



Anhui Expressway Company Limited

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

(Stock Code : 0995)

INTERIM REPORT 2013



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IMPORTANT NOTICE

1. 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.
2. All the directors attended the Board meetings.
3. 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.
4. Mr. Zhou Renqiang, Chairman, Mr. Xie Xinyu, Deputy General Manager and Ms. Liang Bing, Deputy General Manager and 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.
5. The Board of Directors of the Company recommends that the Company will neither pay the dividends for six months as at 30 June 2013 (mid-2012: none) nor transfer the capital surplus to share capital.
6. Please refer to Section IV, Report of the Board of Directors for the potential risks of the Company. Forward looking statements, including future plan and development strategy, contained in this report do not constitute a real commitment to investors by the Company. Investors should be reminded of such investment risks.
7. There were no extraordinary use of funds by the controlling shareholder and its related parties.
8. There was no offering for security in violation of specified procedure

SECTION I DEFINITIONS

I. Definitions

Unless otherwise stated in context, the following terms should have the following meanings in this report:

Definition of frequently used terms

"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
"SSE"	Means	Shanghai Stock Exchange
"HKEx"	Means	The Stock Exchange of Hong Kong Limited
"Huajian Center"、 "Merchants Huajian"	Means	China Merchants Huajian Highway Investment Company Limited (formerly known as Huajian Traffic economic development center)
"Xuanguang Company"	Means	Xuanguang Expressway Limited Liability Company
"Expressway Media"	Means	Anhui Expressway Media Company Limited
"Xin'an financial"	Means	Anhui Xin'an Financial Group Company Limited
"Ningxuanhang Company"	Means	Anhui Ningxuanhang Expressway Investment Company Limited
"Guangci Company"	Means	Xuancheng Guangci Expressway Limited Liability Company
"Wantong Pawn"	Means	Hefei Wantong Pawn Company Limited
"Wantong MicroCredit"	Means	Hefei Wantong MicroCredit Company Limited
"Huatai"	Means	Hefei Huatai Group Company Limited
"Xuancheng Transportation and Investment"	Means	Xuancheng Transportation and Construction Investment Company Limited
"XuanningExpressway"	Means	Ningxuanhang Expressway Xuancheng-Ningguo Section
"NingqianExpressway"	Means	Ningxuanhang Expressway Ningguo-Qianqiu Section

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
Abbreviation (in Chinese)	皖通高速
English name of the Company	Anhui Expressway Company Limited
Abbreviation (in English)	Anhui Expressway
Legal representative of the Company	Zhou Renqiang

II. Contacts and Contacts information

	Secretary to the Board of the Company	Representative of Securities Affairs
Name	Xie Xinyu	Han Rong, Ding Yu
Contacts Address	520 Wangjiang West Road, Hefei, Anhui, the PRC	520 Wangjiang West Road, Hefei, Anhui, the PRC
Telephone	0551-65338681	0551-65338697、63738923、63738922、63738989
Fax	0551-65338696	0551-65338696
E-mail Address	wtgs@anhui-expressway.net	wtgs@anhui-expressway.net

III. Introduction of the change of General Information

Registered address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of the Registered address of the Company	230088
Office address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of the Office address of the Company	230088
Website of the Company	http://www.anhui-expressway.net
E-mail address of the Company	wtgs@anhui-expressway.net

IV. Information Disclosure and Place of Inspection

Newspapers selected by the Company for information disclosure:	China Securities Journal, Shanghai Securities News
Website designated by CSRC for publishing the interim report of the Company:	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Place of inspection of the interim report of the Company:	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

V. Basic Information of the Company's Shares

Basic Information of the Company's Shares

Classes of Stock	Place of listing for shares of the Company	Stock name for shares	Stock code for shares of the Company	Stock name for shares before change
A shares	Shanghai Stock Exchange	Anhui Expressway	600012	—
H shares	The Stock Exchange of Hong Kong Limited	Anhui Expressway	0995	—

VI. Changes in Registration of the Company during the Reporting Period

There was no change in registration of the Company during the Reporting Period.

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VIII. Corporate Profile

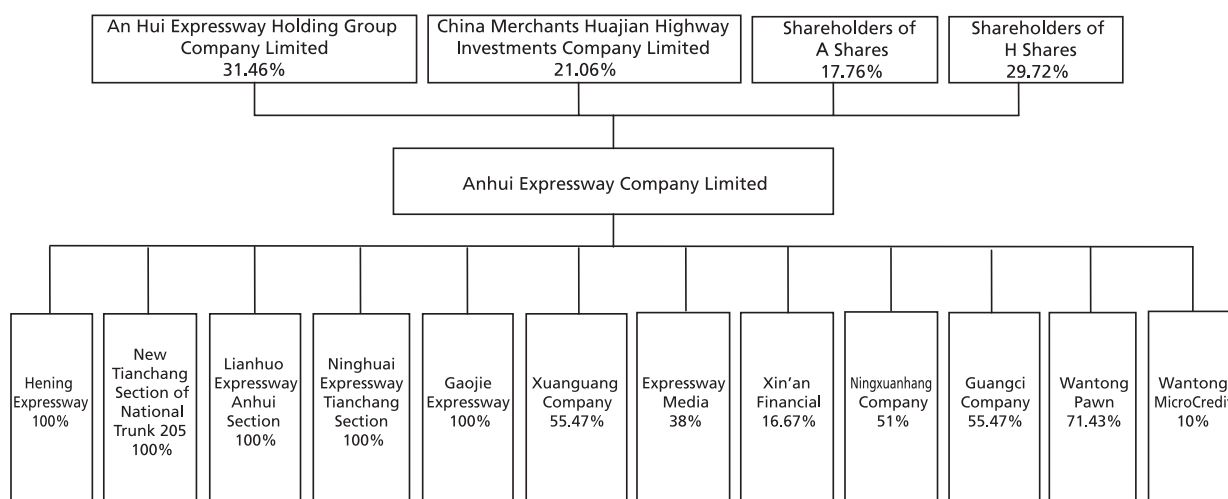
Anhui Expressway Company Limited (the "Company") was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People's Republic of China (the "PRC"). The registered capital is RMB1,658,610,000.

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 Xuanguang 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 2013, the operation mileage which the Company manages has reached 440km and the total assets are about RMB11,524,636,000.

As of 30 June 2013, the structure of the Company, subsidiaries and associated companies (the "Group"):



SECTION III ACCOUNTING DATA AND BUSINESS HIGHLIGHTS

I. Prepared in accordance with accounting principles generally accepted in the PRC Accounting Standards (unaudited)

1. Main Accounting Data

Unit: RMB

Main Accounting Data	2013	2012	Change as
	(January-June)	(January-June)	compared to the corresponding period last year (%)
Operating income	1,125,690,386.64	1,123,156,155.83	0.23
Net profit attributable to shareholders of the Company	461,114,782.91	395,811,229.96	16.50
Net profit after extraordinary items attributable to shareholders of the Company	460,368,538.35	395,554,625.71	16.39
Net cash flows from operating activities	656,857,495.79	712,301,679.59	-7.78
	As at the end of 30 June 2013	As at the end of 2012	Change as compared to the corresponding period last year (%)
Net assets attributable to shareholders of the Company	6,672,736,657.26	6,543,343,874.35	1.98
Total assets	11,524,635,811.37	11,334,161,449.16	1.68

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2. Main Financial Statistics

Financial statistics	2013	2012	Change as
	(January-June)	(January-June)	compared to the corresponding period last year (%)
Basic earnings per share	0.2780	0.2386	16.51
Diluted earnings per share	0.2780	0.2386	16.51
Basic earnings per share after extraordinary items	0.2776	0.2385	16.39
Returns on net assets an increase of (weighted average)(%)	6.86	6.09	Increased by 0.77 percentage
Returns on net assets after extraordinary items (weighted average)(%)	6.85	6.08	Increased by 0.77 percentage

3. Non-recurring Profit or Loss Items and Amounts

Unit: RMB

Non-recurring Profit or Loss Items	Amounts	Note
Gains and losses from disposals of non-current assets	-6,900	Losses from disposals of fixed assets
Government subsidies charged to the current gains/losses	1,086,393.84	Received the 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 2013 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
In addition to the above other non-operating revenue and expenditure	-137,937.09	
Effect of income tax	-235,389.19	
Effects of the amount of minority shareholders' rights and interests (after tax)	40,077.00	
Total	<u>746,244.56</u>	

II. Prepared in accordance with accounting principles generally accepted in the HK Accounting Standards (unaudited)

Abstract of Results

	As at the end of 30 June 2013		Change (%)
	2013 (RMB'000)	2012 (RMB'000)	
Turnover	1,554,058	1,359,050	14.35
Earnings before Income Tax	646,202	576,609	12.07
Profit attributable to Equity Holders of the Company	456,163	391,128	16.63
Basic Earnings Per Share attributable to Equity Holders of the Company (RMB)	0.2750	0.2358	16.63

Abstract of Assets

	On 30 June	On 31 December	Change (%)
	2013 (RMB'000)	2012 (RMB'000)	
Total Assets	11,631,915	11,447,514	1.61
Total Liabilities	4,093,539	4,027,027	1.65
Total Net Assets (Assets and Reserve attributable to Equity Holders of the Company)	6,767,817	6,643,376	1.87
Net Asset Value Per Share (RMB)	4.08	4.01	1.75

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

Unit: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	Amount of current period	Amount of previous period	Amount at the end of period	Amount at the beginning of the period
PRC accounting standards	461,114,782.91	395,811,229.96	6,672,736,657.26	6,543,343,874.35
Projects and amount adjusted according to HK accounting standards				
Valuation and Depreciation/ amortization and deferred taxes	-4,953,196.42	-4,682,636.34	95,080,412.77	100,031,609.19
Reconciliation to HK accounting standards	456,161,586.49	391,128,593.62	6,767,817,070.03	6,643,375,483.54

The note for difference between financial statements prepared in accordance with different accounting standards:

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 RMB319,000,000, which was included in the financial statements prepared in accordance with HKFRS. In addition, the depreciation of toll roads under HKFRS is provided based on the share of traffic volume for a particular period over the projected total traffic volume, which is different from the straight-line method adopted by CAS. These differences lead to the reconciliation items presented above.

SECTION IV REPORT OF THE BOARD OF DIRECTORS

I. Board of directors' discussion and analysis on operation situation of the Company during the report period

During the reporting period, in front of complex internal and foreign environment and increasing strict policies, the group carries out steady work based on actual situation surrounding various work focuses formulated at the beginning of the year and promote the work positively in order.

During the reporting period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB1,125,690 thousand (Corresponding period in 2012: RMB1,123,156 thousand), representing an increase of 0.23% compared with that of the corresponding period of last year. The total profit was RMB652,805 thousand (Corresponding period in 2012: RMB583,286 thousand), representing an increase of 11.92% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the parent company reached RMB461,115 thousand (Corresponding period in 2012: RMB395,811 thousand), representing an increase of 16.50% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2780 (Corresponding period in 2012: RMB0.2386), representing an increase of 16.51% compared with that of the corresponding period of last year.

In accordance with the Hong Kong Accounting Standards, the Group achieved a turnover of RMB1,554,058 thousand representing an increase of 14.35% compared with that of the corresponding period of last year. Profit before taxation was RMB646,202 thousand, representing an increase of 12.07% compared with that of the corresponding period of last year. Unaudited profit attributable to equity holders of the Company was RMB456,163 thousand, representing an increase of 16.63% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2750, representing an increase of 16.63% compared with that of the corresponding period of last year.

Toll Expressway Business

During the reporting period, the Group achieved total toll income of RMB1,056,655 thousand, representing a decrease of 3.49% compared with that of the corresponding period of last year, and the major cause is the influence from slowdown of the economic growth of the country and toll free and cut policies.

