie Expressway and New Tianchang Section of National Trunk 205 recorded decreases in revenue because goods vehicles, which are more vulnerable to economic conditions, accounted for the majority of their traffic volume. In addition, the reallocation of traffic volumes among intra-expressway networks, such as the reallocation between Ninghuai Expressway Tianchang Section and New Tianchang Section of National Trunk 205, and the reallocation between Anjing Expressway, Yanjiang Expressway and Gaojie Expressway, lowered their capacities.

2. *Project Investment*

(i) **Investment of fund-raising**

During the reporting period, there was no use of fund-raising or prior period fund-raising up to the reporting period.

(ii) **Investments of non-fund-raising**

(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, RMB306 million was invested in the widening works, as at the end of the reporting period, the accumulated investment was RMB1,838 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. The reconstruction was fully finished in June 2009 with estimated expenditure of RMB830 million.

During the reporting period, RMB243 million million was invested in the reconstruction works, as at the end of the reporting period, the accumulated investment was RMB808 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 RMB146 million and will be finished at the end of 2009.

During the reporting period, RMB9 million was invested in the reconstruction works, as at the end of the reporting period, the accumulated investment was RMB107 million.

(4) Construction of Ningxuanhang Expressway Xuancheng-Ningguo Section

Ningxuanhang Expressway Xuancheng-Ningguo Section is a part of Ningxuanhang Expressway Anhui Section with a total mileage of 44km and investment of RMB2,679 million. During the reporting period, the initial design and land use rights for the project were approved by the Provincial Development and Reform Commission and the Ministry of Land and Resources respectively. Currently, land expropriation and demolition are in full swing and the full-scale construction is expected to start in the second half of the year.

During the reporting period, RMB4 million million was invested in the reconstruction works, as at the end of the reporting period, the accumulated investment was RMB24 million.

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

Key financial index	January-June	January-June	Change
	2009 (RMB'000)	2008 (RMB'000) (Restated)	
Revenue	856,715	842,481	1.69
Operating costs	238,899	251,578	-5.04
Administrative expenses	63,430	56,743	11.78
Finance costs	20,320	31,196	-34.86
Operating profit	506,790	477,546	6.12
Net profit attributable to shareholders of parent company	371,056	334,031	11.08

Revenue

During the reporting period, the Group achieved a revenue of RMB856,715 thousands, representing an increase of 1.69% compared with that of the corresponding period of last year. Among which, Hening Expressway, New Tianchang Section of National Trunk 205, Ninghuai Expressway Tianchang Section, Gaojie Expressway, Xuanguang Expressway and Lianhuo Expressway Anhui Section represented an increase of 5.77%, -22.18%, 36.61%, -3.06%, 8.74% and -11.86% 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 2009		As a percentage of the total income (%)	January-June 2008 (Restated)		As a percentage of the total income (%)
	Principal business income (RMB'000)	Other business income (RMB'000)		Principal business income (RMB'000)	Other business income (RMB'000)	
Hening Expressway	330,613	5,200	39.20	312,656	4,837	37.69
New Tianchang Section of National Trunk 205	18,734	149	2.20	24,231	32	2.88
Gaojie Expressway	220,107	4,147	26.18	227,696	3,636	27.46
Xuanguang Expressway	159,207	103	18.60	146,278	222	17.39
Lianhuo Expressway Anhui Section	85,732	4,144	10.49	100,429	1,544	12.10
Ninghuai Expressway Tianchang Section	28,385	194	3.33	20,894	26	2.48
Total	842,778	13,937	100.00	832,184	10,297	100.00

(Note: principal business income includes toll income and service area operation income.)



Operating costs

During the reporting period, the operating costs related to toll roads of the Group was RMB238,899 thousands, representing a decrease of 5.04%. The decrease of operating costs was mainly due to the snow disaster at the beginning of 2008, which resulted in the road surface damage and increased the road maintenance costs, there was no above-mentioned matter in the first half of 2009.

Project of Costs	Percentage of specific operating costs (%)			
	Depreciation and amortization (RMB'000)	Road maintenance expenses (RMB'000)	Other costs (RMB'000)	Total (RMB'000)
First half of 2009	170,035	28,743	40,121	238,899
First half of 2008 (Restated)	172,837	42,544	36,197	251,578
Change	-1.62%	-32.44%	10.84%	-5.04%

Administrative expenses

During the reporting period, the Group's administrative expenses were RMB63,430 thousands, representing an increase of 11.78% compared with that of the corresponding period of last year, which was mainly due to the increase of staff wages.

Finance costs

During the reporting period, the Group's finance costs were RMB20,320 thousands, representing a decrease of 34.86% compared with that of the corresponding period of last year, which was mainly because that the interest capitalized amount increased compared with that of the corresponding period of last year.

Operating profit

Owing to the above composite factors, the operating profit of the Group during the reporting period increased by 6.12% to RMB506,790 thousands. The operating profit margin of the Group during the reporting period was 59.15% (Corresponding period of 2008: 56.68%).

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

Unit: RMB'000

Name of roads	Revenue	Operating costs	Operating profit margin (%)	Change in revenues (%)	Change in costs (%)	Change in operating profit margin (%)
Hening Expressway	335,813	77,464	65.89	5.77	-12.10	An increase of 5.48 percent point
New Tianchang Section of National Trunk 205	18,882	10,769	26.68	-22.18	-9.51	A decrease of 7.92 percent point
Gaojie Expressway	224,254	51,065	68.38	-3.06	-9.24	An increase of 2.47 percent point
Xuanguang Expressway	159,310	41,160	51.07	8.74	5.23	An increase of 0.60 percent point
Lianhuo Expressway Anhui Section	89,877	45,112	37.54	-11.86	1.34	A decrease of 5.82 percent point
Ninghuai Expressway Tianchang Section	28,579	13,329	42.86	36.61	14.34	An increase of 9.67 percent point
Total	856,715	238,899	59.15	1.69	-5.04	An increase of 2.47 percent point

Net profit

During the reporting period, the net profit of the Group was RMB398,261 thousands, net profit attributable to shareholders of the parent company was RMB371,056 thousands, representing an increase of 10.98% and 11.08% respectively compared with that of the corresponding period of last year. The basic earnings per share was RMB 0.2237 for the reporting period.



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 RMB8,913,082 thousands, representing an increase of 3.74% 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 2009, the Group's current liabilities was RMB3,367,699 thousands (As at 31 December 2008: RMB3,023,470 thousands), of which RMB2,615,000 thousands was short term borrowings, RMB554,922 thousands was accounts payables, RMB3,418 thousands was interests payables, RMB32,106 thousands was staff wages payables, RMB32,860 thousands was tax payables, RMB120,858 thousands was other payables, (including RMB34,885 thousands of toll income collected on behalf of the inter-network settlement center, RMB45,977 thousands of deposit from engineering projects, RMB2,471 thousands was provision on road maintenance and central control maintenance expenses and other payables was RMB37,525 thousands), other current liabilities was RMB8,535 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 2009, the Group's long term liabilities was RMB349,841 thousands (As at 31 December 2008: RMB345,155 thousands), which was mainly the balances of RMB257,150 thousands accrued from the total payables of the investment in Xuanguang Company by Xuancheng Highway Management Company Limited and the registered capital, deferred taxation liabilities of RMB47,691 thousands and government subsidies of RMB45,000 thousands relating to relevant assets of Ninghuai Expressway Tianchang Section.

