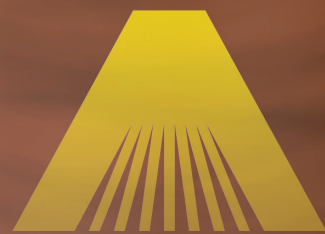




Anhui Expressway Company Limited

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

(Stock Code : 0995)



2012

Interim Report



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SECTION I 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.

Mr. Zhou Renqiang, Chairman, Mr. Li Junjie, 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. The Audit Committee of the Company reviewed the financial accounts.

If there were extraordinary use of funds by the controlling shareholder and its related parties? No

If there was offering for security in violation of specified procedure? No



SECTION II 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:	Zhou Renqiang
Secretary to the Board of the Company:	Xie Xinyu
Telephone:	0551-5338681
Representative of Securities Affairs:	Han Rong, Ding Yu
Telephone:	0551-5338697,3738923,3738989,3738922
Fax:	0551-5338696
E-mail address:	wtgs@anhui-expressway.net
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.net
E-mail address of the Company:	wtgs@anhui-expressway.net

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.net
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

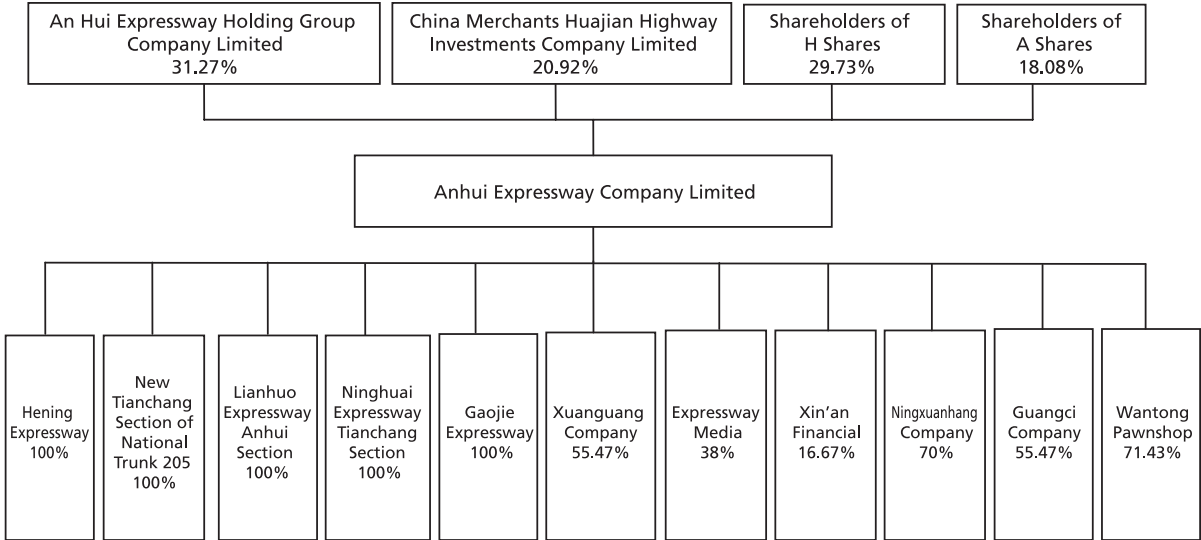
Anhui Expressway Company Limited (the "Company") was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People's Republic of China (the "PRC").

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 (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section and Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section), which are toll highways in Anhui Province.

As of 30 June 2012, the structure of the Company, subsidiaries and associated companies (the "Group"):



Abbreviations of companies in the Interim Report are as follows:

"The Company"	Means	Anhui Expressway Company Limited
"The Group"	Means	The Company, its subsidiaries and associated companies
"AEHC"	Means	Anhui Expressway Holding Group Company Limited (formerly known as Anhui Expressway Holding Corporation), the two companies are the same enterprise legal person
"Huajian Center"	Means	China Merchants Huajian Highway Investments Company Limited
"Xuanguang Company"	Means	Xuanguang Expressway Company Limited
"Anlian Company"	Means	Anhui Anlian Expressway Company Limited
"Xuancheng Highway Management"	Means	Xuancheng City Highway Construction and Management Company Limited
"Xuancheng Transportation and Construction"	Means	Xuancheng City Transportation and Construction Investment Limited Liability Company
"Ningxuanhang Company"	Means	Anhui Ningxuanhang Expressway Investment Company Limited
"Yida Company"	Means	Anhui Provincial Yida Expressway Service Area Operating Management Company Limited
"Xiandai Transportation"	Means	Anhui Provincial Xiandai Transportation Facilities Project Company Limited
"Inspection and Scientific Research Center"	Means	Anhui Provincial Expressway Experiment Inspection and Scientific Research Center
"Fuzhou Expressway"	Means	Anhui Provincial Fuzhou Expressway Company Limited
"Highway Engineering Supervision Company"	Means	Anhui Province First Class Highway Engineering Supervision Company Limited
"Bangning Property"	Means	Hefei City Bangning Property Management Company Limited
"Expressway Media"	Means	Anhui Expressway Media Company Limited
"Guangci Company"	Means	Anhui Guangci Expressway Limited Liability Company
"Xin'an Financial"	Means	Anhui Xin'an Financial Holding Group Company Limited
"Wantong Pawnshop"	Means	Hefei Wantong Pawnshop Company Limited

SECTION III SUMMARY OF FINANCIAL STATISTICS

I 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 last year (%)
Total assets	10,759,648,669.22	10,456,515,797.93	2.90
Equity holders (or shareholders' equities)	6,177,816,404.34	6,357,009,233.19	-2.82
Net asset per share attributable to shareholders of listed company (RMB)	3.72	3.83	-2.82
	Reporting period (January-June)	Corresponding period last year	Increase/decrease of the end of the reporting period as compared to the corresponding period of last year (%)
Operating profit	583,036,018.84	664,898,379.44	-12.31
Total profit	583,286,321.36	665,728,700.09	-12.38
Net profit attributable to shareholders of listed company	395,811,229.96	453,306,754.70	-12.68
Net profit after extraordinary items attributable to shareholders of listed company	395,554,625.71	460,916,930.92	-14.18
Basic earnings per share (RMB)	0.2386	0.2733	-12.70
Basic earnings per share after extraordinary items (RMB)	0.2385	0.2779	-14.18
Diluted earnings per share (RMB)	0.2386	0.2733	-12.70
Returns on net assets (weighted average) (%)	6.09	7.54	a decline of 1.45%
Net cash flows from operating activities	712,301,679.59	866,802,024.46	-17.82
Net cash flows from operating activities per share	0.4295	0.5226	-17.82

2 *Extraordinary items deducted and amounts involved (Unit: RMB)*

Extraordinary	items	Amount
Gains and losses from disposals of non-current assets	-85,246.58	Gains from disposals of fixed assets
Government subsidies charged to the current gains/losses	1,086,393.84	Received the first half of 2012 deferred income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Headquarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the first half of 2012 deferred income amount of construction funds subsidies of Hening Expressway and Guojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) in 2010.
Other non-operating income and expenses other than above-mentioned items	-750,844.74	
The effect of minority interest (after-tax)	-62,575.63	
Income tax effect amount	68,877.36	
	<u>256,604.25</u>	

II 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		
	2012 (RMB'000)	2011 (new-model) (RMB'000)	change (%)
Turnover	1,359,050	1,538,699	-11.68
Operating profit before income taxation	576,609	661,398	-12.82
Profit attributable to equity holders of the Company	391,128	449,587	-13.00
Basic earnings per share attributable to equity holders of the Company (RMB)	0.2358	0.2711	-13.00

Summary of assets

	As at		
	As at 30 June 2012 (RMB'000)	31 December 2011 (new-model) (RMB'000)	Change (%)
Total assets	10,877,464	10,582,951	2.78
Total liabilities	4,190,876	3,735,997	12.18
Total net assets (Capital and reserve attributable to equity holders of the Company)	6,282,482	6,465,961	-2.84
Net assets per share (RMB)	3.7878	3.8984	-2.84

III 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 unaudited shareholders' interests as at 30 June 2012 and the net profit in the first half of 2012 under the accounting principles of Hong Kong are summarized below:

	Consolidated net profit (attributable to shareholders of the Company) For 6 months ended 30 June		Consolidated net assets (attributable to shareholders of the Company)	
	2012	2011	30 June 2012	31 December 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Amount presented in accordance with the CAS	395,811	453,307	6,177,816	6,357,009
Difference and amounts				
-Valuation and Depreciation/ amortization and deferred taxes	(4,683)	(3,720)	104,666	108,952
Reconciliation to HKAS	<u>391,128</u>	<u>449,587</u>	<u>6,282,482</u>	<u>6,465,961</u>

Reconciliation items

In order to issue "H" share in Hong Kong, the toll roads and related land use rights were valued by a PRC certified public valuer and an international certified public valuer on 30 April and 15 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. In addition, the depreciation of toll roads under HKFRS is provided based on the share of traffic volume for a particular period over the projected total traffic volume, which is different from the straight-line method adopted by CAS. These differences lead to the reconciliation items presented above.

The ten largest shareholders of unrestricted circulating shares

Name of shareholders	Number of unrestricted circulating shares	Type of shares
Anhui Expressway Holding Group Company Limited	518,581,000	Renminbi-denominated ordinary shares
HKSCC NOMINEES LIMITED (agent)	490,061,898	Overseas-listed foreign shares
China Merchants Huajian Highway Investments Company Limited	347,019,000	Renminbi-denominated ordinary shares
Templeton investment and Consultants Company Limited	7,733,171	Renminbi-denominated ordinary shares
Kuang shunqing	4,117,923	Renminbi-denominated ordinary shares
ZhangFengtong	4,023,001	Renminbi-denominated ordinary shares
Everbright Securities Company Limited	3,799,919	Renminbi-denominated ordinary shares
Hongyuan Securities Company Limited Clients Credit Trading Guarantee Securities Accounts	1,862,000	Renminbi-denominated ordinary shares
South-West Securities Company Limited Clients Credit Trading Guarantee Securities Accounts	1,700,000	Renminbi-denominated ordinary shares
ShuXiaodong	1,694,994	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 represented the holding of many clients.

(2) *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 2012 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)	Increase or decrease during the reporting period	Type of shares	As a percentage of total capital (%)	Pledged or locked-up
Anhui Expressway Holding Group Company Limited	518,581,000 (Long Position)	—	State-owned shares	31.27	No
China Merchants Huajian Highway Investments Company Limited	347,019,000 (Long Position)	—	State-owned legal person shares	20.92	No

Names	At end of period (shares)	Increase or decrease during the reporting period	Type of shares	As a	
				percentage of total capital (%)	Pledged or locked-up
Commonwealth Bank of Australia (Long Position)	43,572,000	—	H Shares	8.84%	Not known
Colonial First State Group Ltd (Long Position)	33,358,000	—	H Shares	6.77%	Not known
Colonial Holding Company (No.2) Pty Limited (Long Position)	33,358,000	—	H Shares	6.77%	Not known
Colonial Holding Company Pty Ltd. (Long Position)	33,358,000	—	H Shares	6.77%	Not known
Colonial Ltd (Long Position)	33,358,000	—	H Shares	6.77%	Not known
First State Investment Managers (Asia) Ltd (Long Position)	33,358,000	—	H Shares	6.77%	Not known
First State Investments (Bermuda) Ltd (Long Position)	33,358,000	—	H Shares	6.77%	Not known
The Colonial Mutual Life Assurance Society Ltd (Long Position)	33,358,000	—	H Shares	6.77%	Not known
First State (Hong Kong) LLC (Long Position)	32,166,000	—	H Shares	6.52%	Not known
First State Investments (Hong Kong) Limited (Long Position)	30,712,000	—	H Shares	6.23%	Not known
First State Investments (Singapore) (Long Position)	30,608,000	—	H Shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited (Long Position)	30,608,000	—	H Shares	6.21%	Not known
JPMorgan Chase & Co. (Long Position)	39,187,670	—	H Shares	7.95%	Not known
	0	—		0.00%	
	(Short Position)				
	39,131,670	—		7.94%	
	(Shares attributable to lend)				
Templeton Investment Counsel, LLC (Long Position)	27,372,592	—	H Shares	5.55%	Not known



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 2012.

III Change in Controlling Shareholder and Actual Controller of the Company

During the Reporting Period, there was no change in the controlling shareholders and actual controller of the Company.

IV Purchase, sale and redemption of the Company's Shares

As of 30 June 2012, the Company did not repurchase any of its listed shares, nor purchased or re-sell any listed shares of the Company.

V 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 V DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I 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.