In the first half of 2013, the national and regional economic growth continued to slow. The growth rate of national GDP in the first half of the year is 7.6%, down by 0.2% on the same period last year, among which the increase of first quarter is 7.7% and second quarter 7.5%. The GDP growth rate of Anhui province in the first half of year is 10.9%, which is 1.1% fallen down on the same period last year. In this environment, logistics demand is weakened, and the growth rate of truck traffic volume in various sections of the Group during the reporting period is slowdown or even declined.

In 2013, China continued to implement toll-free policy for minibus during major holidays. During the reporting period, there are 13 days in total in the Spring Festival, Qing Ming Festival and the International Labor Day. The Group has waived about 19,230,000 minibuses with the amount of approximately RMB7,692 ten-thousand; in the first half of year, there are about 40.36 ten-thousand exempted green passing cars with the exempted amount of about RMB13,414 ten-thousand, respectively accounting for 7.28% and 12.69% of the revenue during the reporting period. During the reporting period, the scope of the application scope of non-stopping toll collection system has been further expanded. Anhui transportation card holders can enjoy credit card preference amounting to approximately RMB476 ten-thousand off, which has increased 74.04% compared with same period of last year.

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In addition, the operating performance of the toll road is also affected by the surrounding competitive or synergistic road network changes, linking or parallel road expansion and other factors. The impact varies according to each road project.

Operations of Each Road:

Items	Share of interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2013	First half of 2012	Flux (%)	First half of 2013	First half of 2012	Flux (%)
		Hening Expressway	100%	23,538	22,889	2.84%	500,976
New Tianchang Section of National Trunk 205	100%	5,024	5,003	0.42%	24,019	22,277	7.82%
Gaojie Expressway	100%	8,707	10,434	-16.55%	155,186	227,938	-31.92%
Xuanguang Expressway	55.47%	16,869	16,679	1.14%	206,060	201,296	2.37%
Lianhuo Expressway Anhui Section	100%	8,979	9,142	-1.78%	94,466	97,646	-3.26%
Ninghuai Expressway Tianchang	100%	23,832	18,222	30.79%	41,522	37,047	12.08%
Guangci Expressway	55.47%	16,217	16,551	-2.02%	34,426	35,218	-2.25%

Items	Share of interests	Proportion of passenger vehicles to goods vehicles		Daily toll income per kilometer (RMB)		
		First half of 2013	First half of 2012	First half of 2013	First half of 2012	Flux (%)
		Hening Expressway	100%	70:30	70:30	20,655
New Tianchang Section of National Trunk 205	100%	37:63	41:59	4,423	4,080	8.41%
Gaojie Expressway	100%	68:32	55:45	7,794	11,386	-31.55%
Xuanguang Expressway	55.47%	72:28	71:29	13,553	13,167	2.93%
Lianhuo Expressway Anhui Section	100%	64:36	61:39	9,665	9,935	-2.72%
Ninghuai Expressway Tianchang Section	100%	77:23	75:25	16,386	14,539	12.70%
Guangci Expressway	55.47%	75:25	72:28	13,585	13,822	-1.71%

Note: all of above data of traffic flow does not contain that of toll-free minibus on holidays.

During the reporting period, the traffic of Tianchang section in Ninghuai Expressway has performed well with an increase of 30.79% in traffic flow compared to the same time, which mainly benefits from the open traffic of No.4 Nanjing Yangtze River Bridge. However, since the increase of bus flow is greater than the increase of truck flow, the growth of truck flow decelerates, and the truck fleet composition has been changed. The increase of toll revenue is significantly lower than the traffic growth.

During the reporting period, toll revenues of Gaojie Expressway continued to decline. One of the primary declining reasons is the impact of diversion caused by Liuwu Expressway which was open to traffic. On the other hand, since Nov.11, 2012, the Jiangxi Jiu Jiang City Bridge has carried out maintenance, and the vehicles over 20 tons have to bypass for divergence.

Main reasons for the decreasing of toll revenues of Lianhuo Expressway and Guangci Expressway are the impact of the decreased truck flow, where the truck flow of Lianhuo Expressway was decreased by 6.98%, and the truck flow of Guangci Expressway was decreased by 7.09%.

General pawn Achievements

The Company and Hefei Huatai Group Company Limited established Hefei Wantong Pawn Company Limited in June 2012. The Company invested in RMB150,000 thousand and holds 71.43% equity interest in Wantong Pawn. Huatai invested in RMB60,000 thousand and holds 28.57% equity interest in Wantong Pawn.

During the reporting period, Wantong Pawn issued loans of RMB170,000 thousand, accumulatively and achieved operation revenue of RMB27,480,000.

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1. Sheet of Variation Analysis of Related Subjects of financial statement (in accordance with the PRC Accounting Standards)

Unit:RMB'000

Items	Current Period	Same Period of Last Year	Flux (%)	Cause Description
Operating income	1,125,690	1,123,156	0.23	The main reason is that the Company obtained the income of pawn interest RMB27,480 thousand during the reporting period while there was no such income in the first half of 2012.(Wantong Pawn established on 28 June 2012).
Operating costs	407,329	400,049	1.82	The increase of operating costs is mainly due to the increase of remuneration of worker at the production line and road-maintenance costs.
Administrative expenses	38,775	37,621	3.07	The main reason is the increase of Wantong Pawn during the reporting period compared with that of the corresponding period of last year.
Finance costs	62,109	65,369	-4.99	The main reason is the increase of the obtained income of bank interest compared with that of the corresponding period of last year.
Asset impairment loss	3,361	0	N/A	The reason is that during the reporting period, the pawnshop withdraws reserve for bad debts for issued loans, while there is no reserve for bad debts in last year.
Return on investment	77,839	967	7949.53	The main reason is that Xin'an Financial issued cash dividends to the Company.
Cash flows from operating activities	656,857	712,302	-7.78	The decrease of Cash flows from operating activities is mainly due to the decrease of the toll expenses and the pawn money issued by Wantong Pawn.
Cash flows from investing activities	-450,660	-639,900	-29.57	The increase is because the investment in Xin'an Financial and takeover of shares of Guangci Company in the same period of the last year. However, there is no such event during this reporting period.
Cash flows from financing activities	-384,197	212,138	-281.11	The decrease is because the shareholders' bonus of the reporting period is greatly increased compared to the same period of last year.

Note: Some items in the comparative are reclassified according to the disclosure mode of the financial reports.

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

Revenue

During the reporting period, the Group achieved the operating income of RMB1,125,690 thousand, representing an increase of 0.23% over the corresponding period of the previous year. Among it, the toll income is main revenue source of the Group.

The concrete analysis about the revenue listed as follows:

Unit:RMB'000

	January- June 2013 (RMB'000)	Percentage of Total	January- June 2012 (RMB'000)	Percentage of Total	Flux (%)
Operating income					
Expressway business	1,098,215	97.56%	1,123,156	100.00%	2.22%
Toll income	1,056,655	93.87%	1,094,857	97.48%	-3.49%
Service area income	16,543	1.47%	12,190	1.09%	35.71%
Other business income	25,017	2.22%	16,109	1.43%	55.30%
Pawn business	27,475	2.44%	0	0	N/A
Total	<u>1,125,690</u>	<u>100%</u>	<u>1,123,156</u>	<u>100%</u>	<u>0.23%</u>

Notes: The increase of the service area income is mainly due to the increase revenue according to the petrol station; other business income contains mandatory administration income, road loss compensation income,renting income, rescue income and so on, and the increase is mainly because of the renting revenue got from the parts of the capital of the Wan Tong Industrial Park.

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Operating Cost

During the reporting period, the operating costs of the Group were RMB407,329 thousand, representing an increase of 1.82% compared with that of the corresponding period of last year. The increase of operating costs was mainly due to the increase of remuneration of worker at the production line and road-maintenance costs.

Cost analysis statement

Unit:RMB'000

In terms of industries

Industries	Cost structure items	Amount of current period	Percentage of amount of current period over the total cost (%)	Amount of the same period of the previous year	Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period Compared with the same Period over the last year (%)
Toll ways business	Depreciation and amortization	262,467	64.44	262,129	65.52	0.13
	Roads repairing expenses	44,383	10.90	41,077	10.27	8.05
	Other cost	100,479	24.66	96,843	24.21	3.75
	Total	407,329	100	400,049	100	1.82
Pawn business		0	0	0	0	0

In terms of products

Products	Cost structure items	Amount of current period	Percentage of amount of current period over the total cost (%)	Amount of the same period of the previous year	Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period Compared with the same Period over the last year (%)
Toll ways business cost	Depreciation and amortization	262,467	64.44	262,129	65.52	0.13
	Roads repairing expenses	44,383	10.90	41,077	10.27	8.05
	Other cost	100,479	24.66	96,843	24.21	3.75
	Total	407,329	100	400,049	100	1.82
Wantong Pawn		0	0	0	0	0
Total cost	Total	407,329	100	400,049	100	1.82

Notes: For the reason that the products which the pawn industry operated are quite special, the financing expenditure related to the monetary is accounted in the main business cost, while daily operation expenditure is accounted in administrative expenses and other expenditure items. In 2013, Wantong Pawn did not get financing, thus no main business cost occurred.

Expense

Administrative Cost

During the reporting period, the Group's administrative cost were RMB38,775 thousand, representing an increase of 3.07% compared with that of the corresponding period of last year (2012: RMB37,621 thousand). Such increase was mainly due to the newly increased Wantong Pawn during reporting period compared to the same period last year.

Finance Cost

During the reporting period, the Group's finance cost were RMB62,109 thousand, representing a decrease of 4.99% compared with that of the corresponding period of last year (2012: RMB65,369 thousand), mainly due to the increase of bank deposit interest income over last year.

Return on Investment

During the reporting period, investment income of the Group was RMB77,839 thousand, representing an increase of 7,949.53% compared with that of the corresponding period of last year, due to the distribution of dividend from Xin'an Financial to the Company in cash.

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 RMB143,811 thousand, representing a decrease of 1.26% compared with that of the corresponding period of last year. That was mainly caused by the decreased taxable income of the Group's operating revenue.

Net Profit

During the reporting period, the net profit of the Group was RMB508,994 thousand, and the net profit attributable to shareholders of the Company was RMB461,115 thousand, representing an increase of 16.31% and 16.50% respectively compared with that of the corresponding period of last year. The basic earnings per share was RMB0.2780 for the Reporting Period, representing an increase of 16.51% respectively compared with that of the corresponding period of last year.

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

Total assets

As at 30 June 2013, the total assets of the Group were RMB11,524,636 thousand, representing an increase of 1.68% 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 2013, the Group's current liabilities were RMB979,948 thousand (31 December 2012: RMB911,340 thousand), mainly including short-term borrowings of RMB158,048 thousand, current portion of long-term bank borrowings of RMB34,050 thousand, accounts payable of RMB496,904 thousand, interests payable of RMB50,959 thousand, staff salaries payable of RMB56,713 thousand, tax payables of RMB47,005 thousand, other payables of RMB63,230 thousand, (representing deposit for construction projects of RMB32,608 thousand and others of RMB30,622 thousand), dividends payable of RMB17,646 thousand and other current liabilities of RMB6,827 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 RMB3,101,616 thousand, mainly including 5-year corporate bonds of RMB1,990,752 thousand and long-term payables to minority interests of RMB485,957 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:

Unit:RMB'000

RMB'000	Less than one year	1-2 years	2-5 years	More than 5 years
The Group				
30 June 2013				
Corporate bonds and relevant interests	100,000	2,100,000		
Long-term minority payables	49,428	41,680	151,226	647,761

As at 30 June 2013, the Group had no material charges on Group assets or contingent liabilities.

Shareholders' equity

As at 30 June 2013, shareholders' equity (excluding minority interests) of the Group was RMB6,672,737 thousand, representing an increase of RMB129,393 thousand from RMB6,543,344 thousand at the beginning of the year, mainly due to the property accumulated in the operation of the Group.