Shareholders' equities (including minority interests)

As at 30 June 2009, the Group's shareholders' equities was RMB5,195,542 thousands representing a decrease of RMB27,280 thousands from that at the beginning of the year, which was mainly due to the distribution of 2008 annual dividend.

Cash flows of the Group

As at 30 June 2009, the Group's cash and cash equivalent were RMB448,948 thousands, representing a net decrease of RMB43,079 thousands compared with that of the corresponding period last year.

During the reporting period, the Group's net operating cash inflow was RMB501,380 thousands, representing an increase of RMB103,216 thousands compared with that of the corresponding period last year and the increase rate was 25.92%, which was mainly because that during the reporting period, the Group's cash received from sales of goods or rendering services increased by RMB21,557 thousands compared with that of the corresponding period last year, but cash paid for goods and services, tax payables and staff salaries decreased respectively by RMB29,093 thousands, RMB29,111 thousands and RMB23,869 thousands.

During the reporting period, the Group's net cash outflow used in investment was RMB487,832 thousands, which was mainly used in Widening of Hening Expressway, reconstruction of Gaojie Expressway and building of Wantong Expressway Hi-tech Industrial Park.

During the reporting period, the Group's net cash outflow from financing activities was RMB95,835 thousands, which was mainly due to the increase of payment of bank loans and distribution of dividends compared with that of the corresponding period last year.

During the reporting period, the Group's bank loans were RMB2,260,000 thousands in aggregate. As at the end of the reporting period, the balance of bank loans was RMB2,615,000 thousands, interests rate for the bank loans above were 4.374% to 7.0965% (corresponding period of 2008: 5.832% to 7.0965%). The term of the loans was all within 12 months.

Capital expenditures

During the reporting period, the Group's capital expenditure totaled RMB618,000 thousands, which was mainly composed of the Widening of Hening Expressway, reconstruction of Gaojie Expressway and building of Wantong Expressway 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 RMB27,483 thousands authorized by the Board but not contracted for; RMB98,622 thousands contracted for but not necessarily confirmed in the financial statement.

The capital expenditure commitment of the reconstruction of Gaojie Expressway was RMB22,481 thousands authorized by the Board but not contracted for; no contracted for but not necessarily confirmed in the financial statement.

Capital Structure

	As at 30 June 2009		As at 31 December 2008 (Restated)	
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)
Current liabilities	3,367,699	37.78	3,023,470	35.19
Long-term liabilities	349,841	3.93	345,155	4.02
Shareholders' equities	4,992,320	56.01	5,002,958	58.23
Minority interests	203,222	2.28	219,863	2.56

The structure of shareholders' equities and liabilities of the Group was reasonable. As at 30 June 2009, the Group held total cash and cash equivalent of RMB448,948 thousands and bank loans of RMB2,615,000 thousands. The gearing ratio was 41.71% (39.21% on 31 December 2008).



IV Change of Taxation Policies

1. Participation in construction of public infrastructure in the form of Build-Operate-Transfer ("BOT")

According to "Interpretation No.2 to the Accounting Standards for Enterprises" (the "Interpretation No.2") issued by the Ministry of Finance of the PRC on 12 September 2008 in relation to participation in construction of public infrastructure in the form of BOT, relevant figures for the 6 months ended 30 June 2008 have been retrospectively adjusted. Significant retrospective adjustment has been made to the following:

The Group	30 June 2008 (Unaudited)
Decrease in fixed assets	(4,730,055,921.34)
Decrease in construction in progress	(1,267,364,201.66)
Increase in intangible assets	5,997,420,123.00
Increase in deferred tax assets	5,078,545.82
Increase in other current liabilities	(20,314,183.26)
Decrease in surplus reserves	1,492,291.24
Decrease in retained earnings	14,855,100.69
Increase in minority interests	(1,111,754.49)
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	For the 6 months ended 30 June 2008 (Unaudited)
Increase in cost of sales	87,992.40
Decrease in income tax	(21,998.10)
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The Company	30 June 2008 (Unaudited)
Decrease in fixed assets	(4,093,230,468.75)
Decrease in construction in progress	(1,228,024,563.08)
Increase in intangible assets	5,321,255,031.83
Increase in deferred tax assets	4,996,302.19
Increase in other current liabilities	(19,985,208.75)
Decrease in surplus reserves	1,492,291.23
Decrease in retained earnings	13,496,615.33
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	For the 6 months ended 30 June 2008 (Unaudited)
Increase in cost of sales	87,992.40
Decrease in income tax	(21,998.10)
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2. Safety funds

According to "Basis for Conclusions of Accounting Standards for Enterprises 2008" issued by the Ministry of Finance of the PRC on 26 December 2008, relevant figures for the 6 months ended 30 June 2008 have been retrospectively adjusted. Significant retrospective adjustment has been made to the following:

The Group	30 June 2008 (Unaudited)
Increase in fixed assets	4,035,945.19
Decrease in deferred tax assets	(8,680,581.17)
Decrease in long-term payables	33,071,732.19
Increase in surplus reserves	(35,317,553.79)
Decrease in retained earnings	7,185,140.66
Increase in minority interests	(294,683.08)
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	For the 6 months ended 30 June 2008 (Unaudited)
Increase in cost of sales	1,630,822.31
Decrease in income tax	(528,454.66)
Increase in minority interest	(410,157.15)
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The Company	30 June 2008 (Unaudited)
Increase in fixed assets	2,468,869.25
Decrease in deferred tax assets	(7,775,268.26)
Decrease in long-term payables	30,328,359.75
Increase in surplus reserves	(35,317,553.79)
Decrease in retained earnings	10,295,593.05
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	For the 6 months ended 30 June 2008 (Unaudited)
Increase in cost of sales	181,287.14
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According to "Interpretation No.2 to the Accounting Standards for Enterprises" and "Basis for Conclusions of Accounting Standards for Enterprises 2008", the BOT and Safety Fund have been retrospectively adjusted in the 2008 annual financial statement, and disclosed in the Company's 2008 annual financial statement.



3. Specific reserve – Safety Fund

Originally, according to “Basis for Conclusions of Accounting Standards for Enterprises 2008” issued by the Ministry of Finance of the PRC on 26 December 2008, the Group transferred the safety funds balance, which was provided but unutilised, to surplus reserve – specific reserve, and would transfer the utilised portion to unallocated profit in future years until balance of surplus reserve – specific reserve reaches zero. According to “Explanation on Corporate Accounting Standards No.3” issued by the Ministry of Finance of the PRC on 11 June 2009, safety funds that are expenses in nature shall be charged to specific reserve directly while the funds that constitute fixed assets shall be accounted for under “construction in progress” and recognised as fixed assets when the safety project is completed and ready for intended use. The cost of fixed assets shall also be charged to specific reserve and an equivalent amount shall be recognised as accumulated depreciation. No depreciation shall be provided for such fixed assets in subsequent periods and adjustments shall be applied retrospectively.

These changes in accounting policies resulted in the following financial impact:

The Group	30 June 2009 (Unaudited)	31 December 2008 (Unaudited)
Decrease in fixed assets	(3,563,766.27)	(3,840,734.91)
Increase in deferred tax assets	8,132,500.80	8,260,076.49
Decrease in tax payables	90,250.55	173,887.04
Decrease in surplus reserves	35,109,073.58	35,109,073.58
Increase in retained earnings	(9,208,244.08)	(8,916,962.26)
Increase in specific reserve	(30,928,835.15)	(31,143,278.31)
Decrease in minority interests	369,020.57	357,938.37
	For the 6 months ended 30 June 2009 (Unaudited)	For the 6 months ended 30 June 2008 (Unaudited)
Decrease in cost of sales	(844,848.78)	(1,630,822.31)
Increase in income tax	211,212.17	528,454.66
Increase in minority interests	161,067.64	410,157.15

The opening retained earnings at 1 January 2008 have been increased by about RMB 7,895,841.05 as a result of this change in accounting policy.