II Appointment and dismissal of Directors, Supervisors and Senior Management

The Fourth Meeting of the Sixth board was held on 27 March 2012, at which the application of the resignation of Company Supervisor Mr. Dong Zhi was approved and Mr. Wang Wenjie was nominated as the new Company Supervisor, who would be elected at the Annual General Meeting of 2011.

The Annual General Meeting of Shareholders of 2011 was held on 25 May 2012, at which Wang Wenjie was elected as the new Company Supervisor. The term commences from 25 May 2012 to 16 August 2014.

The Twelfth Meeting of the Sixth board was held on 12 July 2012, at which the application of the resignation of Company Independent Director was approved and Mr. Cui Yunfei was nominated as the Company Independent Director candidate, who will be elected at the extraordinary general meeting held on 30 August 2012.

III Interests to be disclosed of Directors, Supervisors and Senior Management

As at 30 June 2012, 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 VI CHAIRMAN'S STATEMENT

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group recorded a revenue of RMB1,123,156 thousand for the whole year. The unaudited net profit attributable to shareholders of the parent company was RMB395,811 thousand, basic earnings per share was RMB0.2386. In accordance with Hong Kong Accounting Standards, the Group achieved a turnover of RMB1,359,050 thousand, the unaudited net profit attributable to equity holders of the Company was RMB391,128 thousand, basic earnings per share was RMB0.2358.

Review

Economic environment

In the first half of 2012, the growth speed of the country and its regions is slowing down. In the first half of 2012, China's GDP reached 22.7098 trillion RMB. According to the comparable price calculation, it increases 7.8%. Compared to the same period of last year, it dropped 1.8%, among which, the first quarter increases 8.1% and the second quarter increases 7.6%, but the increase rate declines from season to season. Although the overall economy of Anhui province maintains stable and relatively fast increasing momentum, the growth rate declines. In the first half of the year, the whole production value of Anhui province arrives at 778.19 billion RMB. According to the comparable price calculation, it increases 12.0%, compared to the same period of last year, it dropped 1.4%.

In the first six months, the investment on the completed road construction reaches 10.05 billion RMB, which increases 2.11 billion RMB compared to the last year and rises 26.6% compared to the same period of last year, among which the investment on the completed highway construction arrives at 5.58 billion RMB, which increases 650 million RMB compared to the last year and rises 13.0% compared to the same period of last year.

Operation Review

In the first half of the year, the company's toll revenue reaches 1.094857 billion RMB (including that from Guangsi highway) and decreases 4.59% compared to the same period of last year. The main reasons leading to the decrease in the company's toll revenue and net profit are the slowing of economic growth, the falling after rising of the goods circulation as well as the decreasing of the lorry proportion in the vehicle type structure.

In the first half of the year, the company mainly conducted the work surrounding the following aspects:

Firstly, to promote the Ning-Xuan-Hang Highway construction orderly.

In the first six months, facing the inflation pressure and financing pressure, the company enlarges the potency dimension of the fund raising, strengthens the expenditure management and cost control, positively communicates and coordinates with the financing organizations, explores and enriches the financing channels, stabilizes the capital resources to ensure the timely raising of the construction capital and efficient supply on time and guarantee the steady progress of the first and second phase project of the construction of Ning-Xuan-Hang highway.

In the first six months, the first phase project of Ning-Xuan-Hang highway has got the investment of 1.221 billion RMB, the second phase project of Ning-Xuan-Hang highway has got the investment of 173 million RMB.

Secondly, to smoothly fulfill equity acquisition of Guangci Expressway

To further enlarge the main business, improve profit level, rationalize the business contact of Guangci Company and Xuanguang Company to make it easier to manage, in the first six months of the year, The Company successfully fulfilled 55.47% equity acquisition of Guangci Company. The stock equity is listed to transfer in Anhui property right transaction center and the company is taken as the only transferee. The deal is finally taken by the way of agreement transferring. The procedures such as relevant equity transferring and the industrial and commercial changing registration are ready and the scale of the company's main business further expands.

Within the report period, the toll revenue of Guangci Company reaches 35.218 million RMB, dropping 1.16% compared to the same period of last year.

Thirdly, to speed up diversified investment

In the past two years, The Company gradually expands the diversified development and successively invests shares in Hefei Wantong Small Loan Company and Anhui Xin'an Financial Group Co, LTD. In the first half of the year, our company and Hefei Huatai Group together invested and set up Hefei Wantong Pawn Co., LTD. The company's own funding investment reaches 150 million RMB, accounting for 71.43% of the registered capital. Within the reporting period, the business income of Xin'an Financial Group reaches 198 million RMB with the net profit 56.5852 million RMB. Wantong Pawnshop was established and went into operation in July, 2012. The Small Loan Company has already passed the relevant examination, which is currently undergoing preparation and organization.

Fourthly, to stably carrying out the internal controlling construction implementation work

In the first half of the year, the internal controlling construction implementation work has been carried out stably. According to the experience drawn from the internal controlling construction and the advice on the management uplifting gotten from the last phase, the company further improve the internal controlling system. By carrying out various measures, such as integrating the internal controlling system into the daily operation and management step by step, uplifting the advices by the combination of the management, implementing the rectification and correction responsibilities as well as supervision and evaluation duties, strengthening advocacy to create good internal controlling atmosphere and cultivating the internal controlling talents effectively. On the basis of comprehensively continuous construction of internal controlling long-term mechanism, the operation and management standard shall be uplifted comprehensively.

Fifth, to continuously uplift the standard of smiling services.

In the first half of the year, the Company regarded the smiling services as the basic duty of window services, the necessary quality of every employee and the basic requirement of being on duty. The smiling services are being integrated into the daily work to improve the normalized operation of smiling services. Besides, surrounding the construction of long-term mechanism, the innovation of smiling service mechanism has been actively promoted. Through measures such as compiling smiling service working manual, shooting smiling service instruction film, holding section films, the in-depth implementation of the smiling services have been promoted and the whole standard of the smiling service has been further improved.



Outlook

During the next half year, the government's macro-control policy will help to improve the external environment of corporate operation. Proactive fiscal policy and gradually loosened monetary policy are expected to increase market fund supply, which will reduce the Company's financing pressure and financing cost. Now China has made some achievements in fighting inflation, with the price level controlled and social inflation pressure relieved. Besides, Anhui Province still maintains rapid economic growth speed at two digits and the regional economy also sustains favourable growth and vitality. Thus, the economic environment of the Company is supposed to improve greatly.

Nevertheless, the Company cannot ignore the negative impact to it due to the pressure from policies and traffic distributaries. Since the "Green Channel" policy was put into practice in a comprehensive way, the toll-cut policy has an obvious influence on the Company's toll revenue. In the second half of the year, the toll-cut policy will be put into practice on major holidays, hence, the Company will suffer from greater pressure to make improvement in toll revenue. Meanwhile, constantly affecting by distributaries of Gaojie Expressway in charge of the company, there has been a big decrease in traffic volume and toll revenue in the first half year. Along with the improvement of expressway network gradually in Anhui Province, the development and variation of road network structure may still affect the traffic volume of expressway sections in the charge of the company.

In the second half year of 2012, the Company will carry out a analysis about current situation carefully and make adjustments accordingly and promote all work plans orderly and actively according to the key points of working formulated in the beginning of the year. The Company will continue to increase investment, promote the construction of Xuanhang Company in order, enhance the operation and management of Guangci Company and develop major business of highways; strengthen market research and analysis, supervise and facilitate the optimization and standardization of joint-stock companies' operation, improve their risk awareness and management level, seek new items for investment actively, and richen and develop diversified business; advance internal control system, standardize the implementation of internal control system, consolidate the supervision and inspection of internal control and improve the scientific level, standardization and accuracy of corporate management; promote cultural management and systematic cultural construction, carry out in-depth management reform, improve management procedures to promote the overall enhancement of corporate management and operation of the Company.

By order of the Board

Zhou Renqiang

Chairman

Hefei, The PRC, 24August 2012

SECTION VII REPORT OF THE BOARD OF DIRECTORS

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB1,123,156 thousand (Corresponding period in 2011: RMB1,174,518 thousand), representing a decline of 4.37% compared with that of the corresponding period of last year. The total profit was RMB583,286 thousand (Corresponding period in 2011: RMB665,729 thousand), representing a decline of 12.38% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the parent company reached RMB395,811 thousand (Corresponding period in 2011: RMB453,307 thousand), representing a decline of 12.68% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2386 (Corresponding period in 2011: RMB0.2733), representing a decline of 12.68% compared with that of the corresponding period of last year.

In accordance with the Hong Kong Accounting Standards, the Group achieved a turnover of RMB1,359,050 thousand representing a decline of 11.68% compared with that of the corresponding period of last year. Profit before taxation was RMB576,609 thousand, representing a decline of 12.82% compared with that of the corresponding period of last year. Unaudited profit attributable to equity holders of the Company was RMB391,128 thousand, representing a decline of 13.00%; compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2358, representing a decline of 13.00% compared with that of the corresponding period of last year.

(During the Reporting Period, Guangci Company was acquired by the Company. Since the acquisition involved entities under common control, the comparative figures of the Consolidated Interim Financial Statements have been restated, in accordance with the Accounting Standards for Business Enterprises ("CAS"). These restated comparative figures have not been audited. For more details, please refer to Note 6 of the Consolidated Interim Financial Statements prepared in accordance with CAS.)

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 (G40 Hushan Expressway Hening Section), Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section), Ninghuai Expressway Tianchang Section and New Tianchang Section of National Trunk 205 with a total mileage of 440km.

Items	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
Hening Expressway (G40 Hushan Expressway Hening Section)	134	4 (part of 8 Lanes)	8	4	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 (G50 Huyu Expressway Gaojie Section)	110	4	3	4	Commencing from 1 October 1999 to 30 September 2029
Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section)	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)
Guangci Expressway (G50 Huyu Expressway Xuanguang Section)	14	4	3	1	Commencing from 20 July 2004 to 20 July 2029
Lianhuo Expressway Anhui Section (G30 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	Commencing from 18 December 2006 to 17 June 2032

Operations of Each Road

Items	Share of interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2012	First half of 2011	Flux (%)	First half of 2012	First half of 2011	Flux (%)
		Hening Expressway	100%	22,889	21,958	4.23%	473,435
New Tianchang Section of National Trunk 205	100%	5,003	5,896	-15.14%	22,277	26,107	-14.67%
Gaojie Expressway	100%	10,434	11,538	-9.56%	227,938	265,240	-14.06%
Xuanguang Expressway	55.47%	16,679	15,705	6.20%	201,296	218,700	-7.96%
Lianhuo Expressway Anhui Section	100%	9,142	8,181	11.74%	97,646	94,425	3.41%
Ninghuai Expressway Tianchang	100%	18,222	17,385	4.81%	37,047	34,397	7.70%
Guangci Expressway	55.47%	16,511	18,177	-8.94%	35,218	35,632	-1.16%

Items	Share of interests	Proportion of passenger vehicles to goods vehicles		Daily toll income per kilometer (RMB)		
		First half of 2012	First half of 2011	First half of 2012	First half of 2011	Flux (%)
		Hening Expressway	100%	70:30	67:33	19,413
New Tianchang Section of National Trunk 205	100%	41:59	38:62	4,080	4,808	-15.14%
Gaojie Expressway	100%	55:45	50:50	11,386	13,322	-14.53%
Xuanguang Expressway	55.47%	71:29	64:36	13,167	14,384	-8.46%
Lianhuo Expressway Anhui Section	100%	61:39	56:44	9,935	9,661	2.84%
Ninghuai Expressway Tianchang Section	100%	75:25	76:24	14,539	13,574	7.11%
Guangci Expressway	55.47%	72:28	65:35	13,822	14,062	-1.71%

Principal operations by segment or by product

By segment or by product	Operating income (RMB'000)	Operating cost (RMB'000)	Operating profit margin (%)	Flux of operating income compared to the	Flux of operating cost compared to the	Flux of operating profit margin compared to the
				Operating profit margin corresponding period of last year (%)	Operating profit margin corresponding period of last year (%)	Operating profit margin corresponding period of last year (%)
By segment						
operation of highway	1,107,047	371,734	61.79	-4.29	4.55	-3.25
By product						
Hening Expressway	480,347	151,887	63.63	0.40	-1.87	0.28
New Tianchang Section of National Trunk 205	22,277	16,583	20.97	-14.67	62.51	-35.98
Gaojie Expressway	231,451	74,018	63.19	-13.56	7.56	-6.75
Xuanguang Expressway	201,296	60,759	65.99	-7.96	9.48	-4.51
Lianhuo Expressway Anhui Section	98,491	44,368	50.47	3.70	2.41	0.26
Ninghuai Expressway Tianchang Section	37,967	14,845	56.46	8.33	-0.45	2.95
Guangci Expressway	35,218	9,274	66.60	-1.16	15.66	-7.47

During the Reporting Period, due to the further slowdown of the economic growth of the country, the Group achieved total toll income of RMB1,094,857 thousand, representing a decrease of 4.59% from the same period in 2011. During the Reporting Period, the traffic volume of goods vehicles of the Group increased at a lower rate or even declined. The increase main derived from the passenger vehicles, especially small passenger vehicles, which resulted in the change of the distribution of vehicle types. The main factors of the decline of the toll income are the decrease of the traffic volume of goods vehicles and the increase of vehicles influenced by the policy of "Green Passageway".