Capital Structure

	As at 30 June 2013		As at 31 December 2012	
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)
Current liabilities	979,948	8.50	911,340	8.04
Non-current liabilities	3,101,616	26.91	3,102,590	27.37
Shareholders' equity	6,672,737	57.91	6,543,344	57.74
Minority shareholders' equity	770,335	6.68	776,887	6.85
Total Assets	<u>11,524,636</u>	<u>100</u>	<u>11,334,161</u>	<u>100</u>
Asset-liability ratio	<u>35.42</u>		<u>35.41</u>	

Anhui Expressway Company Limited

Divide by the interest rate

	30 June 2013	31 December 2012
	(%)	(%)
Interest-bearing liabilities	22.81	22.61
Interest-free liabilities	12.60	12.80
Shareholders' equity attributable to the Company	57.91	57.74
Minority interests	6.68	6.85

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 interest-free liabilities are mainly general payables and long-term payables to minority shareholders of subsidiaries.

Contingent Liability

Until 30 June 2013, the Group did not have any contingent liabilities.

Foreign Exchange Risk

The major business of the Group is all in China. Except for the payment of interests of H shares, the revenue and the capital expenditure is all paid in RMB and there is no big foreign exchange risk.

4. Cash flows of the Group (in accordance with the PRC Accounting Standards)

During the reporting period, the Group's net cash inflows from operating activities were RMB656,857 thousand, representing a decrease of 7.78% compared with that of the corresponding period last year, mainly because of the decreased toll revenue and the capital delivered by Wantong Pawn.

During the reporting period, the Group's net cash outflows from investing activities were RMB450,660 thousand, representing a decrease of 29.57% compared with that of the corresponding period last year, because of the purchasing of Guangci Company's shareholding and the investment in Xin'an Financial during the same period of last year while there is no such expenditure of investment during the reporting period.

During the reporting period, the Group's net cash outflows from financing activities were RMB384,197 thousand, representing a decrease of 281.11% compared with that of the corresponding period last year, mainly due to the shareholders' dividends delivered increased to a large extent compared with that of the corresponding period last year.

During the reporting period, the Group's bank loans were RMB158,048 thousand. At the end of the reporting period, the balance of bank loans were RMB637,453 thousand, of which RMB192,098 thousand was short-term loan balance with interest rates ranging between 1.60% and 6.40% of a term of less than 12 months; RMB476,000 thousand was long-term loan balance, which was a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway and the bank loan got from the pledge of the right of charge, with a weighted average interest rate of 6.1962% per annum. The principal will be repaid between 2014 and 2025.

During the reporting period, the Group's capital expenditure was RMB438 million in total, representing an increase by 269 million or 159.17% compared with that of the corresponding period last year. The expenditures were paid in self-owned funds and bank loans by the Group. The capital expenditure structure is listed as followed:

Unit: RMB'0,000

Capital Expenditures

Ningxuanhang Expressway Xuancheng-Ningguo Section	14500
Ningxuanhang Expressway Ningguo-Qianqiuguan Section	28300
Reconstruction of Xuancheng overpass from east to west	1000
	<hr/>
Total	43800
	<hr/> <hr/>

As at the end of the Reporting Period, the capital expenditure commitment was RMB1064 million contracted for but not necessarily confirmed in the financial statement (mainly used as investment for the construction of Ningxuanhang Expressway).

The Group was awarded with good credit ratings. As at 30 June 2013, the total credit facilities granted during the year was RMB1,932 million, and the facilities not yet utilized were RMB1,352 million.

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5. Analysis of principal business in terms of industries, products and areas

(1) 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	Flux of	Flux of
				operating income compared to the	operating cost compared to the	operating profit margin compared to the
				corresponding period of last year (%)	corresponding period of last year (%)	corresponding period of last year (%)
By segment						
Toll road business	1,073,198	391,599	59.78	-3.06	0.80	-1.69
Pawn business	27,475	0	94.19	N/A	N/A	N/A
By product						
Hening Expressway	509,463	160,517	64.88	6.06	1.00	1.38
New Tianchang Section of National Trunk 205	24,019	16,884	26.04	7.82	0.18	5.42
Gaojie Expressway	160,911	77,292	48.36	-30.48	-0.15	-14.76
Xuanguang Expressway	206,060	66,317	64.34	2.37	2.41	-0.04
Lianhuo Expressway Anhui Section	95,606	45,246	49.02	-2.93	-1.25	-1.02
Ninghuai Expressway Tianchang Section	42,713	15,535	60.14	12.50	0.90	4.09
Guangci Expressway	34,426	9,808	67.94	-2.25	5.75	-2.16
Wantong Pawn	27,475	0	94.19	N/A	N/A	N/A
Total	1,100,673	391,599	60.78	-0.58	0.80	-0.69

Note: the Group had no pawn business in the corresponding period last year.

(2) Principal business in terms of areas

Unit: RMB'000

Area	Operating revenue	Change in Operating revenue rate (%)
Anhui Province	1,100,673	-0.58

6. Investment Analysis**(1) External equity investment of the Company**

Unit: RMB'000

The Company's equity investment amount during the reporting period	0
Increase/decrease of the Company's equity investment amount during the reporting period	-100,000
Equity investment amount of the corresponding period last year	100,000
The ratio of the increase/decrease of the Company's equity investment amount during the reporting period (%)	-100

(2) The investment of the finance in trust and its derivatives of Non-Financial companies

a. Finance in trust

The Company had no condition of items of finance in trust during the reporting period.

b. Loans in trust

The Company had no condition of items of loans in trust during the reporting period.

(3) Investment of fund-raising

During the reporting period, the Company did not have the condition of fund-raising or the previous raising fund used in the current period.

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(4) Analysis of main subsidiaries and joint stock companies

Unit: RMB'000

Company	Equity capital the Group possesses	Registered capital	30 June 2013		January -June 2013		Main business
			Total assets	Net assets	Operating income	Net profit	
Xuanguang Company	55.47%	111,760	1,215,055	516,241	207,451	81,638	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	2,531,211	802,238	—	—	Highway's construction, design, supervision, toll, maintenance, management, technology inquiry and related advertisement service
Guangci Company	55.47%	56,800	327,845	221,373	35,326	15,917	The construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	253,825	119,814	44,261	10,106	Design, make, publicate and act as agency of the domestic advertisement
Xin'an Financial	16.67%	3,000,000	5,209,955	3,127,852	500,110	223,820	Financial investment, equity investment, management and inquiry
Wantong Pawn	71.43%	210,000	237,481	233,277	27,475	15,534	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service
Wantong MicroCredit	10%	150,000	225,684	163,040	17,801	11,293	Distribute petty loans, management and inquiry of small enterprises and financial inquiry

Note 1: The companies above are all established in China.

Note 2: Ningxuanhang Company planned to engage in the investment and construction of the operation of Ningxuanhang Expressway (Anhui Section). On 30 June 2013, Ningxuanhang Company was still in the start-up period.

The Company and Hefei Huatai Group Company Limited established Hefei Wantong Pawn Company Limited in June 2012. The Company invested in RMB150,000 thousand and holds 71.43% equity interest in Wantong Pawn. Huatai invested in RMB60,000 thousand and holds 28.57% equity interest in Wantong Pawn. Wantong Pawn has always regarded the risk control as the most important. The company has an increasingly mature risk control system and a whole set of risk review and control system. In addition, the company constantly completes the whole set of comprehensive and strict business service and risk control process in this region including preliminary consultancy, data inspection, project acceptance, field investigation, risk evaluation, collective review, project approval, intermediate management, successive supervision, and refunding. In addition, a strict business for review is provided. Borrower's historical credit, refund capacity, additional credit guarantee measure, and collateral value are reviewed strictly. In addition, the impairment loss situation of issued loans is evaluated every month. With reference to the classification standard of risk assets and emergency fund withdrawal in financial enterprises, the issued loans form the portfolio consisted of "1% normal, 3% attention, 30% secondary, 60% doubt, and 100% loss", or impairment reserve is withdrawn for single asset to reduce the difference between estimated loan impairment loss and actual loan impairment loss.

During the reporting period, Wantong Pawn issues loans of RMB170 million Yuan in total and collects RMB106 million Yuan in total. The balance of the loans is RMB242 million Yuan. Business income is RMB27.48 million Yuan, net profit is RMB15.53 million Yuan, and impairment reserve is RMB3.36 million Yuan.

Anhui Xin'an Fincal Group Company Limited founded on Jul. 22, 2011, with registered capital of RMB3 billion Yuan, the company mainly engages in businesses including financial investment, equity investment, and management consultancy. By distributed operation and group development, the company fully expresses the advantages including group holding, joint operation, legal person distribution, responsible profit or loss, and risk prevention.

From establish up to now, Xin'an Fincal Group has incorporated nine membership companies, they are Xin'an Asset Management Company Limited, Xin'an Jinding Investment Management Company Limited, Xin'an Jindai Investment Management Company Limited, Xin'an MicroCredit Company Limited, Nanxiang Pawn Company Limited, Xin'an Pawn Company Limited, Xin'an IT Company Limited, Xin'an Jinniu fund management Company Limited and Xin'an Finance lease Company Limited. In addition to this, Xin'an Fincal invested and shared Chaohu Rural commercial bank.

According to the unaudited results, the total assets of Xin'an Fincal Group are RMB5.210billion, total net assets is RMB3.128 billion and asset-liability ratio is 31.49%; in the first half of 2013, it achieved the operating income of RMB0.500 billion accumulatively, occurred costs of RMB0.226 billion and achieved net profit of RMB0.224 billion; Net profit attributable to shareholders of Xin'an Fincal Group of RMB0.204 billion; Basic earnings per share of RMB0.07.

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(5) Non Fund-raising Projects

RMB'00,000,000

Name	Item Amount	Project Schedule	Investment	Accumulative	Project Earnings
			Amount This Year	Total Investment Amount	
Ningxuanhang Expressway Xuancheng-Ningguo Section	Route about 44 km, the total investment of the project is RMB2.678 billion	The project began to be constructed in September 2009.	1.45	18.26	under construction
Ningxuanhang Expressway Ningguo-Qianqiu Section	Route about 45 km, the total investment of the project is RMB2.928 billion	The project began to be constructed in March 2011.	2.83	6.27	under construction
Reconstruction of Xuancheng eastwest interchange	the total estimate is RMB0.119 billion	The project has been completed at the end of 2012.	0.1	1.24	
Total	57.25		<u>4.38</u>	<u>25.77</u>	

7. Advance of Operation Plan

As the operation environment won't change a lot and the project of section Xuancheng-Ningguo of Ningxuanhang Expressway is estimated to be open to traffic in 2013, the objective of the toll revenue the Group sets in 2013 will be RMB2.095 billion (actually in 2012, it is RMB2.127 billion). In consideration of the increase of the labor cost, maintenance cost and financial cost, the plan of the expenditure in 2013 is: the amount of Labor cost, maintenance cost and administration cost are basically flat, and the financial cost will get increased more than in 2012

	Planning Data	Actual Data
	During 2013 (RMB'00,000,000)	During the Reporting Period (RMB'00,000,000)
Toll Revenue	20.95	10.57
Labor Cost	1.95	1.07
Maintenance Cost	0.93	0.44
Administrative Cost	0.79	0.39
Finance Cost	1.32	0.62

8. Outlook and Plan

Looking to the future, the eighteenth Party Congress puts forward an objective of a struggle to build up a comprehensive well-off society. Urbanization and industrialization are also proposed to be accelerated. GDP and the income of urban and rural residents per capita are to be doubled. A new round of economic and social development will drive the growth of the need of expressway. The fundamentals of the company business development will remain the same without big changes.

