



Anhui Expressway Company Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code : 0995)



2018
INTERIM REPORT



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IMPORTANT NOTICE

1. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and the senior management of the Company hereby warrant that the contents of the interim report are true, accurate and complete, and that there are no false accounts, misleading statements or significant omissions of information and jointly and individually accept the legal responsibility.

2. Absence of Directors

Role of the absent director	Name of the absent director	Reason of absence	Name of alternate director
Non-executive director	Yang Xudong	Business commitment	Du Jian
Independent non-executive director	Kong Yat Fan	Business commitment	Jiang Jun
Independent non-executive director	Liu Hao	Business commitment	Jiang Jun

3. The interim report was unaudited but was reviewed by the audit committee of the Company.

4. Mr. Qiao Chuanfu, Chairman, Mr. Xu Zhen, who is responsible for the accounting work and Mr. Xiao Guangzhuo, manager of the Financial Department of the Company hereby confirm that the financial statements contained in the interim report are true, accurate and complete.

5. The profit appropriation plan or the plan of transferring reserves to capital for the Reporting Period approved by the Board of Directors: Nil

6. The forward-looking risk statement

Applicable Not applicable

Please refer to Section IV, "Discussion and Analysis on Business Operations" for the potential risks of the Company. Forward looking statements, including the 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 and invest rationally.

7. Whether there was any extraordinary use of funds by the controlling shareholder and its related parties for purposes other than for operations?

No

8. Whether there were any provisions of external guarantee in violation of specified decision making procedures?

No

9. Major Risk Notice

The major risks have been concretely described in the report. Please refer to Section IV "Discussion and Analysis on Business Operations" for the possible risk factors and the corresponding tackling measures as set out in the discussion and analysis in respect of the future development of the Company.

10. Other

Applicable Not applicable

Unless otherwise specified, the currency used in this report is RMB.

In this report, if the sum of the sub-item value is inconsistent with the total number, it is due to rounding.

SECTION I DEFINITIONS

The terms in this report, except for the other meaning as the context referred to, have the meanings as follows:

"the Company", "Company"	Means	Anhui Expressway Company Limited
"the Group"	Means	the Company, its subsidiaries and associated companies
"ATHC" or "Anhui Transportation Group"	Means	Anhui Transportation Holding Group Company Limited (formerly known as Anhui Expressway Holding Group Company Limited and Anhui Expressway Holding Corporation)
"China Merchants Highway"	Means	China Merchants Highway Network Technology Holding Company Limited (formerly known as China Merchants Hua Jian Highway Investment Company Limited)
"SEHK" or "Hong Kong Stock Exchange"	Means	The Stock Exchange of Hong Kong Limited
"Xuanguang Company"	Means	Xuanguang Expressway Company Limited
"Expressway Media"	Means	Anhui Expressway Media Company Limited
"Xin'an Financial"	Means	Anhui Xin'an Financial Group Company Limited
"Xin'an Capital"	Means	Anhui Xin'an Capital Operating Management Group Company Limited
"Xuancheng Transportation Investment" or "XCIC"	Means	Xuancheng Transportation Investment Company Limited (formerly known as Xuancheng Highway Construction Management Company Limited)
"Ningxuanhang Company"	Means	Anhui Ningxuanhang Expressway Investment Company Limited
"Guangci Company"	Means	Xuancheng City Guangci Expressway Limited Liability Company
"Wantong Pawn"	Means	Hefei Wantong Pawn Company Limited
"Wantong MicroCredit"	Means	Hefei Wantong MicroCredit Company Limited
"Huatai Group"	Means	Hefei Huatai Group Corporation Limited
"AEHK"	Means	Anhui Expressway (H.K.) Limited
"China Merchants Fund"	Means	Anhui Transportation China Merchants Industrial Fund (Limited Partnership)

"Jinshi Merger and Acquisition Fund"	Means	Anhui Transportation Jinshi Merger and Acquisition Fund (Limited Partnership)
"China Merchants Fund Management Company"	Means	Anhui Transportation China Merchants Investment Fund Management Company Limited
"Jinshi Fund Management Company"	Means	Anhui Transportation Jinshi Fund Management Co., Ltd.
"General Meeting"	Means	a general meeting of Anhui Expressway Company Limited
"Board"	Means	the board of directors of Anhui Expressway Company Limited
"Directors"	Means	the directors of Anhui Expressway Company Limited
"Supervisory Committee"	Means	the supervisory committee of Anhui Expressway Company Limited
"Supervisors"	Means	the supervisors of Anhui Expressway Company Limited
"Reporting Period"	Means	the six-month period ended 30 June 2018
"Listing Rules"	Means	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"SFO"	Means	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"CSRC"	Means	China Securities Regulatory Commission
"PRC" or "Mainland China"	Means	the People's Republic of China, for the purposes of this report, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
"Articles of Association"	Means	the Amended and Restated Articles of Association of Anhui Expressway Company Limited
"Company Law"	Means	the Company Law of the People's Republic of China
"Securities Law"	Means	the Securities Law of the People's Republic of China
"HKAS"	Means	Hong Kong Accounting Standards

SECTION II CORPORATE PROFILE AND MAIN FINANCIAL INDICATORS

1. Company 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	Qiao Chuanfu

2. Contact Person and Contact Details

	Secretary to the Board of the Company	Representative of Securities Affairs
Name	Dong Huihui	Ding Yu
Contact address	520 Wangjiang West Road, Hefei, Anhui, the PRC	520 Wangjiang West Road, Hefei, Anhui, the PRC
Telephone	0551-65338697	0551-63738923, 63738922
Fax	0551-5338696	0551-5338696
Email Address	wtgs@anhui-expressway.net	wtgs@anhui-expressway.net

3. Introduction of Basic Information

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

4. Information Disclosure and Addresses for Keeping Report

Newspapers designated for publishing report	China Securities Journal, Shanghai Securities News
Websites designated for disclosure of the interim report assigned by CSRC	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Addresses designated for keeping the interim report	Shanghai Stock Exchange, 528 Pudong South Road, Shanghai Hong Kong Registrars Limited, 46th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong Company's head office at 520 Wangjiang West Road, Hefei, Anhui, the PRC
Search index of change in registration during the Reporting Period	None

5. Company Stock Information

Stock Category	Stock Exchange	Stock Abbreviations	Stock Code	Stock Abbreviations before alteration
A Shares	Shanghai Stock Exchange	Anhui Expressway	600012	—
H Shares	The Stock Exchange of Hong Kong Limited	Anhui Expressway	0995	—

6. Other Related Information

√ Applicable □ Not applicable

As of 30 June 2018, the structure of the Company, its subsidiaries and associated companies (the "Group") is as follows:



7. Main Accounting Data and Financial Indicators

(1) Main Accounting Data

Unit: yuan Currency: RMB

Main Accounting Data	2018	2017	Change as compared to the corresponding period of last year (%)
	(January-June)	(January-June)	
Operating income	1,467,508,868.01	1,398,190,644.16	4.96
Net profit attributable to shareholders of the Company	555,596,747.32	524,322,976.55	5.96
Net profit after extraordinary items attributable to shareholders of the Company	554,951,814.80	520,804,653.28	6.56
Net cash flows from operating activities	851,049,193.72	929,728,423.57	-8.46
	As at	As at	Change as compared to the end of last year (%)
	30 June 2018	31 December 2017	
Net assets attributable to shareholders of the Company	9,553,214,333.18	9,379,097,885.86	1.86
Total assets	14,461,313,254.78	14,176,003,506.16	2.01