During the Reporting Period, the toll income on the Hening Expressway was RMB473,435 thousand, representing an increase of 0.08% from the same period in 2011; the converted average daily traffic volumes for the whole expressway were 22,889, representing an increase of 4.23% year-on-year.

During the Reporting Period, the toll income on the Gaojie Expressway was RMB227,938 thousand, representing a decline of 14.06% from the same period in 2011. The converted average daily traffic volumes for the whole expressway were 10,434, representing a decrease of 9.56% year-on-year, mainly due to the decline in the volume of goods vehicles and the traffic diverging since the Liuwu Expressway was open to traffic.

During the Reporting Period, the toll income on the Xuanguang Expressway was RMB201,296 thousand, representing a decrease of 7.96% from the same period in 2011. The converted average daily traffic volumes for the whole expressway were 16,679, representing an increase of 6.20% year-on-year. The main reason for an increase in traffic volume but decrease in toll income was the stable increase of the number of passenger vehicles, especially the rapid increase of the small type of passenger vehicles and the decline of the number of goods vehicles, which resulted in the change of the distribution of vehicle types and a decrease of 13.80% of the income of each vehicle year-on-year.

During the Reporting Period, the toll income on the Lianhuo Expressway Anhui section was RMB97,646 thousand, representing an increase of 3.41% from the same period in 2011. The converted average daily traffic volumes for the whole expressway were 9,142, representing an increase of 11.74% year-on-year. The growth rate of the toll income was smaller than that of the traffic volume of vehicles, mainly due to the increase of the number of passenger vehicles, with a decline of 7.97% of the income of each vehicle year-on-year.

During the Reporting Period, the toll income on the New Tianchang Section of National Trunk 205 was RMB22,277 thousand, representing a decrease of 14.67% from the same period in 2011. The converted average daily traffic volumes for the whole expressway were 5,003, representing a decrease of 15.14% year-on-year. The toll income and the traffic volume both dropped because of the decrease of freight traffic and the impact of the traffic diverging nearby resulted by the reconstruction of the old National Trunk 205.

During the Reporting Period, the toll income on the Ninghuai Expressway Tianchang section was RMB37,047 thousand, representing an increase of 7.70% from the same period in 2011. The converted average daily traffic volumes for the whole expressway were 18,222, representing an increase of 4.81% year-on-year.

During the Reporting Period, the toll income on the Guangci Expressway was RMB35,218 thousand, representing a decrease of 1.16% from the same period in 2011. The converted average daily traffic volumes for the whole expressway were 16,551, representing a decrease of 8.94% year-on-year.

(2) *Project Investment*

i Investment of fund-raising

According to the approval document (Zheng Jian Xu Ke No. [2009] 1074) issued by China Securities Regulatory Commission ("CSRC"), the Company successfully issued Corporate Bonds of RMB2 billion on 17 -22 December 2009 through the internet and other ways. The proceeds of RMB 1.5 billion after deducting expenses was used to replace commercial bank loans and adjust the Company's financial structure, the remaining was used to supplement current funds.

The fund raised has been all utilized in 2010, which is consistent with the use promised to the fund-raising brochure.



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

Reconstruction of National Trunk 205

In order to further improve road service level and link up to the asphalt roads built at the two ends of Jiangsu, the Company launched functional reconstruction project on Tianchang Section of National Trunk 205 called as "Black" in March, 2011. The total budget was approximately RMB 253 million and the expected work period (from the day of commencement of work) was 16 months.

The main construction project of the road was completed in 2011. During the Reporting Period, the Company achieved an investment of RMB 5 million on this project. The accumulated investment was up to RMB 186 million as at the end of the Reporting Period.

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 RMB2,678 million, which began to be constructed in September 2009.

During the Reporting Period, RMB181 million was invested in the reconstruction works, as at the end of the Reporting Period, the accumulated investment was RMB1,221million.

Construction of Ningxuanhang Expressway Ningguo-Qianqiu Section

Ningxuanhang Expressway Ningguo-Qianqiu Section is a part of Ningxuanhang Expressway Anhui Section with a total mileage of 40km and investment of RMB2, 928 million, which began to be constructed in March 2011.

During the Reporting Period, RMB19 million was invested in the reconstruction works, as at the end of the Reporting Period, the accumulated investment was RMB173 million.

The construction of Wantong Expressway Hi-tech Industrial Park

The total of the budgetary estimate for the construction of the main project and follow up projects of Wantong Expressway Hi-tech Industrial Park amounted to RMB362 million. The construction is expected to complete at the end of 2011.

During the Reporting Period, RMB7 million was invested in the reconstruction works, as at the end of the Reporting Period, the accumulated investment was RMB361 million.

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

Key financial index	January-June 2011 (RMB'000)	January-June 2010 (RMB'000)	Flux (%)
Revenue	1,123,156	1,174,518	-4.37
Operating costs	384,971	364,894	5.50
Administrative expenses	52,699	42,286	24.63
Finance costs	65,369	63,883	2.33
Operating profit	583,036	664,898	-12.31
Net profit attributable to shareholders of parent company	395,811	453,307	-12.68

Revenue

During the Reporting Period, the Group achieved a revenue of RMB1,123,156 thousand, a decrease of 4.37% from the same period in 2011. The decrease of revenue was mainly due to the decrease of toll income. The change of toll income of each road was due to the change of traffic volumes. For traffic volumes' analysis, please refer to the above "Business Operation Analysis".

Composition and percentage of revenue (Including principal operating income and other operating income) are as follows:

Name of the roads	January-June 2012			January-June 2011		
	Principal business income (RMB'000)	Other business income (RMB'000)	As a percentage of the total income (%)	Principal business income (RMB'000)	Other business income (RMB'000)	As a percentage of the total income (%)
Hening Expressway	480,347	7,499	43.43	478,410	10,926	41.67
New Tianchang Section of National Trunk 205	22,277	577	2.03	26,107	418	2.26
Gaojie Expressway	231,451	4,131	20.98	267,763	3,353	23.08
Xuanguang Expressway	201,296	996	18.01	218,700	1,289	18.73
Lianhuo Expressway Anhui Section	98,491	1,545	8.91	94,975	1,497	8.21
Ninghuai Expressway Tianchang Section	37,967	461	3.42	35,047	401	3.02
Guangci Expressway	35,218	900	3.22	35,632	0	3.03
Total	1,107,047	16,109	100	1,156,634	17,884	100

(Principal operating income includes toll income and operating income of the Service Center)

Operating costs

During the Reporting Period, the operating costs of the Group were RMB384,971 thousand, representing an increase of 5.50% from the same period in 2011. The increase of operating costs was mainly due to the increase of depreciation and amortization expenses as a result of the completion of reconstruction of New Tianchang Section of National Trunk 205.

Percentage of specific operating costs (%)

Project of Costs	Depreciation and amortization (RMB'000)	Road maintenance expenses (RMB'000)	Other costs (RMB'000)	Total (RMB'000)
First half of 2012	255,974	35,189	93,808	384,971
First half of 2011	244,689	39,727	80,478	364,894
Change (%)	4.61%	-11.42%	16.56%	5.50%

Administrative expenses

During the Reporting Period, the Group's administrative expenses were RMB52,699 thousand, representing an increase of 24.63% from the same period in 2011. Such increase was mainly attributable to the higher office expenses due to the increase in headcount of the Group and the completion and commencement of production of Wantong Expressway Hi-tech Industrial Park.

Finance costs

During the Reporting Period, the Group's finance costs were RMB65,369 thousand, representing an increase of 2.33% from the same period in 2011. The main reason was that the Company obtained the income on financial product in the same period of 2011 while there was no such income in 2012.

Return on Investment

During the Reporting Period, investment income of the Group was RMB 967,000, representing an increase of 7.44% from the corresponding period in 2011, due to the slight increase of investment income recognized on the associated company, Anhui Expressway Advertisement Co., Ltd., based on the equity method.

Income tax

During the Reporting Period, applicable income tax rates of the Company, the company's subsidiaries and affiliates were 25%. During the Reporting Period, income tax expenses of the Group were RMB 145,652 million, representing a decrease of 9.31% from the corresponding period in 2011. That was mainly caused by the decreased taxable income with the slight decrease of the Group's operating revenue.

Net profit

During the Reporting Period, the net profit of the Group was RMB437,635 thousand, and the net profit attributable to shareholders of the Company was RMB395,811 thousand, representing a decrease of 13.36% and 12.68% respectively from the same period in 2011. The basic earnings per share was RMB 0.2386 for the Reporting Period.

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

As at 30 June 2012, the total assets of the Group were RMB10,759,649 thousand, representing an increase of 2.90% compared with that at the end of last year, which was mainly due to the increase of monetary capital and the increased intangible assets of Ningxuanhang Road.

Current liabilities and short-term debt paying ability

As at 30 June 2012, the Group's current liabilities were RMB1,252,823 thousand (31 December 2011: RMB842,483 thousand), including short-term borrowings of RMB46,300 thousand, current portion of long-term bank borrowings of RMB34,050 thousand, accounts payable of RMB356,618 thousand, interests payable of RMB51,523 thousand, staff salaries payable of RMB60,679 thousand, tax payables of RMB39,349 thousand, other payables of RMB247,059 thousand, (representing toll income collected on behalf of the inter-network settlement center of RMB21,837 thousand, deposit for construction projects of RMB 46,338 thousand and others of RMB178,884 thousand), dividends payable of RMB394,549 thousand and other current liabilities of RMB22,696 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 and debt paying ability

The Group's non-current liabilities were RMB2,925,352 thousand, including 5-year corporate bonds of RMB1,984,949 thousand and long-term payables to minority interests of RMB363,820 thousand. The total issuance of corporate bonds was RMB2 billion with terms of 5 years. The corporate bonds were charged by simple interest annually starting from 17 December 2009 and ending at 16 December 2014 with fixed annual interest rate of 5%. The Company pays interests annually and repays principal at maturity date without redeeming. The long-term payables to minority interests are interest free and repaid in accordance with the contract signed by the Group and non-controlling shareholders. The non-current liabilities of the Group were listed into relevant maturity groupings based on the remaining period as follows:

RMB'000	Less than one year	1-2 years	2-5 years	More than 5 years
The Group				
30 June 2012				
Corporate bonds and relevant interests	112,119	149,428	2,242,498	353,490
Long-term minority payables	—	—	—	—

According to the above payment terms, estimation of operating cash flows and fund arrangements, the management believes the Group has sufficient funds to repay the mature non-current liabilities. As at 30 June 2012, the Group had no material charges on Group assets or contingent liabilities. The debt-to-equity ratio of the Group was approximately 38.83% as at 30 June 2012.

Shareholders' equity

As at 30 June 2012, shareholders' equity (excluding minority interests) of the Group was RMB 6,177,816 thousand, representing a decrease of RMB179,193 thousand from RMB6,357,009 thousand at the beginning of the year, mainly due to the acquisition of an entity under common control.

Cash flows of the Group

As at 30 June 2012, the Group's cash and cash equivalent were RMB887,763 thousand, representing a decrease of RMB284,540 thousand compared with that of the corresponding period in 2011.

During the Reporting Period, the Group's net cash inflows from operating activities were RMB712,302 thousand, representing a decrease by RMB154,500 thousand or 17.82% compared with that of the corresponding period last year, mainly because that during the Reporting Period, the Group's cash received from sales of goods decreased by RMB32,997 thousand compared with that of the corresponding period last year, but cash paid for goods and services, tax payables and staff salaries increased respectively by RMB4,951 thousand, RMB 102,415 thousand and RMB21,043 thousand.

During the Reporting Period, the Group's net cash outflows from investing activities were RMB639,900 thousand, which was mainly used in investment in Anhui Xin'an Financial Group Co., Ltd., construction of Ningxuanhang Expressway, reconstruction of New Tianchang Section of National Trunk 205, building of Wantong Expressway Hi-tech Industrial Park and the acquisition of Guangci Company.

During the Reporting Period, the Group's net cash outflows from financing activities were RMB212,138 thousand, mainly due to the proceeds from banks' and a minority interest' loan of RMB236,300 thousand and cash generating from a minority interest's contribution of RMB60,000 thousand.