In the second half year, it is expected that under the macro-control of the central government, national and regional economic situation will continue to remain stable development. Since the second quarter, the flow of passenger bus and cargo truck through each section of the enterprises' roads began to grow. However, the rising trend is hard to determine. In the second half year, the Xuancheng-Ningguo Section of Ning Xuanhang expressway will be accomplished. It will contribute to the toll. Excluding this factor, toll revenue would not appear to significant changes.

However in the meantime, the group also faces many difficulties in development. In the field of main business, new construction road sections cost more. In terms of sustainable development, it is a primary problem of how to obtain reasonable toll period and effectively accomplish the construction of convergence. Policy such as Easy access and free major holidays access are carried out. Reduction amount is increasing. Thus, it is a key to increase the revenue of major business while the policy is not favorable, so as to balance the economic benefit and social benefit. How to solve the impact of the changes of road network structure, how to pioneering to employ road propaganda and vehicle guidance, how to improve market potential, are the key issues in facing the enhancement of the core section of competitiveness. Diversified business temporarily is in the initial stage and the scale of investment is limited. The profit share is not high, thus how to grasp the industry rules, to improve the level of management and control, and to strengthen human resources need further research and improvement. They are the urgent problems we shall meet in the course of development.

We will grasp the new trend of the development of the macro economy and industry, further strengthen the development of confidence, careful analyze the situation, adjust actively respond to the trend. Efforts are to be bring all positive factors into development advantages; at the same time, all kinds of difficulties and challenges will be fully prepared, and the pressure should be the motivation, which would strive to improve the development of the company.

In the secondary half of year 2013, there is no major change in overall objectives of the Group compared with the beginning of the year. The key tasks mainly include:

Firstly, enhancing highway operation and completing annual work objective: we shall further enhance the operation management, continue the work including leakage prevention, income increase, green channel inspection, and road property maintenance and claim to complete the transportation fee collection plan in the beginning of the year. We shall enhance the bridge, channel, and road maintenance, increase the road transportation quality. We shall also deeply promote electromechanical management and information construction and increase the overall information level of the company.

Secondly, enhancing the management of construction in progress, realize the successful completion of Xuanning Expressway. We shall allocate the fund reasonably, satisfy the fund demand of construction in progress, and promote the steady promotion of Ningqian Road main construction and ancillary construction. We shall enhance the engineering management and regard the safety production as the most important to complete the rest work of Xuanning Expressway, construct the boutique road with beautiful appearance, complete facility, and comprehensive functions. It is guaranteed that the Xuanning Expressway construction and management is connected in order and put into use in time to increase the income level of the owners.

Thirdly, enhancing the investment control degree and promoting diversified development progress: by means of internal construction, we shall constantly complete the management and control system in parent company and subsidiaries, participate in the operation management activities of subsidiaries, enhance management and control power, accumulative market operation experience, cultivate professional talent, increase scale economic benefit and overall risk prevention ability.

Fourthly, positively exploring financing channel, and effectively satisfying fund demand: We shall pay attention to and predict cash flow, arrange the fund allocation, prevent financial risk, optimize capital management process, increase fund management efficiency, develop oversea financing affairs including RMB loan of Hong Kong, and positively develop the financing mode at a low cost and low risk.

II. The profit appropriation plan or transfers of share capital from capital reserves plan

1. *The implementation and adjustment of the cash dividend and distribution policy during the reporting period*

The 2012 profit appropriation plan of the Company was approved by the 2012 Annual General Meeting held on 16 May 2013, details are as follows: To pay a final dividend of RMB331,722 thousand on the basis of RMB2.0 for every 10 shares (tax inclusive) based on the total number of shares outstanding at the end of 2012 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 2012 General Meeting on 17 May 2013 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\$0.2503 (tax inclusive), which was priced in RMB and paid in HK\$. The registration date of the H Shareholders was 28 May 2012 and the dividend payout date was 28 June 2013. On 18 June 2013, the Company published the 2012 profit appropriation implement announcement in the Shanghai Securities Post and China Securities Post and determined that the Domestic Shareholders' registration date was 21 June 2013, the ex-dividend date was 24 June 2013 and the dividend payout date of 28 June 2013.

The 2012 profit appropriation proposal has been implemented.

2. *The profit appropriation plan or transfers of share capital from capital reserves plan during this half a year*

The Board of Directors of the Company recommends that the Company will neither pay the dividends for six months as at 30 June 2013 (mid-2012: none) nor transfer the capital surplus to share capital.

SECTION V MAJOR EVENTS

I. Material Litigation and Arbitration

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

II. Bankruptcy Reorganization

There was not involved in any bankruptcy restructuring during the report period.

III. Assets Trading and Business Combination

There was not involved in any assets transactions and merger during the report period.

IV. Implementation of Share Incentive Scheme

The Company has not complemented the share incentive scheme.

V. Material Connected Transactions

1. *Connected transactions in relation to daily operations*

Items which has been disclosed without further changes

Items	Contents
Management service of Expressway Networking Toll System	4 January 2012 & 28 December 2012 <i>Continued Connected Transaction Announcement</i>
Lease of service areas of the Company	4 January 2012 <i>Continued Connected Transaction Announcement</i>
Lease of the gas station within the Company	29 March 2012 <i>Connected Transaction Announcement</i>
Lease of premises in Wantong Park	21 August 2012 <i>Temporary Decision of the Board of Directors ; Continued Connected Transaction Announcement</i>
Management services on properties in Wantong Park	27 August 2012 <i>Connected Transaction Announcement</i>
Inspection service of road construction of Ningxuanhang Expressway	28 March 2012 & 29 October 2012 <i>Connected Transaction Announcement</i>
Supervisory service of road construction of Ningxuanhang Expressway	28 March 2012 & 29 October 2012 <i>Connected Transaction Announcement</i>
Transportation security infrastructures and construction of communication pipeline	28 December 2012 <i>Connected Transaction Announcement</i>
Purchase of asphalt for construction of Ningxuanhang Expressway	28 December 2012 <i>Continued Connected Transaction Announcement; Connected Transaction Announcement</i>

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2. Related debtor and creditor account

Items which haven't been disclosed in the temporary announcement

RMB '000

Related parties	Connected relationship	The Company provides capital to related parties			Related parties provide capital to the Company		
		Initial Balance	Amount incurred	Closing Balance	Initial Balance	Amount incurred	Closing Balance
AEHC	Controlling shareholder				340,000	0	340,000
Xuancheng Transportation and Investment	Other connected persons				545,416	4680	550,096
Total					885,416	4680	890,096
Amount supplied by the Company to its controlling shareholder and its subsidiary (RMB)				0			
Remaining balance of funds supplied by the Company to its controlling shareholder and its subsidiary (RMB)				0			
The reason for connected credit and debt		The aggregated investment amount of AEHC and Xuancheng Transportation and Investment exceeding the registered capital of subsidiaries of the Company is included in long-term payables. The amounts had no guarantee, bore no interest and no fixed repayment deadline.					

VI. 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*

It was approved that the Company could provide guarantee within RMB500 million to the controlling subsidiary, Ningxuanhang Company, at the 18th session of the fifth board of directors on 18 August 2010.

(RMB'00,000,000)

Guarantees provided by the Company to its controlling subsidiaries	
Total amount of guarantees provided for the subsidiaries by the Company during the Reporting Period	0
Total balance of guarantees provided for the 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 (%)	2.71

3. *Other material contracts.*

During the Reporting Period, the Company did not have any other material contracts.

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VII. Fulfillment of Commitments

The commitments for listed companies, shareholders holding 5% or more, the controlling shareholders and actual controllers during the reporting period or lasting until the reporting period.

Background of commitment	Type of commitment	commitment party	Content of commitment	Time and term of commitment	Whether there is the time limit for performance or not	Whether strictly comply in a timely manner or not
Commitment related to the share reform	Other	Anhui Expressway Holding Group Company Limited	Continue to support the company's future acquisition of the good road assets owned by the Anhui Expressway Holding Group Company Limited and focus on the protection of shareholders' interests as always.	13 February 2006, long-term effective	No	Yes
	Other	Anhui Expressway Holding Group Company Limited, China merchants Huajian Highway Investment Co., Ltd	After the completion of the split-equity reforming, the Board of Directors of the company shall be suggested to develop a long-term incentive plan with equity incentive structure included. In accordance with the relevant provisions of the state, the Board of Directors of the company shall implement it directly or submit it to the General Meeting of Shareholders of the company. After their consideration and approval, the long-term incentive plan shall be implemented.	13 February 2006, long-term effective	No	Yes
Commitment related to IPO	Solve the competition	Anhui Expressway Holding Group Company Limited	Promise not to participate in any of the company's from time to time actual businesses or other business activities which may constitute direct or indirect competition to the Company.	12 October 1996, long-term effective	No	Yes
Other commitment	Other	Anhui Expressway Holding Group Company Limited	Commitment to continue to increase the holdings of the company's shares in the secondary market in your own name during the next 12 months and the cumulative shareholding percentage should be no more than 2% of the total shares (including the increased holdings of shares of this time) issued by the company. It is not allowed to reduce the holdings of shares during the increasing shareholding period and the statutory period.	Term of Overweight: 8 October 2012 to 7 October 2013; Term of Underweight: there is prohibitive in term of Overweight or six months after Completing overweight.	Yes	Yes

VIII. Appointment and Dismissal of Accountants

PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co. Ltd and PricewaterhouseCoopers Certified Public Accountants were approved to be appointed as the PRC auditors and Hong Kong auditors for 2013 respectively at the 2012 Annual General Meeting.

IX. Punishment by Regulatory Authorities

During the reporting period, the Company, Directors, Supervisors, Senior Management, Shareholders who have held shares more than 5%, the Real Controller and the purchaser of the Company have not been involved in any inspection, administrative punishment and the notice of criticism by CSRC and any public reprimand by the stock exchange.

X. Corporate Governance

The Company has strictly complied with requirements of laws, regulations and regulatory documents including the Company Law, the Securities Law, the Standard on the Governance of Listed Companies and the Guidelines for Articles of Association of Listed Companies since its establishment and continued to enhance its corporate governance standards. During the reporting period, the Company continued to enhance the corporate system and operation procedures in accordance with the work arrangement of the regulatory authorities and the latest regulatory requirements. There were no differences between the actual conditions of the Company's corporate governance and the requirements of the CSRC's related laws and regulations. The Company had also fully adopted the respective code provisions set out in the Code on Corporate Governance Code of Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange.

In respect of the internal control establishment and implementation, the Company continued to promote the systematic construction and strengthen the risk control during the reporting period. 109 systems have been made and modified, which covered corporate governance, human resources management, financial investment and so on. All of the contents have been involved in each aspect and step of the Company's production and operation activities, which have been written in the internal controlling handbook. The handbook has got the approval of the Board of Directors and been implemented. The establishment of the system has complied with the supervisory requirement, improved the corporate management level and effectively prevented the operation risk.

During the reporting period, the 2013 corporate risk questionnaire has been modified in order to know more about the corporate risk according to the new changes in respect of the corporate business. Meanwhile, the internal control risk recognition form has been designed, which can be used to evaluate the risk of the corporate business activities quantitatively and qualitatively, and also clearly demonstrates the key point of the test.

Corporate Governance Code

During the reporting period, save and except that both the duties of remuneration committee and 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 always complied with Corporate Governance Code in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders.

Liability Insurance for Directors, Supervisors

According to the Stock Exchange of Hong Kong's latest requirements under the Corporate Governance Code, during the reporting period, it has completed the arrangement of selection of the insurance undertaker of the liability insurance for directors, supervisors and senior executives, providing insurance of the performance of directors, supervisors and senior executives.

Diversification Policy of the Members of the Board

According to Hong Kong stock exchange's latest requirements under the Corporate Governance Code, the Company has amended the terms of reference of the human resources and remuneration committee of the board. The Company also established diversification policy of the board members. The proposal was passed at the 20th meeting of the 6th board.