(2) *Main Financial Indicators*

	2018	2017	Change as compared to the corresponding period of last year (%)
Main financial Indicators	(January-June)	(January-June)	
Basic earnings per share (RMB/share)	0.3350	0.3161	5.98
Diluted earnings per share (RMB/share)	0.3350	0.3161	5.98
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.3346	0.3140	6.56
Returns on net assets (weighted average) (%)	5.79	5.91	A decrease of 0.12 percentage point
Returns on net assets after deduction of non-recurring profit or loss (weighted average) (%)	5.78	5.87	A decrease of 0.09 percentage point

Explanations on Main Accounting Data and Financial Indicators

Applicable Not applicable

8. Differences between financial statements prepared in accordance with different domestic and overseas accounting standards

Applicable Not applicable

(1) *Differences of net profit and net assets attributable to shareholders of the Company between international accounting standards and the PRC accounting standards*

Applicable Not applicable

(2) *Differences of net profit and net assets attributable to shareholders of the Company between the HKAS and the PRC accounting standards*

√ Applicable □ Not applicable

Unit: 000' Currency: RMB

	Net profit		Net assets attributable to shareholders of the Company	
	Amount of current period	Amount of previous period	Amount at the end of the Reporting Period	Amount at the beginning of the Reporting Period
PRC accounting standards	555,597	524,323	9,553,214	9,379,098
Items and amounts adjusted in accordance with HKAS:				
Valuation, depreciation/ amortization of assets and related deferred taxes	-4,216	-4,216	52,890	57,105
HKAS	551,381	520,107	9,606,104	9,436,203

(3) *Explanation on the major differences between the PRC accounting standards and HKAS*

√ Applicable □ Not applicable

In order to issue and list "H" shares in Hong Kong, the highway franchise, fixed assets 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 and the results were included in the relevant prescribed financial statements and the financial statements prepared in accordance with Hong Kong Financial Reporting Standards. As per the said valuation, the valuation result of the international certified public valuer is higher than that of the PRC certified public valuer's result by RMB 319,000,000. Such differences have impacts on the business performance (i.e. the depreciation and amortization figures) of the highway franchise, fixed assets, and land use rights and the related deferred tax of the Group and the Company, which resulted in the above adjustments.

9. Non-recurring profit or loss items and amounts involved

√ Applicable □ Not applicable

Unit: yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (if applicable)
Gains or losses from disposals of non-current assets	-287,799.31	
Government subsidies charged to the current gains or losses (excluding those closely related to the Company's normal operations, subsidised in accordance with the government policies or regulations, subsidised in a standardised amount or being continuously subsidised in a constant amount)	1,086,393.84	The assets related government grants include the construction funds subsidies of Ninghuai Expressway (Tianchang Section) received from Jiangsu Provincial Highway Construction Department (attached to the Transportation Department of Jiangsu Province) in 2007 and the station construction funds subsidies of Hening Expressway and Gaojie Expressway received from Anhui Provincial Highway Administration Bureau (attached to the Transportation Department of Anhui Province) in 2010 and amortized in the first half of 2018.
Other non-operating revenue and expenditure	-7,578.64	
Effects on minority shareholders' interests	51,670.61	
Effects on income tax	-197,753.98	
Total	<u>644,932.52</u>	

10. Other

Applicable Not applicable

Main accounting data and indicators prepared in accordance with HKAS (unaudited)

Abstract of Results

Unit: '000 Currency: RMB

	For the six months ended 30 June		
	2018	2017	Change (%)
Turnover	1,760,879	1,651,101	6.65
Earnings before Income Tax	762,088	742,005	2.71
Profit attributable to Equity Holders of the Company	551,381	520,107	6.01
Basic Earnings Per Share attributable to Equity Holders of the Company (RMB)	0.3324	0.3136	5.99

Abstract of Assets

Unit: '000 Currency: RMB

	As at	As at	Change (%)
	30 June	31 December	
	2018	2017	
		(audited)	
Total Assets	14,515,296	14,234,303	1.97
Total Liabilities	4,379,991	4,147,710	5.60
Total Net Assets (Assets and Reserve attributable to Equity Holders of the Company)	9,606,104	9,436,203	1.80
Net Asset Value Per Share (RMB)	5.79	5.69	1.76

SECTION III CORPORATE BUSINESS SUMMARY

I. Explanation on the principal business engaged by the Company, operating model and industry information during the Reporting Period

The Company was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province the PRC, and is the first PRC highway company listed in Hong Kong. It is also the only listed highway company in Anhui Province. On 13 November 1996, 493.01 million of H shares issued by the Company were listed on The Stock Exchange of Hong Kong Limited (Stock code: 0995). On 7 January 2003, 250 million of A Shares issued by the Company were listed on Shanghai Stock Exchange (Stock code: 600012). As at the date of 30 June 2018, the total share capital of the Company is 1,658,610,000 shares, each with a face value of RMB 1.

The Company's principal businesses include the investment, construction, operation and management of certain toll roads within Anhui province. The Company acquires operational highway assets through various means such as investment and construction, acquisition or co-operative operation. The Company provides toll services for vehicles, collects vehicles toll fees according to the charging standards and maintains, repairs and carries out safety maintenance for the operating expressways. Toll roads are large-scale transportation infrastructures with long payback cycle and the investment return period is long and the income is relatively stable.

The Company owns the entire or partial equity interest of Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section, Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section) and Ningxuanhang Expressway, which are toll highways in Anhui Province. As of 30 June 2018, the operation mileage which the Company managed had reached 557km and the total assets was about RMB 14,461,313 thousands.

In addition, the Group also actively explores and tries the advertising business along the expressway, financial business and fund investment business to further expand the profit space and achieve sustainable development of the Group.

The major listed companies in the same industry and their financial indicators are shown in the following table:

Unit: RMB'0,000

Stock code	Stock Name	Total		Asset	Year-on-year		Year-on-year		Return on net assets (%)	Price earning ratio
		assets	Net assets	Liability ratio (%)	Operating revenue	growth of revenue (%)	Net profit	Growth of net profit (%)		
Arithmetic mean		2276197.69	1045424.88	46.39	401683.44	43.35	114724.44	9.98	10.79	28.35
Median		1534965.93	785619.79	45.49	297523.33	8.03	87623.76	15.02	10.45	16.84
600012.SH	Anhui Expressway	1417600.35	992921.53	29.25	286141.11	14.50	108562.52	19.43	12.09	19.55
600020.SH	Zhongyuan Expressway	5024103.97	1172264.03	73.50	584653.11	48.63	119195.98	58.66	9.19	14.60
600033.SH	Fujian Expressway	1763518.96	667613.26	40.19	247426.67	-2.13	86329.79	-2.67	7.66	14.93
600035.SH	Chutian Expressway	1063481.68	608351.48	43.33	268843.52	111.26	57191.66	47.80	11.14	23.09
600106.SH	Chongqing Road Bridge	670574.90	358058.59	46.61	23782.48	-22.04	28026.36	-5.08	7.93	14.41
600269.SH	Ganyue Expressway	3408650.40	1401322.48	52.98	432780.33	-4.98	92305.49	-1.99	6.82	11.53
600350.SH	Shandong Expressway	5083921.66	2666021.24	46.75	737953.14	-12.78	287684.82	-1.30	10.26	9.33
600368.SH	Wuzhou Traffic	1069315.42	371676.56	69.58	179217.72	38.95	35613.08	86.82	11.74	19.70
600377.SH	Ninghu Expressway	4253249.12	2124546.34	39.12	945568.04	2.76	368481.95	7.21	15.69	14.83
600548.SH	Shenzhen Expressway	3747382.65	1100500.90	57.91	483662.08	6.72	154600.13	17.44	10.85	16.75
600805.SH	Yueda Investment	966293.19	735157.33	30.81	152518.23	-1.53	-31279.46	-332.98	-4.45	47.12
601107.SH	Sichuan Expressway	3428471.74	1360090.93	58.34	798436.42	-3.41	96893.53	-13.76	6.53	12.03
601188.SH	Longjiang Traffic	487363.28	361884.84	16.31	178707.66	258.07	39123.84	37.94	9.09	18.75
601518.SH	Jilin Expressway	630876.10	293684.12	48.90	97362.02	25.65	26725.85	38.65	10.70	22.31
000429.SZ	GPED A	1652331.51	853188.48	42.78	308905.54	9.35	171022.37	45.88	17.44	16.94
000548.SZ	Hunan Investment	208133.41	157526.62	21.48	97086.94	359.08	12207.69	144.09	8.18	56.66
000828.SZ	Dongguan Development	1021665.62	531542.15	44.37	145230.23	16.00	88917.73	7.21	16.49	13.93
000885.SZ	Tongli Cement	810168.66	162929.09	75.17	472041.23	5.94	66365.88	31.91	29.45	179.98
000900.SZ	Modern Investment	2299802.65	836082.24	61.50	1059285.84	11.23	84628.04	1.72	10.64	11.55
001965.SZ	China Merchants Highway	6517048.56	4153135.45	28.86	534066.43	5.69	401891.57	12.61	8.36	29.12

Note: Source from Hithink Royal Flush Information Network Co., Ltd (among which the net assets data are from parent companies), and the information was as at 31 December 2017

II. Explanation on material changes in major assets of the Company during the Reporting Period (in accordance with the PRC Accounting Standards)

Applicable Not applicable

At the end of the Reporting Period, the consolidated statement scope of the Group has not changed.

Items	30 June 2018	31 December 2017	Percentage Change	Explanation on change
Other receivables	237,932,942.78	502,419,132.47	-52.64%	Mainly because the Group duly redeemed bank wealth management product of RMB 310 million during the Reporting Period;
Long-Term Equity investments	137,399,494.77	125,009,865.69	9.91%	Mainly because the increase of the investment income of Expressway Media was confirmed during the Reporting Period.

Among which assets of RMB1,929,461.62 are in overseas, representing 0.01% of total assets.

III. Analysis on core competency during the Reporting Period

Applicable Not applicable

The Company was founded in 1996, and is the first PRC expressway company listed in Hong Kong, and also the only listed expressway company of Anhui province.

1. The transportation infrastructure concession is the core business of the Group. Our operating region is located in Anhui province, having superior geographical location and geographical advantages. Our road sections are major transit national trunks across Anhui regions. With the implementation of national development strategy of the "Yangtze River Economic Zone" and the basic strategy of "development towards the East and acceleration of integration into the Yangtze River Delta" of Anhui Province, the network economic efficiency of the roads managed by the Company shall become more apparent.
2. The performance of the Company remains outstanding and stable, with high credit rating, low debt to assets ratio and strong solvency. At the same time, the operation of the Group is steady, and the outcomes of management on relations with investors are significant with a higher degree of concern in the capital market, resulting in a sound guarantee for the Company's future development by equity financing, continuous improvement in financing structure, and further expansion with the help of capital market.
3. Since its listing, the Company has shown a corporate image of openness and integrity to investors with information disclosure that is sufficient, fair and in compliance with relevant regulations, and has gained a well social response and influence in the PRC and overseas through active investor relationship management. Our persistence in high cash dividend ratio policy also gains favor and support from the market and investors. The Company has a stable investor foundation and good market image in the domestic and overseas capital market.

SECTION IV DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

I. Management Discussion and Analysis

1. *Strengthening management and promoting the sustainable development of main business*

During the Reporting Period, the Company thoroughly implemented the development strategy, accelerated the pace of reform and innovation, effectively strengthened production safety, focused on improving the operation management and service level, and made steady progress in all targets and tasks.

The reconstruction and expansion of Hening Expressway advanced orderly. 2018 is a crucial year to the reconstruction and expansion of Hening Expressway for connecting the preceding and the following and overcoming difficulties. During the Reporting Period, facing the difficulties such as the series of rain and snow and the high price of building materials at the beginning of the year, the Company adhered to the project schedule management under the premise of ensuring quality and safety, and adhered to the overall idea of "building one section, forming one section and opening to traffic one section" to constantly improve the project image. During the Reporting Period, the project had completed investment of RMB 271 million, with a total investment of RMB1, 311 million.

The Company actively carried out the assessment of the formal toll period for Xuanning Section of Ningxuanhang Expressway. Xuanning Section of Ningxuanhang Expressway was officially opened to traffic in September 2013 and the toll operating period was tentatively set as 5 years. During the Reporting Period, the Company actively cooperated with Anhui Provincial Department of Finance to evaluate the formal toll period of Xuanning Expressway. At present, the review report has been submitted.

The level of electromechanical and informatization had been greatly improved. In the first half of the year, mechanical and electrical transformation works of RMB 15 million was completed which solved problems such as low accuracy of path recognition and low accuracy of license plate recognition. Also, automatic card issuing machine technology was improved and automation of highway entrances in the relevant sections was promoted; green access inspection technology means was used innovatively to improve the smooth opening capacity.

The maintenance mode was innovated. The Company centralized and unified the special maintenance project design work, realized the full coverage of the design and basically eliminated the disadvantages of difficult choice and poor technical service stability caused by previous organizing methods.

The Company strengthened safety inspection and supervision, strengthened the investigation and remediation of potential safety hazards continuously and improved the effectiveness of safety management. In the first half of the year, a total of 84 safety risks were identified, 80 of which have been rectified without any serious safety risks.

2. *Strengthening the risk control and Exploring diversified development of the Company*

a. **The risk control on financing business**

During the Reporting Period, the Company continuously strengthened the risk control on its financing business, continuously supervised the joint stock companies and shares holding companies to strengthen the handling of bad loans comprehensively and took more measures to carry out the clearing operation. During the Reporting Period, Wantong Pawn increased the effort to project clearance and carried out new business steadily and would make up the deficits and get surpluses.

b. *The fund project is progressing smoothly*

The investments of China Merchants Fund and Jinshi Merger and Acquisition Fund that the Company participated have been established and completed the initial investment. During the Reporting Period, the Company actively carried out project reserves, research, negotiation and investment. Multiple projects have been contracted and investment has been conducted in an orderly fashion. The operation of the fund is detailed in “(VI) Analysis of Main Shares Holding Companies and Joint Stock Companies” in this section.

c. *Equity investment gets result*

During the Reporting Period, the Company constantly enhanced the share holding companies management and control efforts and the degrees of participation of the operation management, continuously strengthened investment management, constantly consolidated effective controls of Expressway Media, Wantong Pawn, Xin’an Financial and fund projects. It is expected to obtain Expressway Media’s dividends of 2017 in the second half of this year.