The Group was awarded with good credit ratings. As at 30 June 2012, the total credit facilities granted during the year was RMB2,078 million, and the facilities not yet utilized were RMB2,032 million.

Capital expenditures

During the Reporting Period, the Group's capital expenditure was RMB240 million in total, which was mainly composed of construction of Ningxuanhang Expressway, reconstruction of New Tianchang Section of National Trunk 205, widening of Hening Expressway and building of Wantong Expressway Hi-tech Industrial Park, which was funded by the Group's own funds, and bank borrowings.


As at the end of the Reporting Period, the capital expenditure commitment was RMB221 million contracted for but not necessarily confirmed in the financial statement (mainly used as investment for the construction of Ningxuanhang Expressway).

Capital Structure

	As at 30 June 2012		As at 31 December 2011	
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)
Current liabilities	1,252,823	11.64	842,483	8.06
Long-term liabilities	2,925,352	27.19	2,876,485	27.51
Shareholders' equity	6,177,816	57.42	6,357,009	60.79
Minority interests	403,657	3.75	380,538	3.64

In terms of interest rates:

	30 June 2012 (%)	31 December 2011 (%)
Interest-bearing liabilities	23.61	23.60
Interest-free liabilities	15.22	11.97
Shareholders' equity attributable to the Company	57.42	60.79
Minority interests	3.75	3.64



In 2009, the Group issued the corporate bonds of RMB2 billion, which resulted in the change of proportion of current liabilities and non-current liabilities. The Group's current bank borrowings and bonds payables are all fixed rate liabilities, except Long-term borrowings which are floating rate liabilities. Fluctuation in interest rates will not have any material impact on the Group's operating results. The Group's floating interest liabilities are mainly general payables and long-term payables to minority shareholders of subsidiaries.

IV Other Supplementary Materials

Exposure to Fluctuation in Exchange Rates

During the period under review, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. As at 30 June 2012, the Group did not have any foreign exchange contracts or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

The Number and Remuneration of Employees

As at 30 June 2012, the Group employed approximately 1,680 employees with staff salaries RMB97,270 thousand. The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

V The formulation and implementation of the cash dividend and distribution policy

Since entering the market, the company has been always insisting on rendering returns to shareholders and has been constantly distributing cash dividends for 16 years. In order to establish a long-term cash dividends distributing system, the company has defined it in Article 220 in the Articles of Association: "The profit distributed in cash by the Company accumulated in 3 consecutive years shall not be less than 30% of the annual average distributable profit realised in the most recent 3 years, in order to ensure the continuity and stability of the profit distribution policy. The Company can declare interim cash dividend."

According to the regulation related to improving the work of cash dividends distribution in "Concerning further implementing the related matters of cash dividends distribution of listed companies", the Twelfth Meeting of the Sixth board was held on July 2012, which passed the motion concerning the amendment of the Articles of Association so that the cash dividends distribution policy could be further improved and the decision-making system and procedure of it could be regulated.

The amendment of the "Articles of Association" would be ready for approval on the Extraordinary General Meeting held on 30 August, 2012.

The decision-making procedures and systems for the profit distribution after amendment mainly include: when the board makes the profit distribution plan, they should pay attention to the reasonable return for the investors and the Sustainable development of the company, Comprehensive analysis of the operation and development of the Company, the shareholders' desires, the social cost of capital, external financial environment and other factors.

The Company's profit distribution plan was drawn up by the Company Secretary and the financial officers, submitted to the Board of Directors for consideration by the agreement of more than two-thirds of the independent directors. The Board of directors will proceed the full discussion of the rationality of the profit distribution plan, submitted to the general meeting for approval.

After the convening of the board of directors, the company should take a variety of methods to actively communicate with minority shareholders and listen to their advices. When the general meeting considers the cash dividends distribution plan, they should reply to the concern of minority shareholders as soon as possible.

According to the company's own operating condition, the need of investments and long-term development, or because of the significant changes of the external operating environment, which requires the adjustment of the cash dividends distribution plan, the adjusted profit distribution policies should be based on the protection of shareholders' equity as the starting point, and must not violate the laws, regulations and regulatory requirements.

The reason why the profit distribution plan should be adjusted needs to be concretely illustrated and discussed and the plan should be approved by more than two-thirds of the independent directors, passed by the Board of Directors and then delivered to the general meeting for approval.

When the general meeting considers the adjustment of the profit distribution plan, the company provides the network voting platform, passed by 2/3 of the shareholders who attend the general meeting.

For more details about the amendment of the Articles of Association, please see "the announcement of the resolution of the Twelfth meeting of the Sixth Board of Directors of the Company".



SECTION VIII MAJOR EVENTS

I 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.

Internal control establishment

As one of the first listed companies which are operated with Chinese internal control system, our company has been continuing to perform and perfect internal control in 2012, basing on regulated requirements for internal control in 2012, to practically make internal control enhance management for process, systematism, refining, and scientism, with aiming at continuing to optimize internal control system in our company. During the report period, the following work has

To have finished self-assessment of internal control in 2011 and the announcement

In the first half year of 2012, the internal control group in our company has completed year-end audit test task of design effectiveness and performance effectiveness of internal control of our company in 2011, with the help of consultative department. Basing on the self-assessment result, our company has finished compiling the self-assessment statement of internal control of 2011 in March, 2012, and announced the same after being evaluated by board of directors.

To coordinate to have finished auditing and announcing internal control in 2011

In 2011, our company employed PWC (Price Waterhouse Coopers) to perform external audit of internal control of our company. After testing, PWC believed that our company kept effective internal control in financial statement in all important issues, presented and announced audit statement with clean opinion on December, 31st, 2011, according to Basic Regulations on Enterprise Internal Control and policies concerned.

To supervise and urge to have perfected corresponding system of internal control in our company

During the reporting period, our company has reorganized relating systems needed perfecting to improve management by internal control, basing on performance of internal control in 2011. Meanwhile, our company has established and perfected regulations to supervise and urge sections of our company by coordination as well. At present, our company has ensured rough drafts of corresponding regulations and will have it announced for implement after suggestions collected are being discussed.

To have drawn up work program for internal control in 2012

Our company has worked out work program for internal control in 2012, and drawn up schedule for work program so as to ensure effective and sustainable development of internal control, basing on internal control regulations of 2011, considering process to be perfected for establishing internal control and actual management of our company. On the one hand, in accordance with the work program, our company will realize improving management by a series of countermeasures, such as enhancing propaganda, perfecting regulations, strengthening management, dynamic optimization, and proper encouragement, etc. On the other hand, our company has also formulated self-assessment program of internal control, and worked out risk-assessment program as well. Furthermore, our company has drawn up self-assessment standard, testing scope, and time arrangement for internal control, too, at the same time, effectively worked out self-check and testing work, which establishes effective base for self-assessment of internal control in order.

To have set up internal control commissioner and work group in company

In the first half of this year, internal control commissioners have been set up in every section of the company, and every unit affiliated to the company, who consist of internal group with leaders from financial section and audit section in order to solve sustainable development of establishing internal control after expiration of contract of the consulting organization, with the leading from financial section and audit section of our company. The internal control commissioner will participate in propaganda of internal control, supervise and urge to perform internal control continuously and effectively, rectify and reform shortcomings in time, take part in self-assessment of internal control, organize to develop self-check and so on, which will ensure that the establishment, performance and self-assessment of internal control can be developed effectively.

In the second half of this year, our company will have process perfected further, namely, to enhance performance by checking and self-checking, practicing and reforming. Meanwhile, our company will continue to perform self-assessment audit of internal control, together with countermeasures of supervising and checking, proper evaluating and encouraging, etc to perfect internal control and system of the company gradually, which can construct long-acting mechanism of internal control for our company to develop healthily and sustainably.

To have modified Articles of Incorporation

According to regulations of *Notice of Making Sure of Cash Bonus of Listed Company Further* issued by CSRC (China Securities Regulations Commission) (issued number 37 by CSRC in 2012), our company held the twelfth meeting of sixth board of directors July, 2012, passing proposal of modifying *Articles of Incorporation*, in which the policy of cash bonus has been perfected further and decision mechanism and process of profit-sharing plan of our company has been regulated as well, though the *Articles of Incorporation* modified needs examining and permitting by the first temporary stockholders meeting which will be held on August, 30th, 2012.



Code on Corporate Governance Practice

The Company had adopted the Code on Corporate Governance Practices (the "CGP Code") during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code ("CG Code") during the period from 1 April 2012 to 30 June 2012 introduced in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited by the Stock Exchange to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders. Save and except that both the duties of a remuneration committee and a nomination committee are performed by the Company's Human Resources and Remuneration Committee (as the Company considers the long established mode of Human Resources and Remuneration Committee has so far been effective and suits the needs of the Company better, and the members of the Human Resources and Remuneration Committee are all independent directors, which can ensure the protection of the interests of shareholders), the Company has complied with the CGP Code during the period from 1 January 2012 to 31 March 2012 and the CG Code during the period from 1 April 2012 to 30 June 2012.

Liability Insurance for Directors, Supervisors

According to the Stock Exchange of Hong Kong's latest regulations of the CG Code, through the deliberation and approval of the Board of Directors meeting on 27 March 2012, on the premise that the insured limit of liability is RMB50 million and the total budget of annual premiums is RMB200,000 at most, purchase liability insurance for directors, supervisors and senior management of the Company and authorize the executive directors or the secretary of the board, in the case of no significant adjustment of liability limits and premiums budget matters, to handle subsequent annual renewal of insurance. This bill had been examined and approved in the 2011 annual shareholders' annual general meeting which was held on May 25, 2012.

During the Reporting Period, the Company has completed the insurance formalities of the liability insurance mentioned above.

Audit Committee

During the Reporting Period, the Audit Committee convened three meetings, which reviewed the 2011 Annual Results Report and Financial Statement prepared in accordance with CAS and HKAS, the 2012 First Quarterly Report, as well as the 2012 Interim Results Report and Unaudited Financial Statement prepared in accordance with CAS and HKAS.

Independent Non-executive Director

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

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

For the six months ended 30 June 2012, 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".

II Profit appropriation for 2011 interim

The Board of Directors of the Company recommends that the Company will neither pay the dividends for six months as at 30 June 2012 nor transfer the capital surplus to share capital.

III Implementation of the profit appropriation for the reporting period

The 2011 profit appropriation plan of the Company was approved by the 2011 Annual General Meeting held on 25 May 2012, details are as follows: To pay a final dividend of RMB348,308 thousand on the basis of RMB2.1 for every 10 shares (tax inclusive) based on the total number of shares outstanding at the end of 2011 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 2011 General Meeting on 28 May 2012 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\$0.2582 (tax inclusive), which was priced in RMB and paid in HK\$. The registration date of the H Shareholders was 5 June 2012 and the dividend payout date was 20 July 2012. On 10 July 2012, the Company published the 2011 profit appropriation implement announcement in the Shanghai Securities Post and China Securities Post and determined that the Domestic Shareholders' registration date was 13 July 2012, the ex-dividend date was 16 July 2012 and the dividend payout date of 20 July 2012.

The 2011 profit appropriation proposal has been implemented.

IV Implementation of cash dividends during the reporting period

The cash dividends policy was defined in the Articles of Association of the Company and the 2011 annual profit distribution was completed on 20 July 2012.

According to relevant documents of CSRC, The Company revised the Articles of Association of the Company. The cash dividends policy were further refined and the Decision-making mechanism and program of profit-sharing plans were specified. The Amendment of the Articles of Association of the Company remains to be deliberated and approved through the first temporary General Meeting of Shareholders 2012 held on 30th, August, 2012.

V Material Litigation and Arbitration

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

VI Material Acquisition and Disposals of Assets and Mergers

According to the public information issued by Anhui Assets and Equity Exchange, Anhui Expressway Holding Group Co., Ltd. and Xuancheng Highway Management Co., Ltd. publicly nominal quotation transferred their 51% and 4.47% equity interest in Guangci Company on 11 November 2011 and 8 December 2011, respectively. The quotation price was RMB 23,421 million.

In order to further expand the assets scale of the Company, the board of directors decided to participate in the public bidding within the investment authority and authorized the management to handle the related matters, after the deliberation and obtaining approval of the fifth session of the sixth board of directors meeting held on 7 December 2011. According to the final confirmation issued by Anhui Assets and Equity Exchange, the Company successfully bid for the equity interest. The transaction price was RMB23,421 million. On 21 February 2012, the Company entered into an acquisition contract with Anhui Expressway Holding Group Co., Ltd. and Xuancheng Highway Management Co., Ltd. to acquire 51% equity interest and 4.47% equity interest in Guangci Company, for cash considerations of RMB21,533 million and RMB1,888 million respectively.