Audit Committee

As at the date of approval for issuing this report, the Audit Committee convened three meetings, which reviewed the 2012 Annual Results Report and Financial Statement prepared in accordance with CAS and HKAS, the 2013 First Quarterly Report, as well as the 2013 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), 3.10(2) and 3.10(A) 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 2013, the Company has adopted the code provisions on the trading of shares of the Company by relevant directors on terms no less enacting than the standard required by the "Model Code for Securities Transactions by Directors of Listed Issuers" 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 complied with the "Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules" and standards provided by the code of conducts relating to securities transactions by directors.

XI. Other Major Events

American depositary receipt ('ADR') program

On 11 June 2009, the Company set up an 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 ADR program. American Depositary Receipt in ADR program is just traded in American OTC market and will not be listed on any stock exchange in the U.S.

Investing in the equity interest of Huayuan Pawn Company

Through the consideration and approval of the Eleventh Session of Sixth Board Meeting on 26 June, 2012, the Company plans to invest RMB45 million subscribing shares of Huayuan Pawn Company, accounting for 18.75% of its total equity after its increase in equity capital. Up to the issuing date of the report since its approval, the investment amounts have not been paid.

Controlling Shareholder Increase the Shareholdings of the Company

From 8th October, 2012, AEHC began to increase the shareholdings of the Company by buying through the trading system of SSE. Up to the end of the reporting period, AEHC has directly held 521,733,374 shares of the Company, accounting for about 31.46% of the total issued shares of the Company. During the reporting period, there was no increase in shareholding.

AEHC plans to continue to increase the holdings of the Company's shares in the secondary market in its own name during the next 12 months (counting from 8th October, 2012) and the cumulative shareholding percentage should be no more than 2% of the total shares (including the first time increase in the holdings of shares) issued by the Company. AEHC undertakes not to reduce the holdings of shares during the increasing shareholding period and the statutory period.

The provision of entrusted loans for Ningxuanhang Company

Through the consideration of the Nineteenth Session of Sixth Board Meeting on 12 July, 2013, it resolved that according Ningxuanhang company investment plan, for the part of the difference between the total investment and capital projects which the company should bear. The company entrusted the China Everbright Bank Hefei branch to provide maximum amount of RMB350 million of loans to Ningxuanhang company in the next year for Ningxuanhang Expressway construction fee. The maximum loan period is not exceeding 10 years, and the loan interest rate is 6.22%. The entrusted loan funds belong to the company's own funds.

SECTION VI CHANGE OF SHARE CAPITAL AND SHAREHOLDERS

I. Change of Share Capital

1. Change of shares

During the reporting period, the total share capital and capital structure of the Company did not change.

2. Change of restricted shares

During the reporting period, there were no restricted shares.

II. Shareholders

1. Number of shareholders and the situation of shareholdings

Unit: share

Number of shareholders as at the end of the reporting period 56,362 (of which 56,274 were holders of domestic share and 88 were holders of H share.)

The Ten largest shareholders of the Company

Name of shareholders	Nature of shareholders	Shareholding percentage (%)	Total shareholding		Change during the reporting period	Number of restricted shares	Number of shares pledged or locked-up
			as at the end of the year	at the end of the year			
Anhui Expressway Holding Group Company Limited	State	31.46	521,733,374		0	0	Nil
HKSCC NOMINEES LIMITED (agent)	Overseas legal person	29.52	489,575,898		-288,000	0	Not known
China Merchants Huajian Highway Investment Co., Ltd.	State-owned legal person	21.06	349,345,689		0	0	Nil
Xiong Liwu	Domestic natural person	0.61	10,157,059		10,157,059	0	Not known
Templeton Investment Consultant Company Limited	Others	0.38	6,304,771		-1,428,400	0	Not known
Zhang Fengtong	Domestic natural person	0.31	5,143,938		1,084,300	0	Not known
Kuang Shunqing	Overseas natural person	0.25	4,117,923		0	0	Not known
China Everbright Securities Company Limited	Others	0.23	3,799,919		0	0	Not known
Dalian Hua Xin Trust Company Limited	Others	0.11	1,876,879		726,879	0	Not known
Shu Xiaodong	Overseas natural person	0.11	1,778,894		0	0	Not known

The ten largest shareholders of unrestricted shares of the Company

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares
Anhui Expressway Holding Group Company Limited	521,733,374	Renminbi-denominated ordinary shares
HKSCC NOMINEES LIMITED (agent)	489,575,898	Overseas listed foreign shares
China Merchants Huajian Highway Investment Co., Ltd.	349,345,689	Renminbi-denominated ordinary shares
Xiong Liwu	10,157,059	Renminbi-denominated ordinary shares
Templeton Investment Consultant Company Limited	6,304,771	Renminbi-denominated ordinary shares
Zhang Fengtong	5,143,938	Renminbi-denominated ordinary shares
Kuang Shunqing	4,117,923	Renminbi-denominated ordinary shares
China Everbright Securities Company Limited	3,799,919	Renminbi-denominated ordinary shares
Dalian Hua Xin Trust Company Limited	1,876,879	Renminbi-denominated ordinary shares
Shu Xiaodong	1,778,894	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 parties acting in concert as stipulate in "Provisions on Information disclosure Management of Shareholders' Shareholding changes of Listed Companies.

Note: According to the shareholders' register provided by HKSCC NOMINEES LIMITED, H Shares held by which represented the holding of many clients.

Anhui Expressway Company Limited

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 2013 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/Decrease during the reporting period	Type of shares	As a percent of total share capital (%)	Pledged or locked-up
Anhui Expressway Holding Group Company Limited	521,733,374 (L)	—	State-owned shares	31.46	No
China Merchants Huajian Highway Investment Co.,Ltd.	349,345,689 (L)	—	State-owned legal person shares	21.06	No

Name	As at the end of the period (shares)	Change during the reporting period	Type of shares	As a percentage of H shares	Pledged or locked-up
Colonial First State Group Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company (No.2) Pty Limited	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company Pty Ltd.	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investment Managers (Asia) Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investments (Bermuda) Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
The Colonial Mutual Life Assurance Society Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State (Hong Kong) LLC	32,166,000(L)	Not available	H shares	6.52%	Not known
First State Investments (Hong Kong) Limited	30,712,000(L)	Not available	H shares	6.23%	Not known
First State Investments (Singapore)	30,608,000(L)	Not available	H shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited	30,608,000(L)	Not available	H shares	6.21%	Not known
JPMorgan Chase & Co.	58,997,311(L)	+6,359,941	H shares	10.97%	Not known
	28,000(S)	– 402,000		0.01%	
	57,567,659	+5,604,289		11.68%	
	(Lending pool)				

Save as disclosed herein, the Directors are not aware of any person who was, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance or, was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any options in respect of such capital as at 30 June 2013.

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 2013, the Company did not repurchase any of its listed shares, nor purchase or resold 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.

VI. Issue of corporate bonds and listing

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 on the Shanghai Stock Exchange since 21 January 2010 (Stock Name: "09 Wangtongzhai"; Stock Code:122039). Details relation to Corporate Bonds see "Issue of Corporate Bonds" in Section XII Major Events.

In April 2013, Zhongchengxin Securities Appraisal Company Limited made follow-up rating on the Company's "09 Wangtongzhai", and maintained the credit rating of AAA of Company's corporate bonds, the main credit rating of AA+ and the rating outlook of stable.

SECTION VII DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

I. Shareholdings of Directors, Supervisors and Senior Management

During the Reporting Period, there was no change of the shareholdings of directors, supervisors and senior management.

II. Change in Directors, Supervisors and Senior Management during the reporting period

Name	Position	Change	Reasons of Change
Wang Changyin	Deputy General Manager	resign	work adjustment
Sheng Yao	Deputy General Manager	appoint	work requirement
Liang Bing	Deputy General Manager	appoint	work requirement
Liu Xianfu	Non-executive Director	resign	work requirement
Wu Xinhua	Non-executive Director	elect	work requirement

The Seventeenth Meeting of the Sixth board was held on 24 April 2013, at which the application of the resignation of the Company Deputy General Manager was approved, and Mr. Sheng Yao and Mrs. Liang Bing were both elected as the Company's new Deputy General Manager. The term commences from the very day they were approved by the Board of Directors to August 16, 2014.

On 9 April 2013, China Merchants Huajian submitted a written letter to our company, saying that Mr. Liu Xianfu would no longer serve as the Director of the Company for work requirement, and Mr. Wu Xinhua is recommended as a candidate for the Director. On 16 May 2013, the company held 2012 annual general meeting, at which Mr. Wu Xinhua was elected as the Company's new Non-executive Director. The term commences from the very day he was elected to August 16, 2014.

III. Other Notes

Approved by the Nineteenth Meeting of the Sixth board held on 12 July 2013, Mr. Meng Jie, who was the Company's Director, was appointed as the Company's new Deputy General Manager. The term commences from the very day he was approved by the Board of Directors to August 16, 2014.

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

As at 30 June 2013, 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.

V. Remuneration and training of staff

As at 30 June 2013, the Group employed approximately 2,150 employees (including major subsidiaries), which included 1,472 production staff, 130 technician, 51 financial staff and 497 administrative staff.

The Company carried out the reform of the remuneration system with the introduction of broadband pay system to formulate remuneration sequences according to the different positions, making different classifications according to the characteristics of each sequence. By making close connections among the labor remuneration of employees, post value, accumulated contributions, work performance and many others, it has built multiple channels for career development of employees and pay promotion. Through the establishment of remuneration and promotion standards, and the overall staff evaluation system, the enthusiasm of employees has been mobilized and the incentive effect on the implementation of the remuneration system has been ensured. During the report period, staff salaries are of RMB106,980 thousand. The Company strictly complies with the State's social insurance policies. According to the relevant State's stipulation, the Company has arranged the old-age insurance, unemployment insurance, medical insurance, injury insurance and child-bearing insurance for the staff and paid the above insurance fee in full.

Regarding staff training, during the reporting period, the Company and all departments organize various trainings such as the financial management training of leading roles of divisions, the comprehensive quality training of leading roles of sections, and also strengthen the inner-training construction, and open the inner-training skills class. All is related to comprehensive management, operation, and engineering technology. Meanwhile, based on traditional training mode, the company positively explores new training modes, training channels, introduces E-learning online learning system, and provides online learning platform by means of abundant online training resources and convenient training modes. Trainees include staffs of all levels including toll collectors and senior managers.

SECTION VIII FINANCIAL REPORT

1. Financial Statement
2. Condensed consolidated interim Financial Information

Please refer to Appendix for more details.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2013

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2013	Audited 31 December 2012
ASSETS			
Non-current assets			
Concession intangible assets	9	9,047,879	8,847,086
Land use rights	9	10,300	10,644
Property, plant and equipment	9	661,672	691,841
Investment property	9	318,726	326,104
Intangible assets	9	2,085	2,526
Investments in an associate		45,156	41,316
Available-for-sale financial assets	10	515,000	515,000
		10,600,818	10,434,517
Current assets			
Inventories		3,512	3,554
Trade and other receivables	11	354,698	246,605
Restricted cash	27	88,048	—
Cash and cash equivalents	27	584,839	762,838
		1,031,097	1,012,997
Total assets		11,631,915	11,447,514
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	117,707	117,367
Retained earnings			
– Proposed final dividend	25	—	331,722
– Others		3,575,907	3,120,084
		6,767,817	6,643,376
Non-controlling interests		770,559	777,111
Total equity		7,538,376	7,420,487

The notes on pages 50 to 76 are an integral part of these condensed consolidated financial statements.