During the Reporting Period, Xuanguang Company’s dividends of 2017 of RMB 130 million and Guangci Company’s dividends of 2017 of RMB 29 million have been confirmed and obtained .

II. Major operation status during the reporting period

During the Reporting Period, in accordance with the PRC accounting standards, the Group achieved a revenue of RMB 1,467,509 thousand (corresponding period in 2017: RMB 1,398,191 thousand), representing an increase of 4.96% compared with that of the corresponding period of last year. The total profit was RMB 767,788 thousand (corresponding period in 2017: RMB 747,705 thousand), representing an increase of 2.69% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the Company reached RMB 555,597 thousand (corresponding period in 2017: RMB 524,323 thousand), representing an increase of 5.96% compared with that of the corresponding period of last year. Basic earnings per share was RMB 0.3350 (corresponding period in 2017: RMB 0.3161), representing an increase of 5.98% compared with that of the corresponding period of last year.

In accordance with HKAS, the Group achieved a revenue of RMB 1,760,879 thousand (corresponding period in 2017: RMB 1,651,101 thousand), representing an increase of 6.65% compared with that of the corresponding period of last year; profit before income tax was RMB 762,088 thousand (corresponding period in 2017: RMB 742,005 thousand), representing an increase of 2.71% compared with that of the corresponding period of last year; unaudited profit attributable to equity holders of the Company was RMB 551,381 thousand (corresponding period in 2017: RMB 520,107 thousand), representing an increase of 6.01% compared with that of the corresponding period of last year; basic earnings per share was RMB 0.3324 (corresponding period in 2017: RMB 0.3136), representing an increase of 5.99% compared with that of the corresponding period of last year.

During the Reporting Period, the Group achieved a total toll income of RMB 1,335,380 thousand (corresponding period in 2017: RMB 1,298,407 thousand), representing an increase of 2.85% compared with that of the corresponding period of last year. The overall passenger traffic of the Company's roads increased by 0.03% and the volume of trucks increased by 2.89% year on year.

The economic development, the favorable policies, the impact of the highway network and other factors remain the main factors which influenced the toll revenue of the Group. In the first half of 2018, the economy of Anhui province improved steadily, with a total GDP of RMB 1,426.4 billion. Calculated at comparable prices, there is an increase of 8.30% over the same period last year (corresponding period in 2017: 8.50%).

During the Reporting Period, with various policies and measures of exemption being implemented continuously, the Group's amounts of exemption totaled RMB 483.53 million (2017: RMB 432.16 million), increasing by 11.89% against the same period of the previous year, of which:

The amount of exemption in Green Channel was RMB 227.10 million (corresponding period in 2017: RMB 219.25 million), representing an increase of 3.58% year on year, with over 680 thousand vehicles being exempted;

The exempted amount in the Spring Festival, Qing Ming Festival and the International Labor Day was RMB 150.22 million (corresponding period in 2017: RMB 131.34 million), representing an increase of 14.37%. The number of the exempted cars reached 3,493.5 thousand;

The exempted amount for Anhui transportation card holders was RMB 92.46 million (corresponding period in 2017: RMB 67.37 million), representing an increase of 37.24%. Among it, the amount of exemption of trucks with 15% discount was RMB 80.45 million.

The exempted amount for other exemption policies was RMB 13.75 million (corresponding period in 2017: RMB 13.90 million), representing a decrease of 1.08%.

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

The operation of each road section in the first half of 2018 is as follows:

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2018	First half of 2017	Flux(%)	First half of 2018	First half of 2017	Flux(%)
Hening Expressway	100%	26,650	28,313	-5.87	461,246	491,460	-6.15
New Tianchang Section of National Trunk 205	100%	5,379	5,009	7.39	32,107	25,776	24.56
Gaojie Expressway	100%	17,966	16,447	9.24	331,888	308,903	7.44
Xuanguang Expressway	55.47%	26,847	24,141	11.21	272,489	245,870	10.83
Lianhuo Expressway Anhui Section	100%	14,489	15,058	-3.78	120,209	128,954	-6.78
Ninghuai Expressway Tianchang Section	100%	35,746	39,478	-9.45	53,995	59,073	-8.60
Guangci Expressway	55.47%	28,771	25,592	12.42	49,493	44,431	11.39
Ningxuanhang Expressway	51%	4,057	3,715	9.21	54,369	33,383	62.86

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer per day (RMB)		Flux(%)
		First half of 2018	First half of 2017	First half of 2018	First half of 2017	
Hening Expressway	100%	76:24	76:24	19,017	20,263	-6.15
New Tianchang Section of National Trunk 205	100%	23:77	30:70	5,913	4,747	24.56
Gaojie Expressway	100%	64:36	64:36	16,669	15,515	7.44
Xuanguang Expressway	55.47%	77:23	78:22	17,922	16,171	10.83
Lianhuo Expressway Anhui Section	100%	71:29	70:30	12,299	13,194	-6.78
Ninghuai Expressway Tianchang Section	100%	81:19	81:19	21,308	23,312	-8.60
Guangci Expressway	55.47%	81:19	81:19	19,532	17,534	11.40
Ningxuanhang Expressway	51%	82:18	83:17	2,567	2,141	19.90

Notes:

1. Lixuan Section of Ningxuanhang Expressway was officially open to traffic on 30 December 2017.
2. The traffic volume data above do not include the data on small passenger vehicles insofar as the same were exempted from payment of toll on holidays.
3. The toll income data above are tax included.

During the reporting period, due to the influence of "single-line double-run", "speed limit of 80" on some construction sections under the "four-lane to eight-lane" work of Hening Expressway, some passengers chose to travel via the railway or other roads, and vehicles traveling from/to Nanjing and surrounding cities consequently chose Hechaowu Expressway and Mawu Expressway instead of Hening Expressway, which results in a decrease in the toll revenue of Hening Expressway by 6.15% year on year.

Due to the opening of Suyang Expressway Tianchang Section on 18 November 2017 and JiangsuYangzhou Section on 28 December 2017, which are the first expressways in the northwest of Yangzhou and the most convenient route from Xuyi to Yangzhou, vehicles from North Anhui and Henan can cross the Yangtze River directly through the Runyang Bridge, reducing the stress on the river crossing transportation passageway through Nanjing section. Therefore, Ninghuai Expressway is faced with the competition from Suyang Expressway, which results in a decrease in the toll revenue of Ninghuai Expressway by 8.60% year on year in the first half of 2018.

The opening of Sisi Expressway Anhui Section on 20 December 2017 marked the full line operation of Sixu Expressway Anhui Section and provided another important route in the eastwest direction through Anhui province; therefore, it created a competition with and generated a significant diversion from Lianhuo Expressway Anhui Section, which results in a decrease the toll revenue of Lianhuo Expressway Anhui Section by 6.78% year on year.

The National Trunk 205 and the parallel 101 County Road are competitive routings. Due to the establishment of width and height restriction in the 101 County Road in May 2017, a large number of trucks returned to National Trunk 205, the toll revenue of National Trunk 205 during the Reporting Period increased by 24.56% year on year.