After the acquisition, Guangci Company became a subsidiary of the Company. From 1 January 2012, the operating profit or loss is enjoyed or assumed by the Company and Xuancheng Highway Management Co., Ltd. in proportion.

See the Announcements and Notices - Connected Transaction published on 2 February 2012 for details.

Unit: 0'000 RMB

Counterparty or the final controlled party	acquired assets	Purchase date	acquisition price of assets	The net profit as a contribution for a listed company				Acquisition of assets pricing principle	right is all transferred or not	The assets of a listed company	Is the net profit contribution for the total profit
				The net profit as a contribution for a listed company	Since the start of this year to the final report (for business combination under common control)	Is it the connected or not(if so, please explain the pricing principle)	Is the involved property transferred				
The Group · Xuancheng Highway Management	Guangci 55.47% equity	1 January 2012	23,421	821	821	yes	return on net assets	yes	yes	2.07	

VII Material Connected Transactions

1. Connected transactions in relation to daily operations

Unit: RMB'000

Connected parties	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Percentage to the similar transactions	Payment method
Anhui Expressway Group	To provide business management service of Expressway	Made by negotiations through fair principles with reference to its costs	6,707	84.45%	Transfer
Anlian Company	To provide business management service of Expressway	Made by negotiations through fair principles with reference to its costs	734	9.24%	Transfer
Fuzhou Expressway	To provide business management service of Expressway	Made by negotiations through fair principles with reference to its costs	501	6.31%	Transfer
Xiandai Transportation	To receive Construction Management service	Made according to the way of bidding	5,834	0.96%	Transfer
Bangning Property	To receive Construction Management service	Made by negotiations through fair principles with reference to its costs	691	0.11%	Transfer
Bangning Property	To receive property management service	Made by negotiations through fair principles with reference to its costs	918	97.08%	Transfer
Expressway Inspection Center	To receive construction inspection service	Made according to the way of bidding	1,213	0.33%	Transfer
Highway Project Supervision Company	To receive supervisory service of project construction	Made according to the way of bidding	4,540	1.23%	Transfer
Expressway Media	To receive advertising service	Made by negotiations through fair principles with reference to its costs	391	72.71%	Transfer



Connected parties	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Percentage to the similar transactions	Payment method
Yida Company	To lease service areas of the Company	To recognize on a straight-line basis over the lease period	3,600	29.53%	Transfer
Yida Company	To lease Guangci service areas of the Company	To recognize on a straight-line basis over the lease period	900	5.59%	Transfer
Expressway Petroleum & Chemical	To lease gas station of the Company	To recognize on a straight-line basis over the lease period	6,623	54.33%	Transfer
Expressway Petroleum & Chemical	To lease the Room 304, NO. 1 apartment building in New and High-tech Park	To recognize on a straight-line basis over the lease period	175	1.09%	Transfer
Anhui Expressway Group	To receive loans		140,000	59.25%	Transfer
Total			172,827		

2. *Connected transactions in relation to asset acquisition and asset sale.*

Unit: RMB 0'000

Related parties	Association	Pricing policies of connected transactions	Amounts of connected transactions	Accounting price of Asset Deal	Appraisal Value of Asset Deal	Payment transfer prices	Payment method
Anhui Expressway Group	Parent Company	acquisition of 51% equity interest in Guangci Expressway	Return on Net Assets	8,987.55	21,532.55	21,533	Transfer
Xuancheng Highway Management	The Others	Acquisitions of equity interest in Guangci Expressway	Return on Net Assets	787.73	1,887.26	1,888	Transfer

3. *Related debtor and creditor account*

Unit: RMB'000

Related parties	The Company provides capital to related parties		Related parties provide capital to the Company	
	Amount incurred	Balance	Amount incurred	Balance
Xuancheng Highway Management	0	0	0	307,726
Xuancheng Transportation and Construction	0	0	0	56,094
Anhui Expressway Group	0	0	140,000	148,000
Reasons for related debtor and creditor account	Apart from the joint investment of Xuancheng Highway Management and Xuancheng Transportation and Construction exceeding long-term payables of registered capital of subsidiaries, connected parties receivables and payables were both produced from the above connected transactions and borrowings of staff. The amounts had no guarantee, bore no interest and no fixed repayment deadline.			

VIII **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.

IX 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) *Implementation of guarantee*

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

It was approved that the controlling subsidiary, Ningxuanhang Company, could get RMB 500 million's guarantee at the 18th session of the fifth board of directors on 18 August, 2010.

(RMB'000,000,000)

Guarantees provided by the Company to its controlling subsidiaries

Total amount of guarantees provided for the controlling subsidiaries by the Company during the reporting period	0
Total balance of guarantees provided for the controlling subsidiaries as at the end of the reporting period	1.81

Total amount of guarantees provided by the Company (including guarantees provided for the controlling subsidiaries)

Total guarantee amount	1.81
Total guarantee amount as a percentage of net asset value (%)	2.93%

(3) *Financial entrustment and entrusted deposit*

During the reporting period, the Company was not involved in any business on financial entrustment and entrusted deposit.


(4) *Other material contracts.*

During the reporting period, the Company did not have any other material contracts.

X Fulfillment of Commitments

Fulfillment of Commitments made by the company, shareholders holding more than 5% stake or substantial controller during or lasted till the reporting period.

Commitments	Contents of commitments	Implementation of their commitments
Commitments of Share Segregation Reform	<p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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.</p>	Implemented their undertakings carefully without breach.

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- (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

XI Appointment and Dismissal of Auditors

PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd and PricewaterhouseCoopers Certified Public Accountants were appointed as the Company's 2012PRC and Hong Kong auditors at the 2011 Annual General Meeting.

XII 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.

XIII Analysis on Other Major Events and Their Impact and Resolving Proposals

Issuance and listing of corporate bond

According to the approval document (Zheng Jian Xu Ke No. [2009] 1074) issued by China Securities Regulatory Commission ("CSRC"), the Company successfully issued Corporate Bonds of RMB2 billion on 17 -22 December 2009 through the internet and other ways. The carrying amount of such Bond is RMB100 each. Such Corporate Bonds were issued at par with a term of 5 years, the interest of which is calculated at a fixed simple interest rate of 5% per annum and is payable annually. The principal of the Bond shall be redeemed in full on maturity. According to the approval document (Shang Zheng Zhai Zi No. [2010] 9) issued by the Shanghai Stock Exchange, such Corporate Bonds have been listed in the Shanghai Stock Exchange since 21 January 2010 (Stock Name: "09 Wangtongzhai", Stock Code: "122039").

The Company had paid annual interests of corporate bonds on time by appointment.

In April 2014, CCXR conducted a follow-up rating on Anhui Expressway bond in 2009 and the rating results maintained our bond credit rating of AAA and our corporate credit rating of AA + and the rating outlook was stable.

American depositary receipt ('ADR') program

On 11 June 2009, the Company set up an American depositary receipt ('ADR') program with Bank of New York Mellon (as the depositary bank). The number of ADR registered by the Company under the ADR program is 50,000 thousand. Each ADR represents ten ordinary H shares traded on HKEx. The Company does not issue new shares because of its American Depositary Receipt program. American Depositary Receipt in American Depositary Receipt program is just traded in American OTC market and will not be listed on any stock exchange in the U.S.

To have applied for issuing 3-year non-public directional bonds of ¥2,000,000,000 RMB for fund raising

In order to broaden fund raising channels and optimize capital structure, the Company decides to apply for issuing 3-year non-public directional bond of ¥2,000,000,000 RMB for fund raising to National Association of Securities Dealers in interbank market of China after being permitted by annual stockholders meeting of 2011 in May, 25th, 2012. The registered capital of the bond is ¥2,000,000,000 RMB and will be issued by stage with 3 years of offering period. And board of directors or any two directors of the board are authorized to decide specific issuing articles and related terms without any preconditions according to company's requirements and market. The valid period of the resolution will be effective in 12 months after being permitted by annual stockholders meeting.

Investment in establishing a small-scale credit company

After discussion in the 21st meeting of the 5th Board, the Company was planning to jointly establish a small-scale credit company with the Group, Anlian Company, Inspection and Scientific Research Center, Highway Engineering Supervision Company, Expressway Media and other units. The registered capital of the limited company is RMB 1.5 billion, including 45 million invested by the Group, accounting for 30% stake, and each 15 million by the Company and other six shareholders, each accounting for 10% stake.

The application for establishment has already received the approval from the relevant government department on 17 April 2012. Our company has paid the funds RMB15 million on or before the date of approval of issuing this report and this company is still preparing for its establishment.


Investment in establishing Xin'an Financial Group Limited

After discussion in the 27th meeting of the 5th Board on 7 July 2011, the Company intended to jointly establish Xin'an Financial Group Limited by shared with nine units including (Anhui) Nanxiangwanshang logistics service industry company limited ("Nanxiangwanshang" for short) · Wuhu construction investment company limited . The registered capital of the company is RMB 3.0 billion. Its business scope includes: financial investment, equity investment and management consulting. The largest shareholder Nanxiangwanshang invested RMB 1.6 billion; accounting for 53.33% stake, our company invested RMB 500 million and is the second largest shareholder of the company.

During the reporting period, our company has paid the funds of the first phase RMB10, 000 thousand, and is expected to pay an accumulative sum of RMB40,000. Up to the date of this report being disclosed, the company has paid the funds of the last phase.

Investment in the establishment of a pawnbroker company

After consideration and approval by the meeting of the Sixth Board of Directors held on 28 December 2011, the Company has planned to invest jointly with Hefei Huatai Group Co., Ltd. ("Huatai Group") to establish the Hefei Wantong Pawnbroker Co., Ltd. ("Wantong Pawnbroker"). The Company will inject a capital contribution of RMB150 million, representing 71.43% of registered capital, and Huatai Group will inject a capital contribution of RMB60 million, representing 28.57% of the registered capital.



The application for establishment has already received the approval from Anhui Department of Commerce on 17 April 2012. During the reporting period, this company has already completed business registration.

Investment and participation in Huayuan pawnbroker company

After consideration and approval by the meeting of the Sixth Board of Directors held on 26 June 2012, the Company has planned to joint stock to Huayuan Pawnbroker Co., Ltd. The Company will inject a capital contribution of RMB45 million, representing 18.75% of Huayuan's Total stock issue after capital and share increase.

This investment is currently under consideration for approval by Anhui State-owned Assets Supervision and Administration Commission and still pending on or before the date of approval of issuing this report and the sum for capital contribution has not been paid yet.

Funding increasing and stock expanding of Ningxuanhang Company

Through the deliberating and approval of temporary board meeting held on 20th, August, 2012, our company is planned to sign the funding increasing and stock expanding agreement by Ningxuanhang Company with The Group and Xuancheng Transportation and Construction Third Party. The funding increasing and stock expanding scheme is as follows: according to the agreement, and with the reference to No. 208 Assets Evaluation Report of Zhong Tonghua Evaluation Report(2012), The Group and The Company implement this capital increase, which is 1.5586 times of the initial investment and the registered capital of Ningxuanhang Company increases from 100 million RMB to 300 million RMB, among which, on the basis of initial capital of 70 million RMB, the registered capital should be paid is 83 RMB and the registered capital, which has been paid is 129.361559 million RMB, accounting for 51% shares compared to the previous 70%. Xuancheng Transportation and Construction maintains the registered capital of 30 million RMB, which is changeless, accounting for 10% of the shares compared to the previous 30%. The registered capital of The Group should be paid is 1170 million RMB and the number has been paid is 182.353041 million RMB, accounting for 39% of the shares. And it has also been agreed to submit the scheme on 12th, October, 2012, when the 2012 Second Contemporary Shareholders' General Meeting deliberates it and approves.

This investment should also been approved by the National Resource Council of Anhui province. The evaluation results of the project should also be approved, recorded and confirmed by the National Resource Council of Anhui province.