Anhui Expressway Company Limited

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Continued)

As at 30 June 2013

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2013	Audited 31 December 2012
LIABILITIES			
Non-current liabilities			
Long-term payables	18	485,958	491,966
Borrowings	15	2,466,752	2,463,776
Deferred income tax liabilities		120,341	118,320
Deferred income	17	40,540	41,626
		<u>3,113,591</u>	<u>3,115,688</u>
Current liabilities			
Trade and other payables	14	742,106	772,693
Current income tax liabilities		38,918	32,470
Provision	16	6,826	6,826
Borrowings	15	192,098	99,350
		<u>979,948</u>	<u>911,339</u>
Total liabilities		<u>4,093,539</u>	<u>4,027,027</u>
Total equity and liabilities		<u>11,631,915</u>	<u>11,447,514</u>
Net current assets		<u>51,149</u>	<u>101,658</u>
Total assets less current liabilities		<u>10,651,967</u>	<u>10,536,175</u>

The notes on pages 50 to 76 are an integral part of these condensed consolidated financial statements.

Approved by the Board of Directors on 23 August 2013.

Zhou Renqiang
Director

Tu Xiaobei
Director

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2013

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited	Unaudited
		Six months ended 30 June	
	Note	2013	2012
Revenues	20	1,554,058	1,359,050
Cost of sales	21	(882,393)	(680,668)
Gross profit		671,665	678,382
Other gains - net	19	79,136	2,811
Administrative expenses	21	(41,483)	(37,732)
Operating profit		709,318	643,461
Finance costs	22	(66,956)	(67,819)
Share of profit of associates		3,840	967
Profit before income tax		646,202	576,609
Income tax expense	23	(142,160)	(143,982)
Profit for the period		504,042	432,627
Attributable to :			
Owners of the Company		456,163	391,128
Non-controlling interests		47,879	41,499
		504,042	432,627
Basic and diluted earnings per share from operations			
attributable to owners of the Company			
(expressed in RMB per share)	24	0.2750	0.2358
Dividends		—	—

The notes on pages 50 to 76 are an integral part of these condensed consolidated financial statements.

Anhui Expressway Company Limited

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

(All amounts in Renminbi thousands unless otherwise stated)

	Unaudited	Unaudited
	Six months ended 30 June	
	2013	2012
Profit for the period	504,042	432,627
Other comprehensive income	—	—
Other comprehensive income for the period, net of tax	—	—
Total comprehensive income for the period	504,042	432,627
Total comprehensive income attributable to:		
Owners of the Company	456,163	391,128
Non-controlling interests	47,879	41,499
	504,042	432,627

The notes on pages 50 to 76 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 2013

(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 (audited)	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						
Dividends relating to 2011 (unaudited)	—	—	—	(348,308)	—	(348,308)
Dividends paid to non-controlling interests of subsidiaries relating to 2011 (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 a subsidiary under common control (unaudited) 7	—	—	(215,330)	—	—	(215,330)
Changes in ownership interests in a subsidiary without change of control (unaudited)	—	—	(10,969)	—	(7,911)	(18,880)
Balance at 30 June 2012 (unaudited)	1,658,610	1,415,593	118,055	3,090,224	404,106	6,686,588

Anhui Expressway Company Limited

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2013

(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 2013 (audited)	1,658,610	1,415,593	117,367	3,451,806	777,111	7,420,487
Comprehensive income						
Profit for the half-year (unaudited)	—	—	—	456,163	47,879	504,042
Other comprehensive income (unaudited)	—	—	—	—	—	—
Total comprehensive income for the period ended 30 June 2013 (unaudited)	—	—	—	456,163	47,879	504,042
Profit appropriation (unaudited)	—	—	—	—	—	—
Others (unaudited)	—	—	340	(340)	—	—
Transactions with owners						
Dividends relating to 2012 (unaudited) 25	—	—	—	(331,722)	—	(331,722)
Dividends paid to non-controlling interests of subsidiaries relating to 2012 (unaudited)	—	—	—	—	(62,176)	(62,176)
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)	—	—	—	—	7,745	7,745
Balance at 30 June 2013 (unaudited)	1,658,610	1,415,593	117,707	3,575,907	770,559	7,538,376

The notes on pages 50 to 76 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2013

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited Six months ended 30 June 2013	Unaudited 2012
Cash flows from operating activities			
Cash generated from operations		304,170	593,557
Interest paid		(17,325)	(6,326)
Income tax paid		(136,272)	(213,756)
Net cash generated from operating activities		150,573	373,475
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,143)	(25,163)
Purchase of intangible assets		—	(779)
Purchase of available-for-sale financial assets		—	(100,000)
Payment for acquisition of a subsidiary under common control		—	(165,330)
Payment to non-controlling interest for acquisition of ownership interests in a subsidiary	8	—	(18,880)
Proceeds from sales of property, plant and equipment		—	269
Dividend received	11(c)	38,999	—
Interest received	19	4,196	2,561
Net cash generated from/(used in) investing activities		38,052	(307,322)
Cash flows from financing activities			
Proceeds from bank borrowings		158,048	96,300
Repayments of bank borrowings		(65,300)	(40,000)
Proceeds from non-controlling interests' contributions to subsidiaries		4,680	200,000
Dividends paid to the non-controlling interests		(44,530)	(37,836)
Dividends paid to the Company's shareholders		(331,722)	—
Cash payments relating to other financing activities		(88,048)	—
Net cash (used in)/generated from financing activities		(366,872)	218,464
Net (decrease)/increase in cash and cash equivalents		(178,247)	284,617
Cash and cash equivalents at beginning of the period		762,838	603,223
Exchange gains/(losses) on cash and cash equivalents		248	(77)
Cash and cash equivalents at end of the period	27	584,839	887,763

The notes on pages 50 to 76 are an integral part of these condensed consolidated financial statements.

Anhui Expressway Company Limited

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2013

(All amounts in Renminbi thousands unless otherwise stated)

1. General information

Anhui Expressway Company Limited (the "Company") was incorporated in the People's Republic of China ("PRC") on 15th August 1996 as a joint stock limited company. The Company and its subsidiaries (the "Group") are principally engaged in the construction, operation, management and development of the toll roads and associated service sections in the Anhui Province. Besides, the Group has commenced to operate pawn business since 2012.

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 Wangjiang Road, Hefei, Anhui, PRC.

As at 30 June 2013, 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
Ninghuai Expressway Tianchang Section	14	From 18 December 2006 to 17 June 2032
Guangci Expressway	14	From 29 July 2004 to 29 July 2029
Ningxuanhang Expressway Anhui Section	122	Under construction as at 30 June 2013

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 23 August 2013.

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 2013 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 2012, which have been prepared in accordance with HKFRSs.

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, 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) *New and amended standards adopted by the Group*

- HKAS 19 (revised) 'Employee benefits'. HKAS 19 (revised) amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The adoption of HKAS 19 (revised) has no financial impact on the Group after the assessment by the Company's management.
- HKFRS 10, 'Consolidated financial statements'. Under HKFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has applied HKFRS 10 retrospectively in accordance with the transition provisions of HKFRS 10. The adoption of HKFRS 10 has no financial impact on the Group after the assessment by the Company's management.
- HKFRS 11, 'Joint arrangements'. Under HKFRS 11 Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The adoption of HKFRS 11 has no financial impact on the Group after the assessment by the Company's management.
- HKFRS 13 'Fair value measurement'. HKFRS 13 measurement and disclosure requirements are applicable for the December 2013 year end. The Group has included the disclosures for financial assets (See Note 5) and non-financial assets (See Note 9).

3. Accounting policies (Continued)

(b) *New standards and interpretations not yet 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 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 judgments 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 2012.

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 2012.

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 the six months ended 30 June 2013, there was no transfer between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

In the six months ended 30 June 2013, 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 the six months ended 30 June 2013, there were no reclassifications of financial assets.

6. Segment information

The strategic steering committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the strategic steering committee for the purposes of allocating resources and assessing performance.

The strategic steering committee considers the business from a service perspective, and assesses the performance of the business segment based on profit before income tax, which is consistent with that in the income statement.

The amount provided to the strategic steering committee with respect to total assets is measured in a manner consistent with that of the balance sheet. These assets are allocated based on the operation of segments.

The amount provided to the strategic steering committee with respect to total liabilities is measured in a manner consistent with that of the balance sheet. These liabilities are allocated based on the operation of segments.

The Group's operations are mainly organized under the following business segments:

- Toll roads services, including construction, operation, management and development of toll roads; and
- Pawn services, including pawn loan services.

Anhui Expressway Company Limited

6. Segment information (Continued)

(a) Revenue

There is no transaction between segments. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement.

The revenue of the Group for the six months ended 30 June 2013 and 2012 are set out as follows:

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Toll roads services	1,526,583	1,359,050
Pawn services	27,475	—
	<u>1,554,058</u>	<u>1,359,050</u>

6. Segment information (Continued)

(b) Segment information

The segment information provided to the strategic steering committee for the reportable segments for the six months ended 30 June 2013 is as follows:

	For the six months ended 30 June 2013 (unaudited)		
	Toll roads services	Pawn services	Total
Revenue			
Segment revenue	1,526,583	27,475	1,554,058
Inter-segment sales	—	—	—
Revenue from external customers	<u>1,526,583</u>	<u>27,475</u>	<u>1,554,058</u>
Results			
Segment gross profit	<u>645,785</u>	<u>25,880</u>	<u>671,665</u>
Other gains - net	79,054	82	79,136
Administrative expenses	(36,244)	(5,239)	(41,483)
Finance costs	(66,956)	—	(66,956)
Share of profits of associates	<u>3,840</u>	<u>—</u>	<u>3,840</u>
Profit before income tax	<u>625,479</u>	<u>20,723</u>	<u>646,202</u>
Other information			
Amortisation of concession intangible assets	227,574	—	227,574
Depreciation of property, plant and equipment	38,591	57	38,648
Depreciation of investment property	7,378	—	7,378
Amortisation of land use rights	344	—	344
Amortisation of intangible assets	<u>441</u>	<u>—</u>	<u>441</u>

	As at 30 June 2013 (unaudited)		
	Toll roads services	Pawn services	Total
Total assets	<u>11,395,718</u>	<u>236,196</u>	<u>11,631,914</u>
Total liabilities	<u>4,090,619</u>	<u>2,920</u>	<u>4,093,539</u>

	As at 31 December 2012 (audited)		
	Toll roads services	Pawn services	Total
Total assets	<u>11,226,738</u>	<u>220,776</u>	<u>11,447,514</u>
Total liabilities	<u>4,023,994</u>	<u>3,033</u>	<u>4,027,027</u>

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6. Segment information (Continued)

(b) Segment information (Continued)

The Group started to operate pawn business from June 2012 and only operated toll roads services under one operating and reportable segment in the six months ended 30 June 2012. Therefore, the Company did not prepare segment information for the six months ended 30 June 2012.

(c) Geographical segments

The Group is domiciled in Anhui Province, the PRC. The result of its revenue is from Anhui Province, the PRC. As at 30 June 2013 and 31 December 2012, total assets of the Group are located in the PRC.

7. Acquisition of a subsidiary 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 (the “then equity owner”), for a purchase consideration of RMB 215,330 thousand.

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

	1 January 2012
	Carrying value
Assets	
Concession intangible assets	275,732
Property, plant and equipment	20,778
Investment property	10,098
Trade and other receivables	38,487
Cash and cash equivalents	5,421
	<hr/>
	350,516
Liabilities	
Long-term payables	12,119
Borrowings	136,200
Trade and other payables	24,332
Current income tax liabilities	1,147
	<hr/>
	173,798
Net assets	176,718
Less: Attributable to minority shareholders	(86,592)
	<hr/>
Net assets acquired by the Company	<u>90,126</u>

7. Acquisition of a subsidiary 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.

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

On 1 January 2012, the Company acquired 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 the capital reserve within equity of RMB 10,969 thousand.