Benefiting from the opening of Tongnanxuan Expressway continuously, Xuanguang Expressway and Ningxuanhang Expressway became connected with Yanjiang Expressway, which attracts vehicles from regions like Zhejiang and Jiangsu to Wuhan, Guangzhou and other places to choose the routes through our province, therefore making contributions to Gaojie Expressway, Xuanguang Expressway, Guangci Expressway, Ningxuanhang Expressway controlled by the Group. During the Reporting Period, the toll revenue of Gaojie Expressway increased by 7.44% year on year, the toll revenue of Xuanguang Expressway increased by 10.83% year on year, the toll revenue of Guangci Expressway increased by 11.39% year on year while the toll revenue of Ningxuanhang Expressway, which is newly opened and in the profit growth period after Ningxuanhang Expressway Lixuan Section officially opened on 30 December 2017, increased by 62.86% year on year.

General achievements of the pawn business

In June 2012, the Company and Huatai Group jointly set up Wantong Pawn, in which the Company injected capital in the sum of RMB 150 million, accounting for 71.43% of its registered capital; Huatai Group invested RMB 60 million, accounting for 28.57% of its registered capital. In 2015, both shareholders reduced capital of Wantong Pawn by RMB 52.50 million by the same proportion, and the current registered capital of Wantong Pawn is RMB 157.50 million.

During the Reporting Period, Wantong Pawn made an inventory of historical unredeemed pawn items and accelerated the auctions for items with identified realizable collaterals. It actively pushed the communication with the actual controllers, attorneys and execution courts so as to seek for settlements for items without identified collaterals or with unrealizable collaterals. A total of RMB 5.3948 million of principals and interests for historical unredeemed pawn items was collected during the first half of the year. While making efforts on collecting, it also started the business of personal real estate backed pawn loans, and has completed 30 projects with a total amount of RMB 36.22 million being granted. Interests for all those new loans granted at present are paid on time and there is no significant risk signal.

During the Reporting Period, the provision for impairment reached RMB 0.14 million and the accumulated provision reached RMB 124 million of Wantong Pawn; it turned losses into gains for restarting business and gained the profit of RMB 0.94 million and the net profit of RMB 0.27 million, and achieved a loss-reduction of RMB 22.06 million year-on-year.

(I) Analysis of Main Business

1. Sheet of Variation Analysis of Related Subjects of Financial Statement (In accordance with the PRC Accounting Standards)

(Unit: yuan Currency: RMB)

Items	Current period	Corresponding period of last year	Flux (%)
Revenue	1,467,508,868.01	1,398,190,644.16	4.96
Cost of sales	634,300,406.56	596,069,354.52	6.41
Finance costs	25,760,768.07	20,385,985.17	26.37
Cash flows from operating activities	851,049,193.72	929,728,423.57	-8.46
Cash flows from investing activities	-168,502,345.09	-554,495,643.65	N/A
Cash flows from financing activities	-84,169,495.33	31,167,980.15	N/A

The change of revenue was mainly due to the increase in toll revenue and entrusted management income of the Group during the Reporting Period as compared with that of last year;

The change of cost of sales was mainly due to accrual of depreciation and amortization after the Lixuan Section of Ningxuanhang Expressway was open to traffic on 30 December 2017 and the increase in the length of entrusted highways during the Reporting Period as compared with that of last year;

The change of finance costs was mainly because the interest on borrowings started to become expensed after the Lixuan Section of Ningxuanhang Expressway had been opened to traffic on 30 December 2017;

The change of cash flows from operating activities was mainly due to the increase in the amount of tax paid by the Company during the Reporting Period than the corresponding period of last year;

The change of cash flows from investing activities was mainly because the Group duly redeemed bank wealth management product of RMB 310 million during the Reporting Period;

The change of cash flows from financing activities was because the cash dividends distributed by Xuanguang Company and Guangci Company during the Reporting Period increased sharply as compared with corresponding period last year.

(1) Operating income

During the Reporting Period, the Group achieved an operating income of RMB 1,467,509 thousand (corresponding period in 2017: RMB 1,398,191 thousand), representing an increase of 4.96% over the corresponding period of the previous year. Among which the toll income is the main revenue source of the Group. The concrete analysis about the revenue is analyzed as follows:

Operating income	The first half of 2018		The first half of 2017		Flux (%)
	(RMB'000)	Percentage (%)	(RMB'000)	Percentage (%)	
Expressway business	1,465,538	99.87	1,397,492	99.95	4.87
– Toll income	1,335,380	91.00	1,298,407	92.86	2.85
– Service area income	15,672	1.10	16,196	1.16	-0.58
– Other business income	114,486	7.77	82,889	5.93	37.60
Pawn business	1,971	0.13	698	0.05	182.38
Total	1,467,509	100.00	1,398,190	100.00	4.96

(2) Principal businesses in terms of industries, products and regions

(Unit: yuan Currency: RMB)

Principal businesses in terms of industries

Industries	Revenue	Cost of sales	Gross profit rate (%)	Change in revenue	Change in cost of sales	Change in gross profit rate
				(compared with the previous year) (%)	(compared with the previous year) (%)	(compared with the previous year) (%)
Toll highway business	1,351,051,914.47	533,607,775.98	60.50	2.77	1.90	A decrease of 0.33 percent
Pawn business	1,970,872.52	0	N/A	182.25	N/A	N/A

Principal businesses in terms of products

Products	Revenue	Cost of sales	Gross profit rate (%)	Change in revenue	Change in cost of sales	Change in gross profit rate
				(compared with the previous year) (%)	(compared with the previous year) (%)	(compared with the previous year) (%)
Hening Expressway	455,680,713.58	162,016,216.29	64.45	-6.15	-4.51	A decrease of 0.61 percent
New Tianchang Section of National Trunk 205	30,828,674.05	19,196,725.34	37.73	25.58	-3.52	An increase of 18.78 percent
Gaojie Expressway	327,785,764.92	84,180,670.05	74.32	7.31	-7.07	An increase of 3.98 percent
Xuanguang Expressway	264,552,292.79	69,684,519.53	73.66	10.83	-2.37	An increase of 3.56 percent
Lianhuo Expressway Anhui Section	117,799,226.93	55,869,551.73	52.57	-6.72	-4.55	A decrease of 1.08 percent
Ninghuai Expressway Tianchang Section	53,569,064.79	19,626,980.88	63.36	-8.43	16.01	A decrease of 8.43 percent
Guangci Expressway	48,051,048.64	9,543,460.63	80.14	11.39	-6.23	An increase of 3.73 percent
Ningxuanhang Expressway	52,785,128.77	113,489,651.53	-115.00	62.87	31.23	An increase of 51.83 percent
Wantong Pawn	1,970,872.52	0	N/A	182.25	N/A	N/A
Total	1,353,022,786.99	533,607,775.98	60.56	2.87	1.90	An increase of 0.37 percent

Principal businesses in terms of region

Regions	Revenue	Cost of sales	Gross profit rate (%)	Change in revenue (compared with the previous year) (%)	Change in cost of sales (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year) (%)
Anhui Province	1,353,022,786.99	533,607,775.98	60.56	2.87	1.90	An increase of 0.37 percent

(3) Expenses

Finance costs

During the Reporting Period, the Group's finance costs were RMB 25,761 thousand (corresponding period in 2017: RMB 20,386 thousand), representing an increase of 26.37% as compared to the same period last year. Such increase was mainly because the expense of borrowing interest after the Lixuan Section of Ningxuanhang Expressway was opened to traffic on 30 December 2017.