XIV 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
H Share Announcement-Continuing Connected Transaction		4 January 2012	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 8th meeting of the 6th Board	China Securities Post, the Shanghai Securities Post	22 February 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Connected Transaction	China Securities Post, the Shanghai Securities Post	22 February 2012	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 Foreign investment	China Securities Post, the Shanghai Securities Post	22 February 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Connected transaction - acquisition of 55.47% equity interest in Guangci Expressway		22 February 2012	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Notice of the 2011 Annual General Meeting		28 March 2012	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
H Share Announcement-Continuing Connected Transaction (inspection agreement, supervision agreement)		28 March 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
H share announcement-continuing connected transaction (the operating lease)		28 March 2012	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 9th meeting of the 6th Board	China Securities Post, the Shanghai Securities Post	28 March 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Items	Newspapers designated for publishing reports	Publishing date	Website designated for disclosure of reports
Announcement of the resolutions of the 4th meeting of the 6th Supervisory Committee	China Securities Post, the Shanghai Securities Post	28 March 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2011 Annual Results Announcement		28 March 2012	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2011 Annual Report	China Securities Post, the Shanghai Securities Post	28 March 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
Connected Transaction	China Securities Post, the Shanghai Securities Post	29 March 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2012 First Quarterly Report	China Securities Post, the Shanghai Securities Post	27 April 2012	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 rating for Tracking the Shanghai Securities Post "09 Anhui Expressway bond"	China Securities Post, the Shanghai Securities Post	27 April 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2012 reports for Tracking the Corporate bonds, reports for trustee management of Corporate bonds (2011)	China Securities Post, the Shanghai Securities Post	27 April 2012	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 2011 Annual General Meeting	China Securities Post, the Shanghai Securities Post	28 May 2012	Website of the Shanghai Stock Exchange: www.sse.com.cn
voting results at annual general meeting held on 25 may 2012 and change of supervisor		28 May 2012	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

SECTION IX ACCOUNTS

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2012	Unaudited 31 December 2011 (Note 2)
ASSETS			
Non-current assets			
Concession intangible assets	9	8,441,306	8,430,757
Land use rights	9	10,987	11,330
Property, plant and equipment	9	642,729	811,003
Investment property	9	349,724	206,873
Intangible assets	9	2,692	2,367
Investments in an associate		30,252	29,285
Available-for-sale financial assets	10	400,000	300,000
		<u>9,877,690</u>	<u>9,791,615</u>
Current assets			
Inventories		4,224	3,413
Trade and other receivables	11	107,787	184,700
Cash and cash equivalents		887,763	603,223
		<u>999,774</u>	<u>791,336</u>
Total assets		<u>10,877,464</u>	<u>10,582,951</u>
EQUITY			
Equity attributable to owners of the Company			
Ordinary share capital	12	1,658,610	1,658,610
Share premium	12	1,415,593	1,415,593
Other reserves	13	118,055	345,042
Retained earnings			
– Proposed final dividend	25	—	348,308
– Others		3,090,224	2,698,408
		<u>6,282,482</u>	<u>6,465,961</u>
Non-controlling interests		<u>404,106</u>	<u>380,993</u>
Total equity		<u>6,686,588</u>	<u>6,846,954</u>

The notes on pages 55 to 82 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Continued)

As at 30 June 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2012	Unaudited 31 December 2011 (Note 2)
LIABILITIES			
Non-current liabilities			
Long-term payables	18	363,820	379,040
Borrowings	15	2,444,999	2,398,983
Deferred income tax liabilities		86,522	71,691
Deferred income	17	42,713	43,799
		<u>2,938,054</u>	<u>2,893,513</u>
Current liabilities			
Trade and other payables	14	1,133,176	651,522
Current income tax liabilities		32,470	116,896
Provision	16	6,826	6,826
Borrowings	15	80,350	67,240
		<u>1,252,822</u>	<u>842,484</u>
Total liabilities		<u>4,190,876</u>	<u>3,735,997</u>
Total equity and liabilities		<u>10,877,464</u>	<u>10,582,951</u>
Net current assets		<u>(253,048)</u>	<u>(51,148)</u>
Total assets less current liabilities		<u>9,624,642</u>	<u>9,740,467</u>

The notes on pages 55 to 82 are an integral part of these condensed consolidated financial statements.

Approved by the Board of Directors on 24 August 2012

Director

Director

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June 2012	Unaudited 2011 (Note 2)
Revenues	20	1,359,050	1,538,699
Cost of sales	21	(665,590)	(772,863)
Gross profit		693,460	765,836
Other gains - net	19	2,811	4,760
Administrative expenses	21	(52,810)	(42,568)
Operating profit		643,461	728,028
Finance costs	22	(67,819)	(67,530)
Share of profit of associates		967	900
Profit before income tax		576,609	661,398
Income tax expense	23	(143,982)	(159,521)
Profit for the period		432,627	501,877
Attributable to :			
Owners of the Company		391,128	449,587
Non-controlling interests		41,499	52,290
		432,627	501,877
Basic and diluted earnings per share from operations attributable to owners of the Company (expressed in RMB per share)	24	0.2358	0.2711
Dividends		—	—

The notes on pages 55 to 82 are an integral part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Unaudited	Unaudited
	Six months ended 30 June	
	2012	2011
		(Note 2)
Profit for the period	432,627	501,877
Other comprehensive income	—	—
Other comprehensive income for the period, net of tax	—	—
Total comprehensive income for the period	<u>432,627</u>	<u>501,877</u>
Total comprehensive income attributable to:		
Owners of the Company	391,128	449,587
Non-controlling interests	<u>41,499</u>	<u>52,290</u>
	<u>432,627</u>	<u>501,877</u>

The notes on pages 55 to 82 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 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Attributable to equity holders of the Company				Non-controlling Interests	Total
	Ordinary share capital (Note 12)	Share premium (Note 12)	Other reserves (Note 13)	Retained earnings		
Balance at 1 January 2011 (unaudited)	1,658,610	1,415,593	264,142	2,614,609	352,337	6,305,291
Comprehensive income						
Profit for the half-year (unaudited)	—	—	—	449,587	52,290	501,877
Other comprehensive income (unaudited)	—	—	—	—	—	—
Total comprehensive income for the period ended 30 June 2011 (unaudited)	—	—	—	449,587	52,290	501,877
Profit appropriation (unaudited)	—	—	—	—	—	—
Others (unaudited)	—	—	(726)	726	—	—
Transactions with owners						
2010 final dividends (unaudited)	—	—	—	(348,308)	—	(348,308)
2010 dividends to non-controlling interests by subsidiaries (unaudited)	—	—	—	—	(77,677)	(77,677)
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)	—	—	—	—	15,579	15,579
Balance at 30 June 2011 (unaudited)	1,658,610	1,415,593	263,416	2,716,614	342,529	6,396,762

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Attributable to equity holders of the Company				Non-controlling Interests	Total
	Ordinary share capital (Note 12)	Share premium (Note 12)	Other reserves (Note 13)	Retained earnings		
Balance at 1 January 2012 (unaudited)	1,658,610	1,415,593	345,042	3,046,716	380,993	6,846,954
Comprehensive income						
Profit for the half-year (unaudited)	—	—	—	391,128	41,499	432,627
Other comprehensive income (unaudited)	—	—	—	—	—	—
Total comprehensive income for the period ended 30 June 2012 (unaudited)	—	—	—	391,128	41,499	432,627
Profit appropriation (unaudited)	—	—	—	—	—	—
Others (unaudited)	—	—	(688)	688	—	—
Transactions with owners						
2011 final dividends (unaudited)	—	—	—	(348,308)	—	(348,308)
2011 dividends to non-controlling interests by subsidiaries (unaudited)	—	—	—	—	(70,475)	(70,475)
Non-controlling interests' contributions to the Group (unaudited)	—	—	—	—	60,000	60,000
Consideration paid to the then equity owners for acquisition of an entity under common control (unaudited)	7(a)	—	(215,330)	—	—	(215,330)
Changes in ownership interests in a subsidiary without change of control (unaudited)	8	—	(10,969)	—	(7,911)	(18,880)
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)		—	—	—	—	—
Balance at 30 June 2012 (unaudited)	1,658,610	1,415,593	118,055	3,090,224	404,106	6,686,588

The notes on pages 55 to 82 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2012

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited For the six months ended 2012	Unaudited 2011 (Note 2)
Cash flows from operating activities			
Cash generated from operations		593,557	618,102
Interest paid		(6,326)	(7,873)
Income tax paid		(213,756)	(148,526)
Net cash generated from operating activities		373,475	461,703
Cash flows from investing activities			
Purchase of property, plant and equipment		(25,163)	(57,574)
Purchase of intangible assets		(779)	(496)
Purchase of available-for-sale financial assets	10	(100,000)	—
Payment for acquisition of an entity under common control	7(a)	(165,330)	—
Changes in ownership interests in subsidiaries without change of control	8	(18,880)	—
Proceeds from sales of property, plant and equipment		269	526
Interest received		2,561	3,930
Net cash used in investing activities		(307,322)	(53,614)
Cash flows from financing activities			
Proceeds from borrowings		96,300	91,000
Repayments of borrowings		(40,000)	(135,500)
Cash generating from a non-controlling interest's contribution to subsidiaries	7(b), 14, 18	200,000	45,000
Dividends paid to minority shareholders		(37,836)	(58,983)
Dividends paid to the Company's shareholders		—	(348,308)
Net cash generated from/(used in) financing activities		218,464	(406,791)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		603,223	818,350
Exchange gains on cash and cash equivalents		(77)	63
Cash and cash equivalents at end of the period		887,763	819,711

The notes on pages 55 to 82 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2012

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 2012, the Group's toll roads are shown as follows:

Toll road	Length kilometres	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
Guangci Expressway	14	From 29 July 2004 to 29 July 2029
Ninghuai Expressway Tianchang Section	14	From 18 December 2006 to 17 June 2032
Ningxuanhang Expressway Anhui Section	122	Under construction as at 30 June 2012

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 24 August 2012.

This condensed consolidated interim financial information has not been audited.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2012 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 2011, which have been prepared in accordance with HKFRSs.

As mentioned in Note 7(a), the comparative figures of this condensed consolidated interim financial information have been restated due to the acquisition of an entity under common control. These restated comparative figures have not been audited.

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 2011, 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 standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2012.

- HKFRS 7 (Amendment), "Disclosures – Transfers of financial assets" is effective for annual periods beginning on or after 1 July 2011. It will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The change in accounting policy only results in additional disclosures.

(b) Amendments and interpretations to existing standards effective in 2012 but not relevant to the Group.

- HKAS 12 (Amendment), "Deferred tax: Recovery of underlying assets" is effective for annual periods beginning on or after 1 January 2012. It introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. This is not currently applicable to the Group, as it has not made any investment property measured at fair value.



3. Accounting policies (Continued)

(c) *The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:*

- HKFRS 9 “Financial instruments” addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group’s accounting for its available-for-sale financial assets, as HKFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 “Financial instruments: Recognition and measurement” and have not been changed. The Group has not yet decided when to adopt HKFRS 9.

- HKFRS 10 “Consolidated financial statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.
- HKFRS 12 “Disclosures of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group intends to adopt HKFRS 12 no later than the accounting period beginning on or after 1 January 2013.
- HKFRS 13 “Fair value measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group intends to adopt HKFRS 13 no later than the accounting period beginning on or after 1 January 2013.
- HKFRS 7 (Amendment) “Financial instruments: Disclosures - Offsetting financial assets and financial liabilities” is not applicable until 1 January 2013. It requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

3. Accounting policies (Continued)

(c) *The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted: (Continued)*

- HKAS 32 (Amendment) "Financial instruments: Presentation – Offsetting financial assets and financial liabilities" is not applicable until 1 January 2014 but is available for early adoption. It clarifies the requirements for offsetting financial instruments on the statement of financial position:
 - (i) the meaning of 'currently has a legally enforceable right of set-off'; and
 - (ii) that some gross settlement systems may be considered equivalents to net settlement.
- HKAS 19 (Amendment) "Employee benefits" eliminates the corridor approach and calculate finance costs on a net funding basis. The Group is yet to assess the amendments to IAS/HKAS 19's impact.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2011.


5. Financial risk management

(a) *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

There have been no changes in the risk management department since year end or in any risk management policies.



5. Financial risk management (Continued)

(b) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

In 2012 there was no transfer between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

In 2012 there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

In 2012 there were no reclassifications of financial assets.

6. Segment information

Management determines the operating segment based on the reports reviewed by the strategic steering committee that are used to make strategic decisions.

Management reviews the traffic volume statistics report during daily operation and it is also included in the performance report provided to the strategic steering committee. The traffic volume statistic report is not the financial information. Therefore, the Company did not prepare segment information for the six months ended 30 June 2012 and 30 June 2011.

The Group is domiciled in Anhui Province, the PRC. The result of its revenue is from Anhui Province, the PRC. As at 30 June 2012 and 31 December 2011, total assets of the Group are located in the PRC.

7. Acquisition/establishment of subsidiaries

(a) Acquisition of an entity under common control

Effective of 1 January 2012, the Company acquired a 51% equity interest in Xuancheng Guangci Expressway Co., Ltd. (“宣城市廣祠高速公路有限責任公司”, “Guangci”, an unlisted toll roads operation company registered in Anhui Province, the PRC), from Anhui Expressway Holding Co., Ltd. (“安徽省高速公路控股集團有限公司”, “AEHC”), the parent company of the Company, for a purchase consideration of RMB 215,330 thousand. The acquisition was made at the carrying value of net assets of Guangci as of 1 January 2012.