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

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9. Capital Expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment property	Land use rights
Six months ended 30 June 2012					
Opening net book amount as at					
1 January 2012 (audited)	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)	(225,345)	(454)	(40,538)	(9,693)	(343)
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>
Six months ended 30 June 2013					
Opening net book amount as at					
1 January 2013 (audited)	8,847,086	2,526	691,841	326,104	10,644
Additions	428,367	—	8,486	—	—
Transfer	—	—	—	—	—
Disposals	—	—	(7)	—	—
Depreciation/amortization (Note 21)	(227,574)	(441)	(38,648)	(7,378)	(344)
Closing net book amount as at					
30 June 2013 (unaudited)	<u>9,047,879</u>	<u>2,085</u>	<u>661,672</u>	<u>318,726</u>	<u>10,300</u>

As of 30 June 2013 and 2012, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

Borrowing costs of RMB 18,465 thousand have been capitalized in the six months ended 30 June 2013 at an average interest rate of 6.319% (same period of 2012: RMB 14,460 thousand; 5.734%).

As at 30 June 2013, concession intangible assets with a carrying amount of approximately RMB 252,209 thousand (a cost of RMB 353,589 thousand) (31 December 2012: a carrying amount of RMB 260,050 thousand and a cost of RMB 353,589 thousand) have been pledged as collateral for bank borrowings of RMB 102,150 thousand (31 December 2012: RMB 102,150 thousand) (Note 15 (b)).

10. Available-for-sale financial assets

	Equity interest in unlisted companies		
	AXFG	WTMC	Total
Opening balances (audited)	500,000	15,000	515,000
Additions (unaudited)	—	—	—
Closing balances (unaudited)	<u>500,000</u>	<u>15,000</u>	<u>515,000</u>

Available-for-sale financial assets represented 16.67% equity interest in Anhui Xin'an Financial Group Co., Ltd. ("安徽新安金融集團股份有限公司", "AXFG") and 10% equity interest in Hefei Wan Tong Microcredit Co., Ltd. ("合肥市皖通小額貸款有限公司", "WTMC").

The available-for-sale financial assets did not have quoted market price in an active market and their fair values could not be reliably measured. As a result, these investments were carried at cost and were subject to review for impairment. At 30 June 2013, the Group performed an impairment review for these available-for-sale financial assets. No impairment existed for these available-for-sale financial assets.

11. Trade and other receivables

	30 June 2013 (unaudited)	31 December 2012 (audited)
Pawn loans to customers (a)	237,182	173,695
Toll roads income receivable (b)	58,307	54,807
Dividends receivables (c)	35,000	—
Others	<u>29,349</u>	<u>19,883</u>
	359,838	248,385
Less: Provision for impairment (a)	<u>(5,140)</u>	<u>(1,780)</u>
	<u>354,698</u>	<u>246,605</u>

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11. Trade and other receivables (Continued)

(a) Pawn loans to customers

At 30 June 2013 and 31 December 2012, the analysis of pawn loans to customers as follows:

	30 June 2013 (unaudited)	31 December 2012 (audited)
Pawn loans to customers		
– Principle	237,182	173,695
– interest	—	—
	<u>237,182</u>	<u>173,695</u>
Less: Impairment allowances		
– Individually assessed	(2,400)	—
– Collectively assessed	(2,740)	(1,780)
	<u>(5,140)</u>	<u>(1,780)</u>
Pawn loans to customers, net	<u>232,042</u>	<u>171,915</u>

Pawn loans to customers are arising from the Group's pawn loans business. The loan periods granted to customers are from one to six months in the six months ended 30 June 2013.

Reconciliation of allowance account for losses on pawn loans to customers as follows:

	For the six months ended	
	30 June 2013	30 June 2012
Collectively assessed -		
At beginning of the period (audited)	(1,780)	—
Impairment losses recognized (unaudited)	(3,360)	—
	<u>(5,140)</u>	<u>—</u>

- (b) As at 30 June 2013, toll roads income receivables 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 56,622 thousand (31 December 2012: RMB 51,294 thousand) for uncollected toll roads income.

11. Trade and other receivables (Continued)

- (c) Dividends of RMB 73,999 thousand were declared by AXFG in 2013, and RMB 38,999 thousand had been received by the Company as at 30 June 2013.

At 30 June 2013 and 31 December 2012, the ageing analysis of the trade and other receivables as follows:

	30 June 2013 (unaudited)	31 December 2012 (audited)
Up to 1 year	353,620	243,174
1 to 2 years	6,158	5,038
2 to 3 years	15	95
Over 3 years	45	78
	359,838	248,385

As at 30 June 2013 and 31 December 2012, all trade and other receivables balances were denominated in RMB. Except for pawn loans to customers which are analysed in Note (a), all trade and other receivables balances were fully performing.

12. Share capital and share premium

	Number of shares (thousands)	Ordinary share capital	Share premium	Total
At 1 January 2012 (audited)	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>
At 1 January 2013 (audited)	1,658,610	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—
At 30 June 2013 (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.

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13. Other reserves

	Capital Surplus	Statutory Surplus Reserve Fund	Discretionary Surplus Reserve Fund	Enterprise Safety Fund	Merge Reserve	Excess of the consideration over carrying amount of the minority interests acquired	Total
Balance at 1 January 2012 (audited)	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)
Accrual 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>
Balance at 1 January 2013 (audited)	2,243	955,881	658	55,063	(186,362)	(710,116)	117,367
Utilization of Enterprise Safety Fund (unaudited)	—	—	—	340	—	—	340
Balance at 30 June 2013 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>55,403</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>117,707</u>

(a) The merge reserve as of 30 June 2013 represented the excess of consideration over the Company's share of paid-in capital of Guangci acquired under common control (Note 7).

	30 June 2013
The Company's share of paid-in capital of Guangci	28,968
Less: consideration paid to the then equity owner for acquisition of Guangci under common control (Note 7)	<u>(215,330)</u>
Merge reserve	<u>(186,362)</u>

14. Trade and other payables

	30 June 2013	31 December 2012
	(unaudited)	(audited)
Payables on acquisition of concession intangible assets	522,806	572,987
Staff salaries and welfare	56,713	27,667
Interests payable	50,959	1,016
Current portion of long-term payables (Note 18)	46,617	31,078
Deposit for construction projects	32,608	42,772
Dividends payable	17,646	—
Other taxation payables	8,087	52,582
Payables on repair and maintenance projects	2,809	2,733
Toll road income received on behalf of other entities	1,874	25,460
Others	1,987	16,398
	742,106	772,693

As at 30 June 2012, trade and other payables of RMB 172,234 thousand were aged over one year (31 December 2012: RMB 174,768 thousand). These payables were mainly for construction projects and will be settled after project is completed.

As at 30 June 2013 and 31 December 2012, all trade and other payables were denominated in RMB.

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15. Borrowings

	30 June 2013		31 December 2012	
	Interest rate per annum (unaudited)	Amount	Interest rate per annum (audited)	Amount
Non-current				
Corporate bonds denominated in RMB (a)	5.000%	1,990,752	5.000%	1,987,776
Long-term bank borrowings denominated in RMB – secured				
- Pledged (b)	5.760%-6.400%	68,100	5.760%-6.400%	68,100
- Guaranteed (c)	5.895%-7.205%	226,900	5.895%-7.205%	226,900
Long-term bank borrowings denominated in RMB				
- unsecured (c)	5.900%	181,000	5.895%-6.345%	181,000
		<u>2,466,752</u>		<u>2,463,776</u>
Current				
Short-term bank borrowings denominated in RMB – unsecured	4.620%	70,000	5.700%-6.560%	65,300
Short-term bank borrowings denominated in HKD – secured				
- Pledged (d)	1.600%	88,048	—	—
Current portion of long-term bank borrowings denominated in RMB – secured				
- Pledged (b)	5.760%-6.400%	34,050	5.760%-6.400%	34,050
		<u>192,098</u>		<u>99,350</u>
Total borrowings		<u><u>2,658,850</u></u>		<u><u>2,563,126</u></u>

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 102,150 thousand were pledged by service concession arrangements of Guangci Expressway as at 30 June 2013 (31 December 2012: RMB 102,150 thousand) (Note 9).
- (c) The bank borrowings of RMB 74,900 thousand were guaranteed by Xuancheng Communication Construction Co., Ltd. (“宣城市交通建設投資有限公司”, “XCCC”), a third party; RMB 152,000 thousand were guaranteed by Xuancheng Communication Investment Co., Ltd. (“宣城市交通投資有限公司”, “XCIC”, formerly named “Xuancheng Highway Management Company”), a non-controlling interest of subsidiaries and RMB 181,000 thousand were guaranteed by the Company as at 30 June 2013 (31 December 2012: RMB 74,900 thousand guaranteed by XCCC; RMB 152,000 thousand were guaranteed by XCIC, a non-controlling interest of subsidiaries; and RMB 181,000 thousand guaranteed by the Company).
- (d) The bank borrowings of HKD 111,186 thousand (equivalent to RMB 88,048 thousand) were pledged by bank deposits of RMB 88,048 thousand as at 30 June 2013 (Note 27).

At 30 June 2013 and 31 December 2012, the Group's borrowings are repayable as follows:

	Bank borrowings		Corporate bonds	
	30 June 2013 (unaudited)	31 December 2012 (audited)	30 June 2013 (unaudited)	31 December 2012 (audited)
Within 1 year	192,098	99,350	—	—
Between 1 and 2 years	34,050	34,050	1,990,752	1,987,776
Between 2 and 5 years	34,050	34,050	—	—
Over 5 years	407,900	407,900	—	—
	668,098	575,350	1,990,752	1,987,776

As at 30 June 2013, 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 2013 (unaudited)	31 December 2012 (audited)
Expiring within one year	1,352,494	2,149,650

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16. Provision

	Maintenance/ resurfacing obligation
Balance at 1 January 2013 (audited)	6,826
Additions (unaudited)	—
Utilization of Provision (unaudited)	—
Balance at 30 June 2013 (unaudited)	<u>6,826</u>

17. Deferred income

	30 June 2013 (unaudited)	31 December 2012 (audited)
Government grants	<u>40,540</u>	<u>41,626</u>

Deferred income represents government grants relating to assets and is amortized over 25 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 2013 (unaudited)	31 December 2012 (audited)	30 June 2013 (unaudited)	31 December 2012 (audited)
Long-term payables to XCIC (a)	380,840	370,719	372,223	361,566
Long-term payables to AEHC (b)	151,735	152,325	153,158	150,239
Less: Current portion of long-term payables	<u>(46,617)</u>	<u>(31,078)</u>	<u>(46,390)</u>	<u>(30,927)</u>
	<u>485,958</u>	<u>491,966</u>	<u>478,991</u>	<u>480,878</u>

(a) Long-term payables to XCIC represents XCIC'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") and Anhui Ningxuanhang Expressway Investment Company Limited ("安徽寧宣杭高速公路投資有限公司", "Ningxuanhang") in excess of XCIC's equity contribution in Xuan Guang and Ningxuanhang. This amount is non-guaranteed. As of 30 June 2013, the balances represented interest-free loans of RMB 535,096 thousand and interest bearing loans of RMB 15,000 thousand.

(b) Long-term payables to AEHC represents AEHC's share of total investment in Ningxuanhang in excess of AEHC's equity contribution in Ningxuanhang. This amount is non-guaranteed and interest free.

18. Long-term payables (Continued)

As at 30 June 2013, the undiscounted amount of long-term payables to XCIC was RMB 550,096 thousand (31 December 2012: RMB 545,416 thousand) and to AEHC was RMB 340,000 thousand (31 December 2012: RMB 340,000 thousand).

The fair values of long-term payables are based on cash flows discounted using 6.55%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2013 (31 December 2012: 6.55%).