Income tax

During the year, except for AEHK, the applicable PRC Corporate Income Tax rate for the Company, the Company's subsidiaries and associated companies was 25% (2017: 25%).

During the Reporting Period, the Group's income tax expenses were RMB 219,246 thousand (corresponding period in 2017: RMB 231,776 thousand), representing a decrease of 5.41% as compared to the corresponding period of last year. The decrease in income tax expenses was mainly attributable to the fact that, in the corresponding period last year, Wantong Pawn could not reasonably expect there to be sufficient taxable income for setting off the deferred income tax assets in the future.

Value-Added Tax

Since 1 May 2016, the Group has fully implemented the levying of value-added tax in lieu of business tax. The Company, Xuanguang Company, Ningxuanhang Company and Guangci Company levied the value-added tax by 3% and 5% of the toll revenue by simple approach; 0% tax rate is applied to compensation income due to road damage; the sales tax rate of road assistance service income, entrusted expressway management income, and operating income of service areas was 6%; value-added tax was levied by simple approach based on 5% of the rental income; the sales tax rate of Wantong Pawn's loan interest income was 6%.

(4) Cash flows

During the Reporting Period, the Group's net cash flows from operating activities were RMB 851,049 thousand (corresponding period in 2017: RMB 929,728 thousand), representing a decrease of 8.46% as compared with that in 2017, mainly due to the increase in taxes that the Group paid during the Reporting Period as compared with that of the corresponding period of last year.

During the Reporting Period, the Group's net cash flows from investing activities were RMB -168,502 thousand (corresponding period in 2017: RMB -554,496 thousand), it was mainly because the Group duly redeemed bank wealth management product of RMB 310 million during the Reporting Period.

During the Reporting Period, the Group's net cash flows from financing activities were RMB -84,169 thousand (corresponding period in 2017: RMB 31,168 thousand) and it was because the cash dividends distributed by Xuanguang Company and Guangci Company during the Reporting Period increased sharply as compared with corresponding period last year.

During the Reporting Period, the aggregated sum of bank loans obtained by the Group was RMB 42,000 thousand. At the end of the Reporting Period, there was still a remaining bank loan of RMB 1.72 billion. These are all long-term loans with an annual interest rate from 1.2% to 4.9%. They mainly comprised a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway and the CDB special loan for the road widening construction work of Hening Expressway. The principal will be repaid between 2018 and 2035.

The Group has good credit ratings. As at 30 June 2018, the total credit facilities granted was RMB 7.15 billion, and the facilities which have not yet been utilized amounted to RMB 6.145 billion.

2. Others**(1) Detailed explanation on major changes in profit structure or profit source of the Company**

Applicable Not applicable

(2) Other

Applicable Not applicable

(II) Explanation on major changes in profits caused by non-core business

Applicable Not applicable

(III) Analysis of assets and liabilities

√ Applicable □ Not applicable

1. Assets and Liabilities

Unit: yuan Currency: RMB

Items	Amount at the end of the Reporting Period	Percentage of amount at the end of the Reporting Period to the total assets (%)	Amount at the end of last period	Percentage of amount at the end of last period to the total assets (%)	Percentage of	Presentation of condition
					amount at the end of the Reporting Period as compared to that of last year (%)	
Cash	2,427,772,472.26	16.79	1,829,395,118.96	12.9	32.71	
Other receivables	237,932,942.78	1.65	502,419,132.47	3.54	-52.64	
Accounts payable and notes payable turnover	539,956,463.48	3.73	765,351,783.89	5.40	-29.45	
Tax payable	86,223,133.43	0.60	179,074,113.45	1.26	-51.85	
Other payables	523,666,589.55	3.62	123,075,854.10	0.87	325.48	
Other comprehensive income	-7,615,937.20	-0.05	4,949,235.41	0.03	-253.88	

Other explanations:

The increase in cash was mainly because the Group received increased toll revenue and duly redeemed bank wealth management product during the Reporting Period;

The decrease in other receivables was mainly because the Company duly redeemed bank wealth management product of RMB 310 million during the Reporting Period;

The decrease in accounts payable and notes payable turnover were mainly because the Group sped up the reconstruction and expansion of Hening Expressway and the payment of Ningxuanhang Expressway project during the Reporting Period;

The decrease in tax payable was mainly because during the Reporting Period, the Company paid the enterprise income tax payable at the end of the previous period;

The increase in other payables was mainly because the Company has not yet paid the dividends of RMB 0.381 billion at the end of the Reporting Period;

The decrease in other comprehensive income was mainly because the accounting standards of financial instruments changed.

2. *Restrictions on major assets as at the end of the Reporting Period*

Applicable Not applicable

3. *Other explanation*

Applicable Not applicable

(IV) Investment Analysis1. *Overall analysis of external equity investments*

Applicable Not applicable

(1) Material equity investments

Applicable Not applicable

(2) Material non-equity investments

Applicable Not applicable

Currency: RMB

Name of project	Basic information of the project	Project amount	Progress of the project	Amount of investment for the year	Aggregate actual amount of investment	Revenue from the project
Expansion of Hening Expressway	about 87 km in length	6.375 billion	The construction of the project began in November 2016	0.271 billion	1.311 billion	under construction

(3) Financial assets measured at fair value

Applicable Not applicable

Unit: yuan Currency: RMB

Name of project	Opening balance	Increases during the Reporting Period	Changes in fair value during the Reporting Period	Ending balance
Measured at fair value				
– financial assets				
available for sale				
– Xin'an Financial	132,426,795.11	0	0	132,426,795.11
– Xin'an Capital	57,418,621.95	0	0	57,418,621.95
– Wantong MicroCredit	15,000,000.00	0	0	15,000,000.00
– China Merchants Fund	99,625,000.00	0	0	99,625,000.00
– Jinshi Merger and Acquisition Fund	99,625,000.00	0	0	99,625,000.00
– China Merchants Fund Management Company	375,000.00	0	0	375,000.00
– Jinshi Fund Management Company	375,000.00	0	0	375,000.00
Total	<u>404,845,417.06</u>	<u>0</u>	<u>0</u>	<u>404,845,417.06</u>

(V) Material Asset and Equity Interest Disposal

Applicable Not applicable

(VI) Analysis of Main Shares Holding Companies and Joint Stock Companies

√ Applicable □ Not applicable

(Unit: RMB'000)

Name of company	Equity Capital the Group possesses	Registered Capital	30 June 2018		The six months ended 30 June 2018		Main business
			Total assets	Net assets	Revenue	Net profit	
Xuanguang Company	55.47%	111,760	927,892	567,112	274,788	132,145	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	5,042,412	385,130	68,992	-161,137	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	226,852	220,207	48,951	29,152	The construction, management and operation of Guangci Expressway
Wantong Pawn	71.43%	157,500	73,757	69,974	1,971	266	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service
AEHK	100%	1,981	1,886	1,859	0	19	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin
Expressway Media	38%	50,000	466,331	361,578	79,527	32,604	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	3,633,125	2,748,142	106,338	18,721	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	2,887,211	1,124,289	21,776	-28,935	Internet financial services, network information services, pawn business, etc
Wantong MicroCredit	10%	150,000	119,625	114,542	630	862	Distributing petty loans, small size enterprises management consulting and financial advisory
China Merchants Fund	6.64%	3,000,000	1,508,119	1,508,066	25,336	11,821	Investment in transportation, services, energy conservation and environmental protection
Jinshi Merger and Acquisition Fund	6.64%	3,000,000	1,492,143	1,486,544	10,759	-13,456	Investment in equity, asset management and investment consultation
China Merchants Fund Management Company	2.5%	30,000	52,908	35,564	14,031	8,045	Daily management and investment consultation of China Merchants Fund
Jinshi Fund Management Company	2.5%	30,000	39,195	23,790	11,758	8,790	Daily management and investment consultation of Jinshi Merger and Acquisition Fund