	Unit: RMB	
The Company	30 June 2009 (Unaudited)	31 December 2008 (Unaudited)
Decrease in fixed assets	(2,106,294.97)	(2,287,582.11)
Increase in deferred tax assets	7,775,268.26	7,775,268.26
Increase in tax payables	(181,287.14)	(90,643.57)
Decrease in surplus reserves	35,109,073.58	35,109,073.58
Increase in retained earnings	(10,268,399.98)	(10,177,756.41)
Increase in specific reserve	(30,328,359.75)	(30,328,359.75)
	For the 6 months ended 30 June 2009 (Unaudited)	For the 6 months ended 30 June 2008 (Unaudited)
Decrease in cost of sales	(362,574.28)	(181,287.14)
Increase in income tax	90,643.57	—

The opening retained earnings at 1 January 2008 have been increased by about RMB 10,295,593.05 as a result of this change in accounting policy.

V Adjustment of toll rates of Ninghuai Expressway Tianchang Section

During the reporting period, toll rates of Ninghuai Expressway Tianchang Section have been adjusted two times:

1. *Adjustment of extra tolls imposed on overloaded goods vehicles (Effective from 00:00, 28 February 2009)*
 - (1) Overweight within 30% (including 30%), adjusted toll rate is RMB0.09/tonne per Kilometer.
 - (2) Overweight between 30% and 100% (including 100%), adjusted toll rate is between 3 times of RMB0.09/tonne per kilometer and increased linearly to 6 times of RMB0.09/tonne per kilometer.
 - (3) Overweight more than 100%, adjusted toll rate is 6 times of RMB0.09/tonne per kilometer.



Original extra toll rates imposed on overloaded goods vehicles:

1. Goods vehicle with standard weight and overweight is less than 30% (including 30%)	2. Goods vehicle with overweight between 30% and 50% (including 50%)	3. Goods vehicle with overweight between 50% and 100% (including 100%)	4. Goods vehicle with overweight over 100%	If the weight of the goods vehicle and the cargo are over the loading limit of the total mass (46 tons) and the limit of vehicle's shaft, subject to higher overlimit rate
Subject to toll applicable to normal goods vehicles regarding its weight	Standard weight and the first 30% overweight will be subject to a toll applicable to normal goods vehicles regarding its weight			
	The remaining balance will be subject to a toll equivalent to 2 times of its basic rate	The remaining balance will be subject to a toll equivalent to 3 times of the basic rate	The remaining balance will be subject to a toll equivalent to 4 times of the basic rate	

2. Adjustment of toll rates on goods vehicles with reference to their weight (Effective from 1 July 2009)

The basic normal toll rate for goods vehicles remains to be RMB0.09/ton per km. Subject to the actual total vehicle weight, vehicles below/equal to 10 tons will continued to be charged at the basic toll rate of RMB0.09/ton per km; vehicles over 10 tons and below/equal to 40 tons will be charged at a rate which reduces in a linear manner from RMB0.09/ton per km to RMB0.05/ton per km, as adjusted from the original rate which reduces in a linear manner from RMB0.09/ton per km to RMB0.04/ton per km; vehicles over 40 tons will continued to be charged at RMB0.05/ton per km, as adjusted from the original RMB0.04/ton per km.

VI Contingency

The Company was originally established in Anhui Hefei National New & High Technology Industrial Development Zone and was ratified as a new and high technology enterprise by Anhui Ministry of Science (identification number: 0034010A0279). The Company used a preferential enterprise income tax ("EIT") rate of 15% before 2006 in annual in annual tax filing process, according to PRC tax regulations (Caishui [1994] No.001) and the tax authority approved the Company's annual tax filing for the years before 2006. During 2006 tax clearance, local tax authority notified the Company that the existing EIT rate of 15% in declaring EIT is not appropriate and should be adjusted to 33%, hence additional EIT of Rmb 149,550 thousand for the year ended 31 December 2006 was levied. Management believes it is not likely that the EIT rate for the years before 2006 will be adjusted and the contingency does not have significant impact to the condensed consolidated interim financial information as well.

SECTION VII MAJOR EVENTS

1. Corporate Governance

The Company has strictly complied with requirements of laws, regulations and regulatory documents including the Company Law, the Securities Law, the Standard on the Governance of Listed Companies and the Guidelines for Articles of Association of Listed Companies since its establishment and continued to enhance its corporate governance standards.

During the reporting period, the Company revised, formulated and reviewed the Articles of Association, the Information Disclosure Administration System and the Annual Report System of Audit Committee in relation to its corporate governance according to the requirements of regulatory authorities and the needs of the Company to facilitate the continuous implementation of its corporate governance system.

During the reporting period, in accordance with the "Basic Rules for Internal Control of Companies" jointly issued by the Ministry of Finance, the CSRC, the National Audit Office, China Banking Regulatory Commission and China Insurance Regulatory Commission, the "Guidelines on Internal Control for Companies Listed on the Shanghai Stock Exchange" by Shanghai Stock Exchange and the Code on Corporate Governance Practices by the Hong Kong Stock Exchange and in light of the Company's needs in internal management, the Company conducted a comprehensive consolidation on its internal control system to establish an internal control system in compliance with regulatory requirements, which was considered and approved by the Board of Directors and helped to further improve the Company's internal control system in terms of integrity, implementation process and efficiency.

Code on Corporate Governance Practice

For the six months ended 30 June 2009, 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 2008 Annual Results Report and Financial Statement prepared in accordance with the PRC and Hong Kong Accounting Standards, the 2009 First Quarterly Report, as well as the 2009 Interim Results Report and Unaudited Financial Statement prepared in accordance with the PRC and Hong Kong Accounting Standards.

Independent Non-executive Directors

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 2009, 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 2009 interim

The Board of Directors of the Company recommends that the Company will neither pay the dividends for six months as at 30 June 2009 nor transfer the capital surplus to share capital.

3. Implementation of the profit appropriation for the reporting period

The 2008 profit appropriation plan of the Company was approved by the 2008 Annual General Meeting held on 24 April 2009, details are as follows: To pay a final dividend of RMB381,470 thousands on the basis of RMB2.3 for every 10 shares (tax inclusive) based on the total number of shares outstanding at the end of 2008 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 2008 General Meeting on 27 April 2009 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\$0.2609 (tax inclusive), which was priced in RMB and paid in HK\$. The registration date of the H Shareholders was 23 March 2009 and the dividend payout date was 29 May 2009. On 25 May 2009, the Company published the 2008 profit appropriation implement announcement in the Shanghai Securities Post and China Securities Post and determined that the Domestic Shareholders' registration date was 1 June 2009, the ex-dividend date was 2 June 2009 and the dividend payout date of 8 June 2009.

The 2008 profit appropriation proposal has been implemented.

4. Implementation of cash dividends during the reporting period

The cash dividends policy was defined in the Articles of Association of the Company and the 2008 annual profit distribution was completed on 8 June 2009.

5. Material Litigation and Arbitration

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

6. 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

7. Material Connected Transactions

During the reporting period, details of connected transactions of the Group please see note 23 of the condensed consolidated statement.