The assets and liabilities of Guangci on the date of acquisition were as follows:

	1 January 2012
	Carrying value
Assets	
Concession intangible assets	275,731
Property, plant and equipment	20,778
Investment property	10,098
Trade and other receivables	38,487
Cash and cash equivalents	5,421
	<hr/> 350,515
Liabilities	
Long-term payables	12,119
Borrowings	136,200
Trade and other payables	24,331
Current income tax liabilities	892
	<hr/> 173,542
Net assets	176,973
Less: Attributable to minority shareholders	<hr/> (86,717)
Net assets acquired by the Company	<hr/> <hr/> 90,256

7. Acquisition/establishment of subsidiaries (Continued)

(a) Acquisition of an entity under common control (Continued)

The above acquisition was made by the Company at the carrying value of net assets of Guangci and since the acquisition involved entities under common control, the provisions of HKFRS 3, 'Business Combinations' are not applicable.

Accordingly, the condensed consolidated interim financial information has been prepared by using the principles of merger accounting in accordance with HKAS 5 "Merger Accounting for Common Control Combinations", as if the current group structure had been in existence since their respective dates of incorporation, to the extent of interest held by the Company. All income, expenses and unrealized gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full. Accordingly, the comparative figures of the condensed consolidated interim financial information have been restated.

(b) Establishment of a subsidiary

The Company and Hefei Hua Tai Group Co., Ltd. ("合肥华泰集团股份有限公司", "Hua Tai") established Hefei Wan Tong Pawn Co., Ltd. ("合肥皖通典当有限公司", "Wan Tong Pawn", a subsidiary of the Company) in February 2012. The Company invested in RMB 150,000 thousand and holds 71.43% equity interest in Wan Tong Pawn. Hua Tai invested in RMB 60,000 thousand and holds 28.57% equity interest in Wan Tong Pawn. Wan Tong Pawn has not started its operation as at 30 June 2012.

8. Transaction with non-controlling interest – acquisition of additional interest in a subsidiary

On 1 January 2012, the Company acquired an additional 4.47% of the equity interest in Guangci for a purchase consideration of RMB 18,880 thousand. The carrying amount of the non-controlling interests in Guangci on the date of acquisition was RMB 7,911 thousand. The Group recognized a decrease in non-controlling interests of RMB 7,911 and a decrease in equity attributable to owners of the parent of RMB 10,969 thousand. The effect of changes in the ownership interest of Guangci on the equity attributable to owners of the Company is summarized as follows,

Carrying amount of non-controlling interests acquired	7,911
Consideration paid to non-controlling interests	<u>(18,880)</u>
Excess of consideration paid recognised in the capital reserve within equity (Note 13)	<u><u>(10,969)</u></u>

9. Capital Expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment property	Land use rights
Six months ended 30 June 2011					
Opening net book amount as					
at 1 January 2011 (unaudited)	8,098,784	1,800	842,866	33,930	12,389
Additions	364,181	496	57,574	—	—
Transfer	—	—	(134,546)	134,546	—
Disposals	—	—	(500)	—	—
Depreciation/amortization (Note 21)	<u>(223,726)</u>	<u>(250)</u>	<u>(36,287)</u>	<u>(3,720)</u>	<u>(323)</u>
Closing net book amount as at 30 June 2011 (unaudited)	<u>8,239,239</u>	<u>2,046</u>	<u>729,107</u>	<u>164,756</u>	<u>12,066</u>
Six months ended 30 June 2012					
Opening net book amount as					
at 1 January 2012 (unaudited)	8,430,757	2,367	811,003	206,873	11,330
Additions	235,894	779	25,163	—	—
Transfer	—	—	(152,544)	152,544	—
Disposals	—	—	(355)	—	—
Depreciation/amortization (Note 21)	<u>(225,345)</u>	<u>(454)</u>	<u>(40,538)</u>	<u>(9,693)</u>	<u>(343)</u>
Closing net book amount as at 30 June 2012 (unaudited)	<u>8,441,306</u>	<u>2,692</u>	<u>642,729</u>	<u>349,724</u>	<u>10,987</u>

As of 30 June 2012 and 2011, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

Borrowing costs of RMB 24,903 thousand have been capitalized in the six months ended 30 June 2012 at an average interest rate of 5.734% (same period of 2011: RMB 7,053 thousand; 5.822%).

As at 30 June 2012, concession intangible assets with a carrying amount of approximately RMB 267,891 thousand (a cost of RMB 353,589 thousand) (31 December 2011: a carrying amount of RMB 275,732 thousand and a cost of RMB 353,589 thousand) have been pledged as collateral for bank borrowings of RMB 136,200 thousand (31 December 2011: RMB 136,200 thousand) (Note 15 (b)).

10. Available-for-sale financial assets

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
Opening balance	300,000	—
Additions	100,000	—
Closing balance	<u>400,000</u>	<u>—</u>

Available-for-sale financial assets represented 16.67% equity interest in an unlisted company, Anhui Xin An Financial Group Co., Ltd. (“安徽新安金融集團股份有限公司”).

The fair value of the unlisted equity interest approximated its carrying amount because the unlisted company was established at the end of 2011.

11. Trade and other receivables

	30 June 2012 (unaudited)	30 June 2011 (unaudited)
Prepayments	—	606
Dividends receivable (a)	10,298	10,298
Others (b)	97,489	173,796
	<u>107,787</u>	<u>184,700</u>

(a) Dividends of RMB 10,298 thousand were declared by Anhui Expressway Advertisement Co., Ltd. in 2011, but were not received by the Company as at 30 June 2012.

(b) As at 30 June 2012, others mainly represented receivable from Anhui Expressway Network Operations Co., Ltd. (“安徽高速公路聯網運營有限公司”, the toll settlement centre of Anhui Province) of RMB 64,885 thousand (31 December 2011: RMB 61,776 thousand) and receivable from AEHC of RMB 11,642 thousand (31 December 2011: RMB 32,919 thousand) for toll road income.

All trade and other receivables were interest free. As at 30 June 2012, trade and other receivables of RMB 121,066 thousand were aged within 1 year (31 December 2011: RMB 176,979 thousand).

As at 30 June 2012 and 31 December 2011, all trade and other receivables balances were denominated in RMB and were fully performing.

12. Share capital and share premium

	Number of shares (thousands)	Ordinary share capital	Share premium	Total
At 1 January 2011 (unaudited)	1,658,610	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—
At 30 June 2011 (unaudited)	<u>1,658,610</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>
At 1 January 2012 (unaudited)	1,658,610	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—
At 30 June 2012 (unaudited)	<u>1,658,610</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>

The total authorized 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 premium is the amount by which the fair value of the consideration received exceeds the nominal value of shares issued, net of transaction cost.

13. Other reserves

	Capital surplus	Statutory surplus reserve fund	Discretionary surplus reserve fund	Enterprise safety fund	Merge reserve (a)	Excess of the consideration over carrying amount of the minority interests acquired	Total
Balance at 1 January 2011 (unaudited)	2,243	873,605	658	57,815	28,968	(699,147)	264,142
Utilization of Enterprise Safety Fund (unaudited)	—	—	—	(726)	—	—	(726)
Balance at 30 June 2011 (unaudited)	<u>2,243</u>	<u>873,605</u>	<u>658</u>	<u>57,089</u>	<u>28,968</u>	<u>(699,147)</u>	<u>263,416</u>
Balance at 1 January 2012 (unaudited)	2,243	955,881	658	56,439	28,968	(699,147)	345,042
Consideration paid to the then equity owners for acquisition of an entity under common control (unaudited)	—	—	—	—	(215,330)	—	(215,330)
Changes in ownership interests in subsidiaries without change of control (unaudited) (Note 8)	—	—	—	—	—	(10,969)	(10,969)
Utilization of Enterprise Safety Fund (unaudited)	—	—	—	(688)	—	—	(688)
Balance at 30 June 2012 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>55,751</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>118,055</u>

(a) The merge reserve as of 30 June 2012 represented the excess of consideration over the Company's share of paid-in capital of Guangci.

	30 June 2012
The Company's share of paid-in capital of Guangci	28,968
Less: consideration paid to the then equity owner for acquisition under common control (Note 7(a))	<u>(215,330)</u>
Merge reserve	<u><u>(186,362)</u></u>

14. Trade and other payables

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Dividends payable	394,549	13,602
Payables on acquisition of concession intangible assets	388,974	485,658
Short-term interest-free loan from a related party	135,839	—
Staff salaries and welfare	60,679	30,610
Deposit for construction projects	53,274	39,109
Interests payable	51,523	1,075
Toll road income received	21,837	22,485
Current portion of long-term payables	12,119	—
Other taxation payables	7,057	39,465
Advance from customers	3,750	4,650
Payables on repair and maintenance projects	1,375	1,815
Others	2,200	13,053
	<u>1,133,176</u>	<u>651,522</u>

The balances were all non-interest bearing. As at 30 June 2012, trade and other payables of RMB 235,122 thousand were aged over one year (31 December 2011: RMB 168,882 thousand). These payables were mainly for construction projects and will be settled after project is completed.

As at 30 June 2012 and 31 December 2011, all trade and other payables were denominated in RMB.

15. Borrowings

	30 June 2012		31 December 2011	
	Interest rate per annum (unaudited)	Amount RMB'000	Interest rate per annum (unaudited)	Amount RMB'000
Non-current				
Corporate bonds				
denominated in RMB (a)	5.000%	1,984,949	5.000%	1,982,123
Long-term bank borrowings				
denominated in				
RMB– secured (b)				
– Pledged (b)	6.210%-6.900%	102,150	6.210%-6.900%	108,960
– Guaranteed (c)	5.760%-7.755%	176,900	5.760%-7.755%	126,900
Long-term bank				
borrowings denominated				
in RMB				
– unsecured (c)	5.760%-6.390%	181,000	5.760%	181,000
		2,444,999		2,398,983
Current				
Short-term bank borrowings				
denominated				
in RMB– unsecured	4.779%-6.56%	46,300	4.779%-6.56%	40,000
Current portion of				
long-term bank				
borrowings denominated				
in RMB – secured				
– Pledged (b)	6.210%-6.900%	34,050	6.210%-6.900%	27,240
		80,350		67,240
Total borrowings		2,525,349		2,466,223

15. Borrowings (Continued)

- (a) As approved by the China Securities Regulatory Commission on 28 August 2009, the Company issued corporate bonds of RMB 2,000,000 thousand for a term of 5 years, bearing interest at 5% per annum on 17 December 2009. Interest is payable annually and the principal is repayable in full upon maturity. The full amount of principal and interest of the bonds is unconditionally and irrevocably guaranteed by AEHC.
- (b) The bank borrowings of RMB 136,200 thousand were pledged by service concession arrangements of Guangci Expressway as at 30 June 2012 (31 December 2011: RMB 136,200 thousand) (Note 9).
- (c) The bank borrowings of RMB 176,900 thousand were guaranteed by Xuancheng Communication Construction Investment Co., Ltd. (“宣城市交通投資有限公司”, “XCCC”), the non-controlling interest of Anhui Ningxuanhang Expressway Investment Company Limited (“寧宣杭高速公路投資有限公司”, “Ningxuanhang”) and RMB 181,000 thousand were guaranteed by the Company as at 30 June 2012 (31 December 2011: RMB 126,000 thousand guaranteed by XCCC; RMB 181,000 thousand guaranteed by the Company).

At 30 June 2012, the Group's borrowings are repayable as follows:

	Bank borrowings		Corporate bonds	
	30 June 2012 (unaudited)	31 December 2011 (unaudited)	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Within 1 year	80,350	67,240	—	—
Between 1 and 2 years	—	—	—	—
Between 2 and 5 years	102,150	108,960	1,984,949	1,982,123
Over 5 years	357,900	307,900	—	—
	<u>540,400</u>	<u>484,100</u>	<u>1,984,949</u>	<u>1,982,123</u>

15. Borrowings (Continued)

As at 30 June 2012, the fair value of corporate bonds was RMB 2,091,000 thousand according to price in bond market. The carrying amounts of other borrowings approximate their fair value, as the impact of discounting of carrying amounts to their fair value is not significant.

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

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Expiring within one year	<u>2,031,800</u>	<u>1,788,100</u>

16. Provision

	Maintenance/ resurfacing obligation
Balance at 1 January 2011 (unaudited)	28,949
Additions (unaudited)	10,690
Utilization of Provision (unaudited)	<u>(9,819)</u>
Balance at 30 June 2011 (unaudited)	<u>29,820</u>
Balance at 1 January 2012 (unaudited)	6,826
Additions (unaudited)	—
Utilization of Provision (unaudited)	<u>—</u>
Balance at 30 June 2012 (unaudited)	<u>6,826</u>

17. Deferred income

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Government grants	42,713	43,799

Deferred income represents government grants relating to assets and is amortized over 25.5 years.