(VII) Status of the Structured Entity controlled by the Company

Applicable Not applicable

II. Other disclosure

1. *Warnings and explanations on the forecast that the cumulative net profit for the period commencing from 1 January 2018 to the end of the next reporting period may be a loss or that substantial changes occur compared with the corresponding period of last year*

Applicable Not applicable

2. *Possible risk factors*

Applicable Not applicable

Changes in Macroeconomic Environment and Industry Policies

Changes in macroeconomic directly affect the demand for highway transport, which in turn affects the traffic flow performance of all toll projects and results of operation of the Group. At the same time, due to the following measures: "deepening the reform of toll road system, reducing tolls for roads and bridges" proposed by the State Council in the working report of the government, the decision of "promoting the cancellation of expressway toll stations on provincial border" made in the regular meeting of the State Council on 16 May 2018, as well as enlarging the differentiation on expressway toll, accelerating the coverings of ETC and propelling the revision of the Regulation on the Administration of Toll Roads proposed by the Ministry of Transport, it is expected that the industry of toll expressways may enter into a policy-induced intense adjusting period in the future which may affect the operating results of the Company.

Measures to be taken: Protect the interests of the Company and its investors to the greatest extent possible through analysis and research on adjustment to relevant industry policies and active communication and coordination with government authorities; analyze the characteristics of change in traffic volume and vehicle structure in the road network, improve the management model for emergency toll collection, enhance the capacity of traffic and lower the management costs and expenses for executing the policies through fine management.

The Growth Space of the Main Business Revenue Narrowed

With the further perfected intensification of highway networks, parallel routes and alternative routes will continue to increase, and network diversion will have a negative impact on the growth of toll revenue of the Company. As the gradual openings of competitive road sections like Suyang Expressway and Sisi Expressway took a great deal of diversions from roads controlled by the Company, the toll revenue decreased distinctly year on year. In addition, the principal road assets and resources of the Company are entering their mature periods, road defects and problems are increasing, and maintenance costs for subsequent operation will increase year by year. Some road sections are subject to reconstruction or expansion successively and will involve relatively high investment amounts, which in turn is expected to affect the operating results of the Company in future.

Measures to be taken: All road sections of the Group were the trunk highways across the Anhui region. The Group will keep abreast of the network planning and project construction so as to conduct a special analysis of the highway network in advance and put a reasonable forecast for the impact of the relevant projects on the existing traffic flow of the Company. By making full use of regional traffic advantage in Anhui province, through the improvement of road signs, expansion and promotion of the routing publicity, we need to change the passive initiative and actively use the information advantage to carry out road marketing. Through effective publicity and guidance, we should continue to promote the smiling service, improve the charging efficiency, road capacity and service levels to enhance the competitiveness in sections under jurisdiction in the whole road network.

The Risk of the Expiry of Franchise

Toll road assets have a relatively monopolistic nature due to their franchise mode of operation. However, their franchises are subject to a certain toll collection period after the expiration of which the road operation enterprises will face significant challenge in their sustainable development. The Company's major road resources have entered a mature period and all operational terms of the road projects other than Ningxuanhang project have exceeded half of the total term. Meanwhile, as acquisition targets are hard to fulfill due to relatively low investment return for newly constructed highways and a shortage of high quality road resources, and the higher risk in extra-provincial and foreign project or acquisition, the Company has a slow growth in the scale of road resources and the principal business income.

Measures to be taken: The Group will harness the opportunity created by the full line operation of Ningxuanhang Expressway, and make good efforts to link construction and management so as to give full use of synchronized effect and minimize the negative impact of the project on the Company's performance. The Group will accelerate the reconstruction and expansion of Hening Expressway, and to explore the achievement of extension in the operation period of high quality road assets through reconstruction and expansion of its own road sections to enhance the Company's continuous profitability. The Group will pay attention to the connotative development, make good use of its own resources, explore the inherent growth potential. The Group will take appropriate measures to increase the financial investment, optimize its funds and equity investment, participate in investment of emerging industry, start from small-scale and small proportion of equity investment and gradually expand its investment and eventually transform into self-owned business, taking the initiative to cultivate new profit growth.

3. *Other disclosure*

Applicable Not applicable

The business plan disclosed in the 2017 annual report of the Group is as follows: Expecting no significant change in the operating environment, the Group has set the 2018 target for overall toll revenue at about RMB 2.792 billion (actual amount in 2017: RMB 2.645 billion); as Lixuan Expressway was opened for operation at the end of 2017, the financial expenses, maintenance costs, labor costs and administrative expenses for 2018 will record an increase of different degree compared with 2017.

	Planned amount of 2018 (RMB 00'000'000)	Actual amount of this Reporting Period (RMB 00'000'000)	Completion percentage (%)
Toll revenue	27.92	13.35	47.82
Labor costs	4.24	1.91	44.81
Maintenance costs	1.42	0.66	46.48
Administrative expenses	0.86	0.46	53.49

Note: All of toll income above exclude tax.

4. *Liquidity, financial resources and capital structure (in accordance with HKAS)*

The Group's capital management policy is to ensure that the Group can operate continuously to provide returns to the shareholders and to benefit other stakeholders, while at the same time maintaining optimal capital structure so as to reduce capital costs. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payable to shareholders, return capital to shareholders, issue new shares or dispose of its assets in order to reduce the debt amount. The Group uses debt-to-capital ratio to monitor its capital, and the ratio is calculated by dividing net debt by total capital. Net debt equals to total borrowing (including current and non-current borrowing in the consolidated balance sheet) minus the cash and cash equivalents. Total capital equals to equity (as listed in the consolidated balance sheet) plus net debt. As at 30 June 2018, debt-to-capital ratio of the Group was 5.09% (31 December 2017: 9.44%).

During the Reporting Period, the Group's net cash flows from operating activities were RMB 287,095 thousand, representing a decrease of 41.03% as compared with that in 2017. The change was mainly due to the increase of taxes paid by the Company during the Reporting Period compared with that of the corresponding period of last year.

During the Reporting Period, the Group's net cash flows from investing activities were RMB 346,018 thousand, increasing by RMB 497,313 thousand as compared with the corresponding period in 2017. The change was mainly because the Company duly redeemed bank wealth management product of RMB 310 million during the Reporting Period.

During the Reporting Period, the Group's net cash flows from financing activities were RMB -34,755 thousand and mainly due to the fact that the cash dividends distributed by Xuanguang Company and Guangci Company during the Reporting Period increased sharply as compared with corresponding period last year.