8. Holding equities in other listed companies and interests in financial enterprises

.During the reporting period, the Company was not involved in holding equities in other listed companies or interests in financial enterprises.

9. 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) *Other material contracts*

There was no other material contracts of the Company during the reporting period.

(5) *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.



10. Implementation of commitments

Commitments and implementation of the Company and its real controllers with more than 5% equities during the reporting period.

Commitments	Contents of commitments	Implementation of their commitments
Commitments of Share Segregation Reform	<ol style="list-style-type: none"> <li data-bbox="491 573 1145 761">(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="491 793 1145 1144">(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="491 1177 1145 1483">(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="491 1515 1145 1662">(4) 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, pay attention to protect shareholders' interests; <li data-bbox="491 1694 1145 1996">(5) 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. 	Implemented their undertakings carefully without breach.

- (1) Are there any unimplemented results commitments as of the disclosure date of interim report: no
- (2) Are there any unimplemented assets injection or integration commitments as of the disclosure date of interim report:
no

11. Appointment and Dismissal of Auditors

PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd and PricewaterhouseCoopers Certified Public Accountants were appointed as the Company's 2009 PRC and Hong Kong auditors at the 2008 Annual General Meeting.

12. 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 inspection, punishment or criticism by China's Securities Regulatory Commission or public reprimand by stock exchange.

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

The Company held the 2008 Annual General Meeting on 24 April 2009, which considered and approved a resolution of issuing Company Bonds. At present, the declared documents have been submitted to China's Securities Regulatory Commission and were under examination and approval. The Board of Directors of the Company will be active to communicate with China's Securities Regulatory Commission .

The Company held a Board meeting on 24 April 2009 to consider and approve to establish a sponsored, unlisted ADR facility, which has become effective on 11 June 2009. The number of ADR registered by the Company under the ADR facility is 50,000,000 and each ADR represents 10 H Shares of the Company. As at the report release date, no share is accepted for deposit.



14. 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 of the resolutions of the 4th meeting of the 5th Board	China Securities Post, the Shanghai Securities Post	2 March 2009	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 adjustment of toll rates on goods vehicles with reference to their weight on Ninghuai Expressway Tianchang Section	China Securities Post, the Shanghai Securities Post	4 March 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
H Shares announcement-continuing connected transactions announcement		5 March 2009	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 5th meeting of the 5th Board, Announcement of the resolutions of the 3rd meeting of the 5th Supervisory Committee, Notice of 2008 Annual General Meeting, Summary of 2008 Annual Report	China Securities Post, the Shanghai Securities Post	9 March 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn
2008 Annual Results Announcement, Notice of 2008 Annual General Meeting		9 March 2009	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
Supplemental announcement to the 2008 Annual Report	China Securities Post, the Shanghai Securities Post	25 March 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
H Shares announcement-continuing connected transactions announcement	China Securities Post, the Shanghai Securities Post	25 March 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Listing announcement of restricted circulating shares	China Securities Post, the Shanghai Securities Post	26 March 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Resolutions passed at the 2008 Annual General Meeting, announcement of the resolutions of the 6th meeting of the 5th Board, 2009 First Quarterly Report	China Securities Post, the Shanghai Securities Post	27 April 2009	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 Implementation of the Payment of Dividends for 2008	China Securities Post, the Shanghai Securities Post	25 May 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn
H Shares announcement-American Depositary Receipt Facility		18 June 2009	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk



SECTION VIII ACCOUNTS

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2009

(All amounts in Renminbi thousands unless otherwise stated)

ASSETS	<i>Note</i>	Unaudited 30 June 2009	<i>Audited</i> 31 December 2008
Non-current assets			
Concession intangible assets	5	7,757,939	7,369,554
Land use rights	5	12,159	12,482
Property, plant and equipment	5	753,019	729,353
Investment property	5	14,260	29,781
Intangible assets	5	2,573	2,847
Investments in associates		24,431	23,928
Available-for-sale financial assets	6	18,000	18,000
		8,582,381	8,185,945
Current assets			
Inventories		2,025	1,857
Trade and other receivables	7	24,714	20,371
Cash and cash equivalents		448,948	531,235
		475,687	553,463
Total assets		9,058,068	8,739,408
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	73,400	74,064
Retained earnings			
- Proposed final dividend	21	—	381,480
- Others		1,968,753	1,601,681
		5,116,356	5,131,428
Minority interest in equity		203,511	220,221
Total equity		5,319,867	5,351,649

The notes on pages 49 to 70 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

As at 30 June 2009

(All amounts in Renminbi thousands unless otherwise stated)

	<i>Note</i>	<i>Unaudited</i> 30 June 2009	<i>Audited</i> 31 December 2008
LIABILITIES			
Non-current liabilities			
Long-term payables	14	257,150	249,568
Deferred income tax liabilities		68,352	68,547
Deferred income	13	45,000	46,000
		<u>370,502</u>	<u>364,115</u>
Current liabilities			
Trade and other payables	10	719,830	664,229
Current income tax liabilities		24,335	118,449
Provision	12	8,534	15,966
Borrowings	11	2,615,000	2,225,000
		<u>3,367,699</u>	<u>3,023,644</u>
Total liabilities		<u>3,738,201</u>	<u>3,387,759</u>
Total equity and liabilities		<u>9,058,068</u>	<u>8,739,408</u>
Net current liabilities		<u>(2,892,012)</u>	<u>(2,470,181)</u>
Total assets less current liabilities		<u>5,690,369</u>	<u>5,715,764</u>

The notes on pages 49 to 70 are an integral part of these condensed consolidated financial statements.

Approved by the Board of Directors on 21 August 2009

Wang Shui
Director

Li Yungui
Director



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

(All amounts in Renminbi thousands unless otherwise stated)

		<i>Unaudited</i>	<i>Unaudited</i>
		Six months ended 30 June	
	<i>Note</i>	2009	2008
			<i>(Restated)</i>
Revenues	16	1,380,455	1,358,557
Cost of sales	17	(796,098)	(806,980)
Gross profit		584,357	551,577
Other gains - net	15	4,397	3,209
Administrative expenses	17	(63,656)	(57,387)
Operating profit		525,098	497,399
Finance costs	18	(22,111)	(32,828)
Share of profit of associates		503	486
Profit before income tax		503,490	465,057
Income tax expense	19	(110,118)	(125,955)
Profit for the period		393,372	339,102
Attributable to:			
Equity holders of the Company		366,408	315,341
Minority interest		26,964	23,761
		393,372	339,102
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (expressed in RMB per share)	20	0.2209	0.1901
Dividends		—	—

The notes on pages 49 to 70 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2009*

(All amounts in Renminbi thousands unless otherwise stated)

	<i>Unaudited</i>	<i>Unaudited</i>
	Six months ended 30 June	
<i>Note</i>	2009	2008
		<i>(Restated)</i>
Profit for the period	393,372	339,102
Other comprehensive income	—	—
Other comprehensive income for the period, net of tax	—	—
	<hr/>	<hr/>
Total comprehensive income for the period	393,372	339,102
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:		
Equity holders of the Company	366,408	315,341
Minority interest	26,964	23,761
	<hr/>	<hr/>
	393,372	339,102
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 49 to 70 are an integral part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