18. Long-term payables

The carrying amounts and fair values of long-term payables are as follows:

	Carrying Amounts (Note 27)		Fair values	
	30 June 2012 RMB'000 (unaudited)	31 December 2011 RMB'000 (unaudited)	30 June 2012 RMB'000 (unaudited)	31 December 2011 RMB'000 (unaudited)
Long-term payables to XHMC (a)	307,726	298,653	294,118	279,915
Long-term payables to XCCC (b)	56,094	68,268	54,560	66,216
Long-term payables to AEHC (c)	—	12,119	—	12,119
	<u>363,820</u>	<u>379,040</u>	<u>348,678</u>	<u>358,250</u>

- (a) Long-term payables to XHMC (full name as Xuancheng Highway Management Company) represents XHMC's share of total investment in Xuan Guang Expressway Company Limited ("宣廣高速公路有限責任公司", "Xuan Guang") in excess of XHMC's equity contribution in Xuan Guang. This amount is non-guaranteed and interest free. As of 30 June 2012, 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 2011.
- (b) Long-term payables to XCCC represents XCCC's share of total investment in Ningxuanhang in excess of XCCC's equity contribution in Ningxuanhang. This amount is non-guaranteed. As of 30 June 2012, the balances represented interest-free loans of RMB 41,094 thousand and interesting bearing loans of RMB 15,000 thousand.
- (c) Long-term payables to AEHC represents AEHC's share of total investment in Guangci in excess of AEHC's equity contribution in Guangci. This amount is non-guaranteed and interest free. As of 30 June 2012, the estimated settlement amount in 1 year of RMB 12,119 thousand was reclassified to trade and other payables.

18. Long-term payables (Continued)

As at 30 June 2012, the undiscounted amount of long-term payables to XHMC was RMB 447,916 thousand (31 December 2011: RMB 447,916 thousand) and to XCCC was RMB 97,500 thousand (31 December 2011: RMB 97,500 thousand).

The fair values of long-term payables are based on cash flows discounted using 6.80%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2012 (31 December 2011: 7.05%).

19. Other gains – net

	For the six months ended	
	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Interest income	2,561	3,930
Amortization of government grants relating to assets	1,086	1,086
(Loss)/gain from disposal on property, plant and equipment	(85)	26
Others	(751)	(282)
	<u>2,811</u>	<u>4,760</u>

20. Revenue

	For the six months ended	
	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Toll income, rental income and others	1,123,156	1,174,518
Revenue from construction or upgrade work under Service Concessions	235,894	364,181
	<u>1,359,050</u>	<u>1,538,699</u>

21. Expenses by nature

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

	For the six months ended	
	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Depreciation and amortization expenses (Note 9)	276,373	264,306
Costs payable to vendors for construction or upgrade work under the Service Concessions	235,894	364,181
Employee benefit expenses	97,267	80,662
Repair and maintenance expenses	62,581	59,506
Tax related to revenues	38,048	39,457
Others	8,237	7,319
	<u>718,400</u>	<u>815,431</u>

22. Finance costs

	For the six months ended	
	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Interest expense:		
- corporate bonds	52,826	52,683
- bank borrowings	5,921	6,302
- long-term payables	9,072	8,545
	<u>67,819</u>	<u>67,530</u>

23. 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")*

The Company and its subsidiaries, associated companies determine and pay the PRC Corporate Income Tax ("CIT") in accordance with the CIT Law as approved by the National People's Congress on 16 March 2007. Under the CIT Law, the CIT rate applicable to the Company and its subsidiaries, associated companies is 25%.

	For the six months ended	
	30 June 2012	31 December 2011
	(unaudited)	(unaudited)
Current income tax	129,331	163,026
Deferred income tax	14,651	(3,505)
	143,982	159,521

(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 institute shareholders.

24. 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 2012 (unaudited)	31 December 2011 (unaudited)
Profit attributable to equity holders of the Company	391,128	449,587
Weighted average number of ordinary shares in issue (thousands)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.2358	0.2711

25. Dividends

The final dividend in respect of 2011 of RMB 0.21 per share, amounting to a total dividend of RMB 348,308,100 was approved at the Annual General Meeting on 25 May 2012.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2012 (same period of 2011: nil).

26. Commitments

(a) Capital commitments

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

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
Concession intangible assets		
- Approved but not contracted for	—	—
- Contracted but not provided for	221,224	269,352

27. Related-party transactions

(a) Name of related party and relationship

The Company's major shareholder is AEHC, a stated-owned enterprise established in the PRC and is controlled by the PRC Government. It owns a significant portion of assets in the PRC.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include AEHC and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and AEHC as well as their close family members.

Name	Relationship with the Group
AEHC	Major shareholder
China Merchants Hua Jian Highway Investment Co., Ltd. ("Hua Jian")	Shareholder who has significant influence over the Company
XHMC	Minority shareholder of Xuan Guang and Guangci
XCCC	Minority shareholder of Ningxuanhang
Anhui Expressway Advertisement Co., Ltd. ("AEAC")	Associate
Anhui Yida Toll Road Service Sector Management Co., Ltd. ("YTMC")	Subsidiary of AEHC
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 Fuzhou Expressway Co., Ltd. ("AFEC")	Subsidiary of AEHC
Anhui Hehuaifu Expressway Co., Ltd. ("AHEC")	Subsidiary of AEHC
Anhui Liuqian Expressway Co., Ltd. ("AHLEC")	Subsidiary of AEHC
Anhui Expressway Pec Co., Ltd. ("AEPC")	Subsidiary of AEHC
Anhui Expressway Project Management Co., Ltd. ("AEPMC")	Subsidiary of AEHC
Anhui Modern Transportation Facilities Co., Ltd. ("MTFC")	Subsidiary of AEHC
Anhui Expressway Experiment Research Centre ("AERC")	Subsidiary of AEHC
Hefei Bangning Property Management Co., Ltd. ("BNMC")	Subsidiary of AEHC

27. Related-party transactions (Continued)

*(b) Related party transactions**(i) Service income from management of toll roads*

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
AEHC	6,707	5,161
ALEC	734	587
AFEC	501	401
	<u>7,942</u>	<u>6,149</u>

(ii) Rental income

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
AEPC	6,798	—
YTMC	4,500	3,783
MTFC	—	175
	<u>11,298</u>	<u>3,958</u>

27. Related-party transactions (Continued)

(b) Related party transactions (Continued)

(iii) Paid and payable for construction, testing service and property management

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
MTFC	5,834	5,409
AEPMC	4,540	1,504
BNMC	1,609	639
AERC	1,213	978
	<u>13,196</u>	<u>8,530</u>

It mainly represented payable to above related parties for construction, testing service and property management in connection with the office building construction project, which was started from the end of 2008.

(iv) Interest expenses for interest bearing long-term payables

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
XCCC	<u>535</u>	<u>—</u>

27. Related-party transactions (Continued)

*(b) Related party transactions (Continued)**(v) Paid and payable for advertisement service*

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
AEAC	<u>391</u>	<u>—</u>

(vi) Financing

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
AEHC	140,000	—
XCCC	<u>—</u>	<u>45,000</u>
	<u>140,000</u>	<u>45,000</u>

(vii) Guarantee received

The full amount of principal and interest of corporate bonds is unconditionally and irrevocably guaranteed by AEHC (Note 15).

The long-term bank borrowing of RMB 176,900 thousand was guaranteed by XCCC (Note 15).

27. Related-party transactions (Continued)

(b) Related party transactions (Continued)

(viii) Transactions with the State-owned Enterprises

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
Toll road construction/upgrade cost paid and payable	145,772	1,633,378
Borrowings from banks	96,300	40,000
Toll road repair and maintenance cost paid and payable	27,144	1,615
	<u>269,216</u>	<u>1,674,993</u>

Besides of the above disclosures, related party transactions in the six months ended 30 June 2012 also included acquisition of a subsidiary under common control (Note 7(a)) and transaction with non-controlling interest (Note 8).

(c) Period-end balances

(i) Trade and other receivables

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
AEHC	11,642	32,919
AEAC	10,298	10,298
AEPC	6,623	—
YTMC	3,756	3,756
XHMC	—	5,569
MTFC	—	1
State-owned Enterprises	<u>91,445</u>	<u>124,851</u>
	<u>123,764</u>	<u>177,394</u>

27. Related-party transactions (Continued)

(c) Period-end balances (Continued)

(ii) Trade payables

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
AEPMC	2,091	5,150
MTFC	1,748	7,354
AERC	174	590
BNMC	160	816
AEAC	10	—
State-owned Enterprises	<u>53,344</u>	<u>119,479</u>
	<u>57,527</u>	<u>133,389</u>

(iii) Other payables

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
AEHC	251,720	6,937
Hua Jian	72,874	—
XHMC	39,304	6,665
MTFC	389	526
YTMC	161	161
AEPMC	139	1,137
AERC	100	—
State-owned Enterprises	<u>155,555</u>	<u>26,649</u>
	<u>520,242</u>	<u>42,075</u>

27. Related-party transactions (Continued)

(c) Period-end balances (Continued)

(iv) Advance from customers

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
YTMC	<u>3,750</u>	<u>4,650</u>

(v) Bank deposits and borrowings

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
State-owned banks-bank deposits	345,011	221,318
State-owned banks-borrowings	<u>359,400</u>	<u>303,100</u>

(vi) Long-term payables (Note 18)

	30 June 2012 (unaudited)	31 December 2011 (unaudited)
XHMC	307,726	298,653
XCCC	56,094	68,268
AEHC	<u>—</u>	<u>12,119</u>
	<u>363,820</u>	<u>379,040</u>

As at 30 June 2012 and 31 December 2011, amounts due from and due to the related parties as aforementioned, except for long term payables as disclosed in Note 18, mainly arose from the above transactions and payments made by the Company and related parties on behalf of each other. These amounts are unsecured, interest free and are repayable within 1 year.

28. Events occurring after the balance sheet date

- (a) In July 2012, the Company increased its investment in Anhui Xin'an Financial Group Co., Ltd. (“安徽新安金融集團股份有限公司”) from RMB 400,000 thousand to RMB 500,000 thousand.
- (b) In February 2011, the Company, AEHC and other 6 companies agreed to establish Hefei Wan Tong Microcredit Co., Ltd. (“合肥市皖通小額貸款有限公司”). The Company invested in RMB 15,000 thousand and holds 10% equity interest in Hefei Wan Tong Microcredit Co., Ltd. In August 2012, the Company paid the above investment.
- (c) In June 2012, the Company, Hua Tai, another company and other individuals agreed to increase the registered capital of Hefei Hua Yuan Pawn Co., Ltd. (“合肥華元典當有限公司”). The Company will invest in RMB 45,000 thousand and holds 18.75% equity interest in Hefei Hua Yuan Pawn Co., Ltd. after the capital contribution. As of 24 August 2012, the Company has not paid the above investment.
- (d) In August 2012, the Company, AEHC and XCCC agreed to increase the registered capital of Ningxuanhang from RMB 100,000 thousand to RMB 300,000 thousand. The Company will invest in RMB 83,000 thousand. After the capital contribution, the Company will increase its investment in Ningxuanhang in the form of paid-in-capital from RMB 70,000 thousand to RMB 153,000 thousand and holds 51% equity interest in Ningxuanhang. XCCC will remain its investment in Ningxuanhang unchanged and holds 10% equity interest in Ningxuanhang after the capital contribution. AEHC will invest in RMB 117,000 thousand and holds 39% equity interest in Ningxuanhang after the capital contribution.

29. 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 24 August 2012.



SECTION X 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

Zhou Renqiang

Chairman

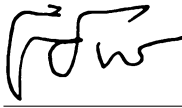
24 August 2012

SECTION XI CONFIRMATION OPINION TO 2012 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 2012 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:


Zhou Renqiang: 

Tu Xiaobei: 

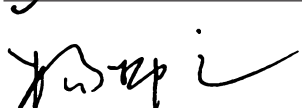
Li Junjie: 

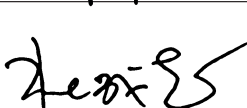
Li Jiezh: 

Liu Xianfu: 

Meng Jie: 


Hu Bin: 

Yang Mianzhi: 

To Cheng Chi: 

Senior Management Members' Signatures:

Xie Xinyu: 

Wang Changyin: 

Liang Bing: 

24 August 2012



Anhui Expressway Company Limited