19. Other gains – net

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Dividend income from an unlisted company (Note 11(c))	73,999	—
Interest income	4,196	2,561
Amortization of government grants relating to assets	1,086	1,086
Loss from disposal on property, plant and equipment	(7)	(85)
Others	(138)	(751)
	<u>79,136</u>	<u>2,811</u>

20. Revenue

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Toll roads income, rental income and others	1,098,216	1,123,156
Revenue from construction or upgrade work under Service Concessions	428,367	235,894
Interest income from pawn loans to customers	27,475	—
	<u>1,554,058</u>	<u>1,359,050</u>

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21. Expenses by nature

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

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Costs payable to vendors for construction or upgrade work under the Service Concessions	428,367	235,894
Depreciation and amortization expenses (Note 9)	274,385	276,373
Employee benefit expenses	106,983	97,267
Repair and maintenance expenses	58,343	62,581
Tax related to revenues	40,093	38,048
Impairment for pawn loans to customers	3,360	—
Others	12,345	8,237
	<u>923,876</u>	<u>718,400</u>

22. Finance costs

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Interest expense on:		
– corporate bonds	52,977	52,826
– bank borrowings	4,837	5,921
– long-term payables	9,142	9,072
	<u>66,956</u>	<u>67,819</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 2013 (unaudited)	30 June 2012 (unaudited)
Current income tax	142,720	129,331
Deferred income tax	(560)	14,651
	<u>142,160</u>	<u>143,982</u>

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

According to the new CIT law and the detailed implementation regulations, foreign shareholders are subject to a 10% WHT for the dividend repatriated by the Company starting from January 1, 2008. 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.

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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 2013 (unaudited)	30 June 2012 (unaudited)
Profit attributable to equity holders of the Company	456,163	391,128
Weighted average number of ordinary shares in issue (thousands)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.2750	0.2358

25. Dividends

The final dividend in respect of 2012 of RMB 0.20 per share, amounting to a total dividend of RMB 331,722 thousand was approved at the Annual General Meeting in May 2013.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2013 (same period of 2012: nil).

26. Commitments

(a) Capital commitments

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

	30 June 2013 (unaudited)	31 December 2012 (audited)
Concession intangible assets		
- Contracted but not provided for	1,064,022	1,329,185

27. Cash and cash equivalents and restricted cash

	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Cash at bank and on hand	672,887	887,763
Less: restricted cash	(88,048)	—
Cash and cash equivalents at end of the period	584,839	887,763

As at 30 June 2013, a fixed deposit of RMB 88,048 thousand is pledged as collateral for the Group's short-term borrowings of HKD 111,186 thousand (Note 15(d)).

28. Related party transactions

(a) Name of related party and relationship

The Company's parent company is AEHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by PRC government. It owns a significant portion of the expressway assets in Anhui Province.

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	Parent company
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
Anhui Expressway Advertisement Co., Ltd. ("安徽高速傳媒有限公司", "AEAC")	Associate
WTMC	Subsidiary of AEHC
Anhui Yida Toll Road Service Sector Management Co., Ltd. ("安徽省驛達高速公路服務區經營管理有限公司", "YTMC")	Subsidiary of AEHC
Anlian Expressway Co., Ltd. ("安徽安聯高速公路有限公司", "ALEC")	Subsidiary of AEHC
Anhui Fuzhou Expressway Co., Ltd. ("安徽省阜周高速公路有限公司", "AFEC")	Subsidiary of AEHC
Anhui Expressway Petrochemical Co., Ltd. ("安徽省高速石化有限公司", "AEPC")	Subsidiary of AEHC
Anhui Expressway Project Management Co., Ltd. ("安徽省高等級公路工程監理有限公司", "AEPMC")	Subsidiary of AEHC
Anhui Modern Transportation Facilities Co., Ltd. ("安徽省現代交通設施工程有限公司", "MTFC")	Subsidiary of AEHC
Anhui Expressway Experiment Research Centre ("安徽省高速公路試驗檢測科研中心", "AERC")	Subsidiary of AEHC
Hefei Bangning Property Management Company ("合肥市邦寧物業管理有限公司", "BNMC")	Subsidiary of AEHC
Anhui Expressway Construction Headquarter ("安徽省高等級公路建設指揮部", "AECH")	Subsidiary of AEHC

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28. Related party transactions (Continued)

(b) Related party transactions

(i) Service income from management of toll roads

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
AEHC	11,143	6,707
ALEC	734	734
AFEC	501	501
	<u>12,378</u>	<u>7,942</u>

(ii) Rental income

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
AEPC	13,135	6,798
YTMC	4,988	4,500
AEHC	997	—
AECH	938	—
AEAC	361	—
MTFC	292	—
ALEC	242	—
WTMC	87	—
	<u>21,040</u>	<u>11,298</u>

28. 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 2013 (unaudited)	30 June 2012 (unaudited)
MTFC	19,511	5,834
AERC	3,110	1,213
BNMC	1,839	1,609
APEPMC	601	4,540
	<u>25,061</u>	<u>13,196</u>

It mainly represented payable to above related parties for construction and testing services in connection with the office building construction project, and property management service in connection with High-tech Park, which is owned by the Company.

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

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
XCIC	<u>535</u>	<u>535</u>

(v) Paid and payable for advertisement service

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
AEAC	<u>—</u>	<u>391</u>

28. Related party transactions (Continued)

(b) Related party transactions (Continued)

(vi) Financing

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
AEHC	—	140,000
XCIC	4,680	—
	4,680	140,000

(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 152,000 thousand was guaranteed by XCIC (Note 15).

(viii) Transactions with the State-owned Enterprises

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Toll road construction/upgrade cost paid and payable	295,642	145,772
Borrowings from banks	70,000	96,300
Toll road repair and maintenance cost paid and payable	19,931	27,144
	385,573	269,216

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).

28. Related party transactions (Continued)

(c) Period-end balances

(i) Trade and other receivables

	30 June 2013 (unaudited)	31 December 2012 (audited)
AEPC	12,952	—
YTMC	284	734
ALEC	53	—
State-owned Enterprises	<u>78,102</u>	<u>70,135</u>
	<u>91,391</u>	<u>70,869</u>

(ii) Trade payables

	30 June 2013 (unaudited)	31 December 2012 (audited)
MTFC	2,659	1,752
AEPC	1,734	—
APEMC	1,682	2,090
BNMC	1,072	164
AERC	603	1,690
AEAC	10	10
State-owned Enterprises	<u>128,511</u>	<u>209,372</u>
	<u>136,271</u>	<u>215,078</u>

(iii) Other payables

	30 June 2013 (unaudited)	31 December 2012 (audited)
AEHC	2,939	2,358
YTMC	161	161
APEMC	139	129
AERC	100	100
ATPEC	100	100
WTMC	100	—
AEPC	6	—
AEAC	2	27
MTFC	—	436
State-owned Enterprises	<u>85,585</u>	<u>44,155</u>
	<u>89,132</u>	<u>47,466</u>

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28. Related party transactions (Continued)

(c) Period-end balances (Continued)

(iv) Long-term payables (including current portion) (Note 18)

	30 June 2013 (unaudited)	31 December 2012 (audited)
XCIC	380,840	370,719
AEHC	151,735	152,325
	532,575	523,044

As at 30 June 2013 and 31 December 2012, amounts due from and due to the related parties as afore mentioned, except for long term payables as disclosed in Note 18, mainly arose from the above transactions and payments made by the Group and related parties on behalf of each other. These amounts are unsecured, interest free and are repayable within 1 year.

(v) Bank deposits and borrowings with state-owned banks

	30 June 2013 (unaudited)	31 December 2012 (audited)
State-owned banks - bank deposits	265,328	71,455
State-owned banks - borrowings	329,050	375,350

29. Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation.

30. 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 23 August 2013.

SECTION IX DOCUMENTS AVAILABLE FOR INSPECTION

I. Including the following documents:

1. The original copy of the Interim Report signed by the Chairman;
2. The accountant's report, signed by the legal representative, accountant director in charge of accounting, and accounting director and stamped with corporate seal;
3. The original copies of corporate documents and announcements published in the Shanghai Securities Post and China Securities Post;
4. The Articles of Association;
5. Original copies of the Interim Report published in other securities market;
6. Other related information.

II. Information Disclosure Index

Number	Items	Newspapers designated for publishing reports	Publishing date	Website designated for disclosure of reports
	H Share Announcement-the 2012 Annual Results		25 March 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-01	Announcement of the resolutions of the 16th meeting of the 6th Board	China Securities Post, the Shanghai Securities Post	25 March 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-02	Announcement of the resolutions of the 8th meeting of the 6th Supervisory Committee	China Securities Post, the Shanghai Securities Post	25 March 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-03	Notice of the 2012 Annual General Meeting	China Securities Post, the Shanghai Securities Post	25 March 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn .

Anhui Expressway Company Limited

Number	Items	Newspapers designated for publishing reports	Publishing date	Website designated for disclosure of reports
	H Share Announcement-2012 Annual General Meeting		25 March 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-04	Complementary announcement of the 2012 Annual Results	China Securities Post, the Shanghai Securities Post	9 April 2013	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-Complementary announcement of the 2012 Annual General Meeting		13 April 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-05	Announcement of the additional proposal in the 2012 Annual General Meeting & Complementary Notice of the 2012 Annual General Meeting	China Securities Post, the Shanghai Securities Post	13 April 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn
2013-06	Result for Tracking and evaluating "09 Anhui Expressway bond"	China Securities Post, the Shanghai Securities Post	20 April 2013	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--2013 First Quarterly Report		25 April 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement--Change of the General Manager		25 April 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-07	Announcement of the resolutions of the 17th meeting of the 6th Board	China Securities Post, the Shanghai Securities Post	25 April 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Number	Items	Newspapers designated for publishing reports	Publishing date	Website designated for disclosure of reports
2013-08	Announcement of the change of the Senior Management	China Securities Post, the Shanghai Securities Post	25 April 2013	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-the voting result of the Annual General Meeting held on 16 May 2013 & the change of the Directors and the members of Directors Committee		17 May 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-the name list of the members of the Board of Directors & their roles and functions	China Securities Post, the Shanghai Securities Post	17 May 2013	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-09	Announcement of the resolutions of the 2012 Annual General Meeting	China Securities Post, the Shanghai Securities Post	17 May 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn
2013-10	Announcement of the resolutions of the 18th meeting of the 6th Board	China Securities Post, the Shanghai Securities Post	17 May 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2013-11	Announcement of the 2012 dividends distribution of Anhui Expressway	China Securities Post, the Shanghai Securities Post	18 June 2013	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

By Order of the Board

Zhou Renqiang

Chairman

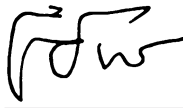
23 August 2013

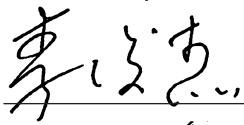
SECTION XI CONFIRMATION OPINION TO 2013 INTERIM REPORT BY DIRECTORS AND SENIOR MANAGEMENT

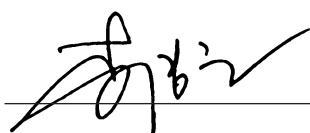
Being the Directors and Senior Management of Anhui Expressway Company Limited, we hereby confirm in writing that the content of the 2013 interim report is authentic, accurate, complete, of the opinion that there are no false representations or misleading statements contained in or material omissions 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:

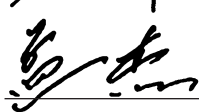
Zhou Renqiang: 

Tu Xiaobei: 

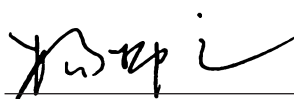
Li Junjie: 

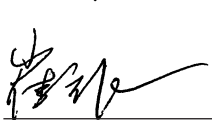
Li Jiezh: 

Wu Xinhua: 

Meng Jie: 

Hu Bin: 

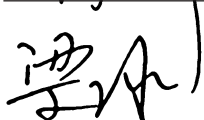
Yang Mianzhi: 

Cui Yunfei: 

Senior Management Members' Signatures:

Xie Xinyu: 

Sheng Yao: 

Liang Bing: 

Meng Jie: 

23 August 2013



Anhui Expressway Company Limited