(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 2008 (audited)		1,658,610	1,415,593	3,385	1,714,862	220,882	5,013,332
Profit for the half-year (restated, unaudited)		—	—	—	315,341	23,761	339,102
Utilization of Enterprise Safety Fund (unaudited)		—	—	(1,631)	1,631	—	—
Total comprehensive income for the period ended 30 June 2008 (unaudited)		—	—	(1,631)	316,972	23,761	339,102
Minority shareholder's contribution to a subsidiary (unaudited)	1	—	—	—	—	12,000	12,000
2007 final dividends (unaudited)		—	—	—	(331,722)	—	(331,722)
Balance at 30 June 2008 (restated, unaudited)		1,658,610	1,415,593	1,754	1,700,112	256,643	5,032,712
Balance at 1 January 2009 (audited)		1,658,610	1,415,593	74,064	1,983,161	220,221	5,351,649
Profit for the half-year (unaudited)		—	—	—	366,408	26,964	393,372
Utilization of Enterprise Safety Fund (unaudited)		—	—	(664)	664	—	—
Total comprehensive income for the period ended 30 June 2009 (unaudited)		—	—	(664)	367,072	26,964	393,372
2008 final dividends (unaudited)	21	—	—	—	(381,480)	—	(381,480)
2008 dividends to minority shareholder by subsidiary (unaudited)		—	—	—	—	(43,674)	(43,674)
Balance at 30 June 2009 (unaudited)		1,658,610	1,415,593	73,400	1,968,753	203,511	5,319,867

The notes on pages 49 to 70 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

(All amounts in Renminbi thousands unless otherwise stated)

		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		For the six months ended	
	<i>Note</i>	2009	2008
			<i>(Restated)</i>
Cash flows from operating activities			
Cash generated from operations		264,549	187,646
Interest paid		(60,682)	(49,603)
Income tax paid		(204,427)	(242,509)
		<hr/>	<hr/>
Net cash used in operating activities		(560)	(104,466)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of property, plant and equipment		(48,738)	(39,427)
Proceeds from sales of property, plant and equipment		105	287
Interest received		2,060	2,277
Dividend received		—	900
		<hr/>	<hr/>
Net cash used in investing activities		(46,573)	(35,963)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from borrowings		2,260,000	1,895,000
Repayments of borrowings		(1,870,000)	(1,350,000)
Cash generating from minority shareholder's contribution to a subsidiary	1	—	12,000
Dividends paid to minority shareholders		(43,674)	—
Dividends paid to the Company's shareholders	21	(381,480)	(331,722)
		<hr/>	<hr/>
Net cash (used in) / generated from financing activities		(35,154)	225,278
		<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents		(82,287)	84,849
Cash and cash equivalents at beginning of the period		531,235	407,178
		<hr/>	<hr/>
Cash and cash equivalents at end of the period		448,948	492,027
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 49 to 70 are an integral part of these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2009

(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 (the "Group") are principally engaged in the construction, operation, management and development of the toll roads and associated service sections 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. 520, West Wang Jiang Road, Hefei, Anhui, the PRC.

As of 30 June 2009, the Group's toll roads are shown as follows:

Toll road	Length <i>kilometres</i>	Concession periods granted
Hening Expressway	134	From 16 August 1996 to 15 August 2026
National Trunk 205 Tianchang Section	30	From 1 January 1997 to 31 December 2026
Xuanguang Expressway	67	From 1 January 1999 to 31 December 2028
Gaojie Expressway	110	From 1 October 1999 to 30 September 2029
Lianhuo Expressway Anhui Section	54	From 1 January 2003 to 30 June 2032
Xuanguang Expressway Nanhuan Section	17	From 1 September 2003 to 31 December 2028
Ninghuai Expressway Tianchang Section	14	Provisionally set as three years from 18 December 2006, the official operation period has not been granted by government yet

The condensed consolidated interim financial information is presented in Renminbi thousands, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 21 August 2009.

Key events

The Company has established a sponsored, unlisted American Depositary Receipt ("ADR") facility to provide an access to the US capital market. Further details are given in Note 26.

1. General information (continued)

Key events (continued)

The Company's income tax expense in 2006 was adjusted by local tax authority in the year of 2007. Management continued to assess the possibility of a further adjustment by local tax authority regarding the income tax rate for the years before 2006. Further details are given in Note 25.

Pursuant to a resolution of Board of Director's meeting dated 6 March 2008, the Company set up Anhui Ningxuanhang Expressway Investment Company Limited ('Ningxuanhang'), a new subsidiary, jointly with Xuancheng Communication Construction Co., Ltd. ('Xuancheng Communication Construction'). The registered capital of Ningxuanhang is RMB 100,000,000 and the Company's share of equity is 70%. The first installment of RMB 40,000,000 and the second installment of RMB 60,000,000 were fully contributed by the investors in March 2008 and July 2008, respectively. As at 30 June 2009, Ningxuanhang was still in pre-operation.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2009 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 2008, 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 2008, 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) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.



3. Accounting policies (continued)

- (a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009 (continued)
- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the steering committee that makes strategic decisions. The interim segment information has been prepared under the revised disclosure requirements.
 - Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy. It also requires entities to provide additional disclosures about the relative reliability of fair value measurements. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. The Group will make additional relevant disclosures in its financial statements ending 31 December 2009.
 - HKAS 23 (Revised), 'Borrowing costs'. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. This amendment does not have significant impact on the Group's financial statements, as the Group has capitalised borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.
- (b) The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group.
- HKFRS 2 (amendment), 'Share-based payment'.
 - HKAS 32 (amendment), 'Financial instruments: presentation'.
 - HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
 - HK(IFRIC) 13, 'Customer loyalty programmes'.
 - HK(IFRIC) 15, 'Agreements for the construction of real estate'.
 - HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.
 - HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

3. Accounting policies (continued)

(c) The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- Amendment to HKAS 39, 'Financial instruments: Recognition and measurement' on eligible hedged items, effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it does not have any hedged items.
- HKFRS 3 (revised), '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.

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (revised) to all business combinations from 1 January 2010.

- HK(IFRIC) 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.
- HKICPA's improvements to HKFRS published in May 2009:

Amendment to HKFRS 2 'Share-based payments', effective for periods beginning on or after 1 July 2009. This clarification confirms that HKFRS 3(revised) does not change the scope of HKFRS 2. This is not currently relevant for the Group as it has not issued equity instruments for business combination under common control or for the formation of a joint venture.



3. Accounting policies (continued)

(c) The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted: (continued)

- HKICPA's improvements to HKFRS published in May 2009: (continued)

Amendment to HKFRS 5 'Non-current Assets held for sale and discontinued operations', effective for periods beginning on or after 1 January 2010. Disclosures in standards other than HKFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those HKFRSs specifically require disclosures for them. Additional disclosures about these assets or discontinued operations may be necessary to comply with the general requirements of HKAS 1 'Presentation of financial statements'. The Group will apply HKFRS 5 (amendment) from 1 January 2010.

Amendment to HKFRS 8 'Operating segments', effective for periods beginning on or after 1 January 2010. Disclosure of information about total assets and liabilities for each reportable segment is required only if such amounts are regularly provided to the chief operating decision maker. The Group will apply HKFRS 8 (amendment) from 1 January 2010.

Amendment to HKAS 1 'Presentation of financial statements', effective for periods beginning on or after 1 January 2010. Current / non-current classification of the liability component of convertible instruments is not affected by the holder's option which will result in the settlement by the issuance of equity instruments. The Group will apply HKAS 1 (amendment) from 1 January 2010.

Amendment to HKAS 7 'Statement of cash flows', effective for periods beginning on or after 1 January 2010. Only expenditures that result in a recognised asset are eligible for classification as investing activities. The Group will apply HKAS 7 (amendment) from 1 January 2010.

Amendment to HKAS 17 'Leases', effective for periods beginning on or after 1 January 2010. The amendment removes the specific lease classification guidance related to long-term leases of land that it must be classified as operating lease unless title of or significant risks and rewards of ownership passed to the lessee by the end of the lease term, irrespective of the term of the lease. Instead, the classification of land leases should apply the general principles applicable to the classification of leases. The Group will apply HKAS 17 (amendment) from 1 January 2010.

Amendment to HKAS 36 'Impairment of assets', effective for periods beginning on or after 1 January 2010. This clarifies that the largest unit permitted for the goodwill impairment test is the lowest level of operating segment before any aggregation as defined in HKFRS 8. The Group will apply the HKAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2010.

Amendment to HKAS 38 'Intangible assets', effective for periods beginning on or after 1 July 2009. This clarifies the description of the valuation techniques commonly used to measure intangible assets acquired in a business combination when they are not traded in an active market. In addition, an intangible asset acquired in a business combination might be separable but only together with a related contract, identifiable asset or liability. In such cases, the intangible asset is recognised separately from goodwill but together with the related item. The Group will apply HKAS 36 (amendment) from 1 January 2010.

3. Accounting policies (continued)

(c) The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted: (continued)

- HKICPA's improvements to HKFRS published in May 2009: (continued)

Amendment to HKAS 39 'Financial instruments: recognition and measurement', effective for periods beginning on or after 1 January 2010. Loan prepayment penalties are treated as closely related embedded derivatives, only if the penalties are payments approximate the present value of lost interest for the remaining term of the host contract. In addition, the scope exemption to business combination contracts only applies to forward contracts that are firmly committed to be completed between the acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future acquisition date. This amendment also clarifies that the gains or losses on the cash flow hedging instrument should be reclassified from equity to profit and loss in the period or periods that the hedged cash flows affect profit or loss. The Group will apply HKAS 39 (amendment) from 1 January 2010.

Amendment to HK(IFRIC) 9 'Reassessment of embedded derivatives', effective for periods beginning on or after 1 July 2009. This amendment aligns the scope of HK(IFRIC) 9 to the scope of HKFRS 3(revised): the exclusion of embedded derivatives in contracts acquired in a business combination, a common control combination or the formation of a joint venture. This is not currently relevant for the Group as it does not have such embedded derivatives.

Amendment to HK(IFRIC) 16 'Hedges of a net investment in a foreign operation', effective for periods beginning on or after 1 July 2009. This amendment removes the restriction on the entity that can hold hedging instruments. The hedging instruments can be held by the foreign operation that itself is being hedged. This is not currently relevant for the Group as it does not have such hedge.

4. Segment information

The chief operating decision-maker has been identified as the strategic steering committee. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The committee considers the business from a service line perspective. Management assesses the performance of toll roads operation and Construction or upgrade work under the Service Concessions ('construction or upgrade').

Other operations mainly comprise development of pharmaceutical goods. None of these operations constitutes a separately reportable segment, as they are not included within the reports provided to the strategic steering committee.



4. Segment information (continued)

The strategic steering committee assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortization (EBITDA). Interest income and expenditure are not included in the result for each operating segment that is reviewed by the strategic steering committee. Other information provided, except as noted below, to the strategic steering committee is measured in a manner consistent with that in the financial statements.

Total assets exclude Investments in associates and available-for-sale financial assets, both of which are managed on a central basis. These are part of the reconciliation to total balance sheet assets.

Revenue consists of income from operations of toll roads and construction or upgrade work under the Service Concessions, which are RMB 856,715 thousand and RMB 523,740 thousand for the six months ended 30 June 2009 and RMB 845,565 thousand and RMB 512,992 thousand for the six months ended 30 June 2008, respectively.

The segment results for the six months ended 30 June 2009 are as follows:

Business segment	Toll roads operation	Construction or upgrade	Others	Total
Total revenue (all from external customers)	856,715	523,740	—	1,380,455
Adjusted EBITDA	699,416	—	(25)	699,391
Depreciation and amortization	(176,133)	—	(178)	(176,311)
Finance income	2,018	—	—	2,018
Finance costs	(22,111)	—	—	(22,111)
Income tax expense	(110,118)	—	—	(110,118)

The segment results for the six months ended 30 June 2008 are as follows:

Business segment	Toll roads operation	Construction or upgrade	Others	Total
Total revenue (all from external customers)	845,565	512,992	—	1,358,557
Adjusted EBITDA	680,571	—	(21)	680,550
Depreciation and amortization	(186,150)	—	(178)	(186,328)
Finance income	2,277	—	—	2,277
Finance costs	(32,828)	—	—	(32,828)
Income tax expense	(125,955)	—	—	(125,955)

4. Segment information (continued)

The segment assets as at 30 June 2009 and 31 December 2008 are as follows:

Business segment	Toll roads operation	Construction or upgrade	Others	Total
As at 30 June 2009				
Total assets	<u>6,350,927</u>	<u>2,660,628</u>	<u>4,082</u>	<u>9,015,637</u>
Total assets include:				
Concession Intangible assets	5,097,311	2,660,628	—	7,757,939
Property, plant and equipment	753,019	—	—	753,019
Investment property	14,260	—	—	14,260
Land use rights	12,159	—	—	12,159
Intangible assets	<u>1,406</u>	<u>—</u>	<u>1,167</u>	<u>2,573</u>
As at 31 December 2008				
Total assets	<u>6,620,995</u>	<u>2,072,204</u>	<u>4,281</u>	<u>8,697,480</u>
Total assets include:				
Concession Intangible assets	5,297,350	2,072,204	—	7,369,554
Property, plant and equipment	729,350	—	3	729,353
Investment property	29,781	—	—	29,781
Land use rights	12,482	—	—	12,482
Intangible assets	<u>1,505</u>	<u>—</u>	<u>1,342</u>	<u>2,847</u>



4. Segment information (continued)

A reconciliation of total adjusted EBITDA to total profit before income tax is provided as follows:

	For the six months ended	
	30 June 2009	30 June 2008
Adjusted EBITDA for reportable segments	699,391	680,550
Depreciation	(40,359)	(51,195)
Amortization	(135,952)	(135,133)
	<hr/>	<hr/>
Operating profit	523,080	494,222
Finance income	2,018	2,277
Finance costs	(22,111)	(32,828)
Share of post tax profits of an associate	503	486
Dividend income from an unlisted company	—	900
	<hr/>	<hr/>
Profit before income tax	503,490	465,057
	<hr/> <hr/>	<hr/> <hr/>

The Company is domiciled in the PRC. The result of its revenue for reportable segments is from the PRC.

Reportable segments' assets are reconciled to total assets as follows:

	30 June 2009	31 December 2008
Total segment assets	9,015,637	8,697,480
Investments in associates	24,431	23,928
Available-for-sale financial assets	18,000	18,000
	<hr/>	<hr/>
Total assets per balance sheet	9,058,068	8,739,408
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2009, total of the reportable segments' assets are located in the PRC.

5. Capital Expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment property	Land use rights
Six months ended 30 June 2008					
Opening net book amount as at 1 January 2008 (audited)	6,293,799	3,485	771,644	22,841	13,128
Additions	539,489	—	39,427	—	—
Disposals	—	—	(356)	—	—
Depreciation/amortization (Note 17)	(134,459)	(351)	(50,710)	(485)	(323)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing net book amount as at 30 June 2008 (restated, unaudited)	<u>6,698,829</u>	<u>3,134</u>	<u>760,005</u>	<u>22,356</u>	<u>12,805</u>
Six months ended 30 June 2009					
Opening net book amount as at 1 January 2009 (audited)	7,369,554	2,847	729,353	29,781	12,482
Additions	523,740	—	48,738	—	—
Transfer	—	—	15,058	(15,058)	—
Disposals	—	—	(234)	—	—
Depreciation/amortization (Note 17)	(135,355)	(274)	(39,896)	(463)	(323)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing net book amount as at 30 June 2009 (unaudited)	<u>7,757,939</u>	<u>2,573</u>	<u>753,019</u>	<u>14,260</u>	<u>12,159</u>

As of 30 June 2009 and 2008, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

Borrowing costs of RMB 45,491 thousand have been capitalized in the six months ended 30 June 2009 at an average interest rate of 5.3063% (same period of 2008: RMB 25,022 thousand at an average interest rate of 6.4435%).

The Group applied HK(IFRIC) - Int 12 'Service Concession Arrangements' in 2008 and the amortisation of concession intangible assets is calculated using the straight-line method to allocate cost over the concession periods granted. Therefore, the opening net book amount of capital expenditures decreased by RMB 811,789 thousand and the depreciation/amortisation for the six months ended 30 June 2008 increased by RMB 47,538 thousand.



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 2009.

Available-for-sale financial assets include the following:

	30 June 2009 (unaudited)	31 December 2008 (audited)
Unlisted equity securities	18,000	18,000

The unlisted equity securities represent the Company's 18% equity interest in an unlisted company located in Anhui Province, the PRC.

7. Trade and other receivables

	30 June 2009 (unaudited)	31 December 2008 (audited)
Prepayments	—	197
Dividend receivables	3,990	3,990
Other receivables (a)	20,724	16,184
	24,714	20,371

(a) As at 30 June 2009, other receivables mainly include receivable of RMB 15,259 thousand due from the toll settlement centre of Anhui Province (31 December 2008: RMB 11,769 thousand).

As at 30 June 2009 and 31 December 2008, the balances of trade and other receivables were all non-interest bearing and aged within one year.

8. Share capital and share premium

	Number of shares (thousands)	Ordinary share capital	Share premium	Total
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>
At 30 June 2008 (unaudited)	<u>1,658,610</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>
At 1 January 2009 (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>
At 30 June 2009 (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 RMB 1 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 RMB 4.35 for every 10 A Shares held by these shareholders on 30 March 2006. The original non-tradable 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, 533,878,000 non-tradable A shares equally held by AEHC and Huajian Transportation Economic Development Centre were transferred to tradable A shares since 3 April 2009 (3 April 2008: 165,861,000 shares).



9. Other reserves

	Capital Surplus	Statutory 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 2008 (audited)	2,243	660,890	658	38,741	(699,147)	3,385
Utilization of Enterprise Safety Fund (unaudited)	—	—	—	(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>
Balance at 1 January 2009 (audited)	2,243	731,932	658	38,378	(699,147)	74,064
Utilization of Enterprise Safety Fund (unaudited)	—	—	—	(664)	—	(664)
Balance at 30 June 2009 (unaudited)	<u>2,243</u>	<u>731,932</u>	<u>658</u>	<u>37,714</u>	<u>(699,147)</u>	<u>73,400</u>

10. Trade and other payables

	30 June 2009 (unaudited)	31 December 2008 (audited)
Payables on capital expenditures	525,622	488,632
Payables on repair and maintenance projects	42,724	38,343
Deposit for construction projects	55,977	37,714
Toll received on behalf of other entities	34,885	36,113
Other taxation payables	8,525	21,327
Accrued expenses	4,648	5,737
Other payables	47,449	36,363
	<u>719,830</u>	<u>664,229</u>

At 30 June 2009 and 31 December 2008, trade and other payables were aged within one year.

11. Borrowings

	As at 30 June 2009		As at 31 December 2008	
	<i>Interest rate per annum (unaudited)</i>	<i>RMB'000</i>	<i>Interest rate per annum (audited)</i>	<i>RMB'000</i>
Current unsecured short-term bank borrowings denominated in RMB	4.374%-7.097%	2,615,000	4.536%-7.097%	2,225,000

At 30 June 2009, the carrying amounts of short-term borrowings approximate their fair value.

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

	30 June 2009 (unaudited)	31 December 2008 (audited)
Expiring within one year	795,000	345,000

12. Provision

	Maintenance/ Resurfacing obligations
Balance at 1 January 2008 (audited)	20,225
Additions	89
Balance at 30 June 2008 (unaudited)	<u>20,314</u>
Balance at 1 January 2009 (audited)	15,966
Deduction	(7,432)
Balance at 30 June 2009 (unaudited)	<u>8,534</u>



13. Deferred income

	30 June 2009 (unaudited)	31 December 2008 (audited)
Government grants	45,000	46,000

Deferred income represents government grants relating to assets and is amortised over 25 years.

14. 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 23)		Fair values	
	30 June 2009 RMB'000 (unaudited)	31 December 2008 RMB'000 (audited)	30 June 2009 RMB'000 (unaudited)	31 December 2008 RMB'000 (audited)
Xuancheng Highway Management Company ("XHMC")	257,150	249,568	259,212	251,681

Long-term payables represented payables to XHMC, the minority shareholder of Xuan Guang Expressway Company Limited ('Xuan Guang'), the subsidiary of the Company, representing XHMC's share of total investment in Xuan Guang in excess of XHMC's equity contribution in Xuan Guang. As of 30 June 2009, the repayment terms of such long-term payables did not change with that disclosed in the annual financial statements for the year ended 31 December 2008.

The fair values of long-term payables are based on cash flows discounted using 5.94%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2009 (31 December 2008: 5.94%).

15. Other gains – net

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (unaudited)
Interest income	2,018	2,277
Compensation received for road surface damage	1,275	195
Government grants relating to assets	1,000	1,000
Gain / (Loss) from disposal on property, plant and equipment	59	(69)
Dividend income	—	900
Donation expenditure	—	(1,000)
Others	45	(94)
	4,397	3,209

16. Revenue

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (restated, unaudited)
Toll income, rental income and others	856,715	845,565
Construction revenue	523,740	512,992
	<u>1,380,455</u>	<u>1,358,557</u>

17. Expenses by nature

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

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (restated, unaudited)
Construction cost	523,740	512,992
Depreciation and amortization expenses (Note 5)	176,311	186,328
Repair and maintenance expenses	75,117	81,123
Employee benefit expenses	39,846	45,520
Tax related to revenues	27,779	26,538
Others	16,961	11,866
	<u>859,754</u>	<u>864,367</u>

18. Finance costs

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (unaudited)
Interest expense:		
- bank borrowings	14,530	25,687
- long-term payables	7,581	7,141
	<u>22,111</u>	<u>32,828</u>



19. 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 Corporate Income Tax ("CIT")

Effective from 1 January 2008, the Company and its subsidiaries, associated companies determined and paid the PRC Corporate Income Tax 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 2009	30 June 2008
	(unaudited)	<i>(restated, unaudited)</i>
Current income tax	110,313	121,293
Deferred income tax	(195)	4,662
	<u>110,118</u>	<u>125,955</u>

(c) Withholding tax ("WHT") for dividend paid to foreign investors

According to the new CIT law and the detailed implementation regulations, foreign shareholders are subject to a 10% WHT for the dividend repatriated by the Company starting from January 1, 2008. For certain treaty jurisdictions such as Hong Kong which has signed tax treaties with the PRC, the WHT rate is 5%. According to Cai Shui [2008] Circular 1 jointly issued by the Ministry of Finance and the State Administration of Taxation on 22 February 2008, where the Company declares dividend in 2008 and beyond out of the cumulative retained earnings as of 31 December 2007 (i.e. 2007 retained earnings), such dividends earned by the foreign shareholders are exempted from WHT. For dividend which arises from the Company's profit earned after 1 January 2008, WHT is levied on the foreign shareholders.

In the six months ended 30 June 2009, WHT was levied on the foreign shareholders for the dividends earned in 2008.

20. 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 2009 <i>(unaudited)</i>	30 June 2008 <i>(unaudited)</i>
Profit attributable to equity holders of the Company	366,408	315,341
Weighted average number of ordinary shares in issue (thousands)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.2209	0.1901

21. Dividends

The final dividend in respect of 2008 of RMB 0.23 per share, amounting to a total dividend of RMB 381,480,000 was approved at the Annual General Meeting on 24 April 2009. It has been reflected as an appropriation of retained earnings for the six months ended 30 June 2009.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2009 (same period of 2008: nil).

22. Capital commitments

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

	30 June 2009 <i>(unaudited)</i>	31 December 2008 <i>(audited)</i>
Concession intangible assets		
- Approved but not contracted for	49,964	201,737
- Contracted but not provided for	98,622	719,000



23. 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
Anhui Expressway Holding Company ("AEHC")	Major shareholder
XHMC	Minority shareholder of Xuan Guang
Anlian Expressway Co., Ltd. ("ALEC")	Subsidiary of AEHC
Anhui Expressway Investment Co., Ltd. ("AEIC")	Subsidiary of AEHC
Anhui Yanjiang Expressway Co., Ltd. ("AYEC")	Subsidiary of AEHC
Anhui Hehuaifu Expressway Co., Ltd. ("AHEC")	Subsidiary of AEHC
Anhui Yida Toll Road Management Co., Ltd. ("YTMC")	Subsidiary of AEHC
Anhui Expressway Real Estate Co., Ltd. ("AREC")	Subsidiary of AEHC
Anhui Modern Transportation Facilities Co., Ltd. ("MTFC")	Subsidiary of AEHC

(b) Related party transactions

(i) Service income from management of toll roads

	For the six months ended	
	30 June 2009 <i>(unaudited)</i>	30 June 2008 <i>(unaudited)</i>
AEHC	1,874	—
ALEC	625	—
AYEC	625	—
AHEC	625	—
	3,749	—
	3,749	—

23. Related-party transactions (continued)

(b) Related party transactions (continued)

(ii) Rental income

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (unaudited)
YTMC	183	—
AEIC	131	—
	<u>314</u>	<u>—</u>

(iii) Paid and payable for management of toll road service sectors

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (unaudited)
YTMC	1,740	—

(iv) Construction and testing service received and receivable Enterprises

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (unaudited)
AREC	1,494	—

(v) Transactions with the State-owned Enterprises

	For the six months ended	
	30 June 2009 (unaudited)	30 June 2008 (unaudited)
Borrowings from banks	1,215,000	505,000
Toll road repair and maintenance cost paid and payable	797	1,556
Toll road construction / upgrade cost paid and payable	361,268	298,634
	<u>1,577,065</u>	<u>805,190</u>



23. Related-party transactions (continued)

(c) *Period-end balances*(i) **Trade and other payables**

	30 June 2009 <i>(unaudited)</i>	31 December 2008 <i>(audited)</i>
YTMC	4,257	359
AEIC	357	357
MTFC	2,080	7,656
State-owned Enterprises	463,915	433,106
	<u>470,609</u>	<u>441,478</u>

(ii) **Bank deposits and borrowings**

	30 June 2009 <i>(unaudited)</i>	31 December 2008 <i>(audited)</i>
State-owned banks-bank deposits	295,159	329,088
State-owned banks-borrowings	865,000	625,000
	<u>1,160,159</u>	<u>954,088</u>

(iii) **Long-term payables to minority shareholder of a subsidiary (Note 14)**

	30 June 2009 <i>(unaudited)</i>	31 December 2008 <i>(audited)</i>
XHMC	257,150	249,568
	<u>257,150</u>	<u>249,568</u>

As at 30 June 2009 and 31 December 2008, amounts due from and due to the related parties as afore mentioned, except for long term payables to XHMC as disclosed in Note 14, 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.

24. 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 21 August 2009.

25. Contingency

The Company was originally established in Anhui Hefei National New & High Technology Industrial Development Zone and was ratified as a new and high technology enterprise by Anhui Ministry of Science (identification number: 0034010A0279). The Company used a preferential enterprise income tax ("EIT") rate of 15% before 2006 in annual in annual tax filing process, according to PRC tax regulations (Caishui [1994] No.001) and the tax authority approved the Company's annual tax filing for the years before 2006. During 2006 tax clearance, local tax authority notified the Company that the existing EIT rate of 15% in declaring EIT is not appropriate and should be adjusted to 33%, hence additional EIT of Rmb 149,550 thousand for the year ended 31 December 2006 was levied. Management believes it is not likely that the EIT rate for the years before 2006 will be adjusted and the contingency does not have significant impact to the condensed consolidated interim financial information as well.

26. Other significant matters

The Company has established a sponsored, unlisted ADR facility, which has become effective on 11 June 2009. The Company appointed the Bank of New York Mellon as the depositary bank. The number of ADR registered by the Company under the ADR facility is 50,000,000. As at the report release date, no share is accepted for deposit.



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;
4. The text of Articles of Association of the Company;
5. The Interim Report disclosed in other securities market;
6. Other relevant materials By Order of the Board

Wang Shui

Chairman

21 August 2009

SECTION X CONFIRMATION OPINION TO 2009 INTERIM REPORT BY DIRECTORS AND SENIOR MANAGEMENT

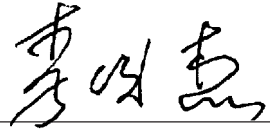
Being the Directors and Senior Management of Anhui Expressway Company Limited, we hereby confirm in writing that the content of the 2009 interim report is authentic, accurate, complete, of the opinion that there are no false representations or misleading statements contained in or material omissions from this report; and shall be severally and jointly accept responsibility for the authenticity, accuracy and completeness of the content of this report.

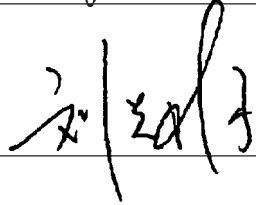
Directors' Signature:

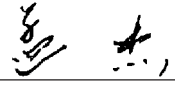
Wang Shui: _____ 

Li Yungui: _____ 


Tu Xiaobei: _____ 

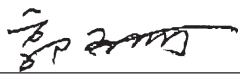
Li Junjie: _____ 

Liu Xianfu: _____ 

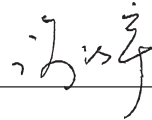
Meng Jie: _____ 


Leung Man Kit: _____ 

Li Mei: _____ 

Guo Shan: _____ 

Senior Management Members' Signatures:

Xie Xinyu: _____ 

Wang Changyin: _____ 

Liang Bing: _____ 

21 August 2009



Anhui Expressway Company Limited
安徽皖通高速公路股份有限公司