During the Reporting Period, the aggregated sum of bank loans obtained by the Group was RMB 42,000 thousand (corresponding period 2017: RMB 40,000 thousand). At the end of the Reporting Period, there was still a remaining bank loan of RMB 1.72 billion (31 December 2017: RMB 1.69 billion). These are all long-term loans with an annual interest rate from 1.2% to 4.9% (31 December 2017: 1.20%-4.90%). They mainly comprised a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway and the CDB special loan for the road widening construction work of Hening Expressway. The principal will be repaid between 2018 and 2035.

The Group has good credit ratings. As at 30 June 2018, the total credit facilities granted was RMB 7.15 billion, and the facilities which have not yet been utilized amounted to RMB 6.145 billion.

For the currency unit of the Group's lending and cash holdings, its composition and distribution are roughly the same as at 31 December 2017.

Since the revenue and expenditure of the Group are mainly in RMB, the Group does not expect to incur significant currency risk in the operational activities. The Group did not enter into any foreign exchange hedging arrangements to manage the foreign exchange risk (corresponding period in 2017: nil).

SECTION V MAJOR EVENTS

I. Profile of the General Meeting

Session	Date	Query indexes for the published resolutions	Disclosure date of the published resolutions
2017 Annual General Meeting	18 May 2018	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	19 May 2018

Explanation on the General Meeting

Applicable
 Not applicable

Resolutions passed in 2017 Annual General Meeting:

- To approve the working report of the Board of Directors, the working report of the Supervisory Committee, the audited financial report and the profit appropriation proposal for the year 2017 (Ordinary resolution);
- To approve the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the Company's PRC and Hong Kong auditors for the year 2018 and to authorize the Board of Directors in determining their remuneration (Ordinary resolution);
- To approve the general mandate to authorize the Board of Directors in allotting or issuing new A Shares and/or H Shares of the Company (Special resolution);
- To approve the proposal of amending the Company's Articles of Association (Special resolution).

II. The profit appropriation plan or the plan of transferring reserves to capital

The interim profit appropriation plan or the plan of transferring reserves to capital

Whether to allocate or transfer No

III. Fulfillment of Commitments

The commitments for the Company's actual controllers, shareholders, related persons, purchasers, the Company and other related parties during the Reporting Period or lasting until the Reporting Period.

Applicable Not applicable

Background of Commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Whether there is a time limit for performance or not	Whether strictly comply in a timely manner or not
Commitment related to the share reform	other	Anhui Transportation Group	Continue to support the company's future acquisition of the good road assets owned by Anhui Transportation Group and focus on the protection of shareholders' interests as always.	13 February 2006, long-term effective	No	yes
	other	Anhui Transportation Group, China Merchants Highway	After the completion of the split-equity reforming, the Board of Directors are recommended 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 or after approved at the General Meeting of Shareholders, the long-term incentive plan shall be implemented.	13 February 2006, long-term effective	No	yes
Commitment related to IPO	Solve the competition	Anhui Transportation Group	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 with the Company.	12 October 1996, long-term effective	No	yes

IV. Appointment and Dismissal of Auditors

Explanation on the appointment and dismissal of auditors

Applicable Not applicable

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were approved to be appointed as the PRC auditors and Hong Kong auditors of the Company for the year 2018 respectively at the 2017 Annual General Meeting of the Company.

Explanation on the change of accounting firm during the auditing period

Applicable Not applicable

Explanation of the Company on the "non-standard audit report" prepared by the accounting firm

Applicable Not applicable

Explanation of the Company on the "non-standard audit report" issued by the certified public accountants in respect of the financial statements contained in the annual report last year

Applicable Not applicable

V. Bankruptcy or Reorganization

Applicable Not applicable

VI. Material Litigation and Arbitration

The Company was involved in material litigation or arbitration during the Reporting Period.

The Company was not involved in any material litigation or arbitration during the Reporting Period.

VII. Punishment by Regulatory Authorities on the Company, Directors, Supervisors, Senior Management, Controlling Shareholders, the Actual Controller of the Company and Acquirer

Applicable Not applicable

VIII. Explanation on the Credibility of the Company, its Controlling Shareholders and Actual Controllers during the Reporting Period

Applicable Not applicable

The Company, its controlling shareholders and actual controllers are in good standing with no events such as unsatisfied judgements and unsatisfied debt of substantial amounts during the Reporting Period.

IX. Information on Share Incentives Plan, Employee Share Ownership Plan or other Employee Incentives and their Impacts

1. *Relevant share incentive matters which have been disclosed in temporary announcement without any further changes*

Applicable Not applicable

2. *Incentive items which have not been disclosed in the temporary announcements or which have subsequent progress*

Share incentive

Applicable Not applicable

Other description

Applicable Not applicable

Employees' share ownership plan

Applicable Not applicable

Other incentives

Applicable Not applicable

X. Major Related Party/Connected Transactions

1. Related Party/Connected transactions in relation to daily operations

(1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

Applicable Not applicable

Item overview	Query index
To provide expressway section entrusted management service	9 January 2018 "Announcement in relation to Related Party Transactions for Provision of Entrusted Expressway Section Management Service"; 26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To receive expressway network toll settlement	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"; 8 January 2018 "Continuing Connected Transaction: Entering into the Network Services Written Agreement"
To receive construction management service	8 January 2018 "Continuing Connected Transaction: 2018-2020 Highway Maintenance Engineering Design Contract"; 26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To receive supervisory service of project construction	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To receive construction test	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To receive property management service	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To provide the house rental services	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To provide service area rental services	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"
To provide gas station rental services	26 March 2018 "Announcement in relation to Contemplated 2018 Daily Related Party Transactions"; 29 March 2018 "Continuing Connected Transactions: Lease of Operating Rights of Gas Stations"

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

Supplemental agreement for purchase of cement for Hening Expressway “four-lane to eight-lane” expansion project (HNSN-02 Contract)

On 30 December 2016, the Company entered into a cement procurement contract (the “Original Contract”) in respect of the Hening Expressway “four-lane to eight-lane” expansion project (No. HNSN-02) with, inter alia, Anhui Xunjie Logistics Materials Trading Co., Ltd.* (安徽迅捷物流有限責任公司物資貿易分公司) (“Xunjie Logistics”).

On 20 June, 2018, the Company entered into a supplemental agreement to the Original Contract with Xunjie Logistics, users under the Original Contract and Anhui Huanyu Highway Construction Development Company Limited* (安徽省環宇公路建設開發有限責任公司) (“Huanyu Company”), pursuant to which the rights and obligations of Xunjie Logistics under the Original Contract shall be transferred to and assumed by Huanyu Company from the date of the supplemental agreement, that is, the supplier under the Original Contract shall be changed from Xunjie Logistics to Huanyu Company. Xunjie Logistics shall no longer enjoy the rights and interests under the Original Contract and no longer assumes the obligations under the Original Contract. All other clauses in the Original Contract were not changed. The users under the Original Contract agree to change the party of the Original Contract and to continue to perform the contract in accordance with the terms of the Original Contract. The supplemental agreement was supplemental to the Original Contract and has the same legal effect. This change only involves the change of the party of the contract, and the content of the contract was not materially changed, which will not harm the interests of the company and shareholders, especially the minority shareholders, and will not adversely affect the company’s production and operation. For details, please refer to the company’s announcement “Change of Party of a Contract for Related Party Transactions” (Lin 2018-021) (《關於關聯交易合同主體變更的公告》(臨2018-021)) published on the website of Shanghai Stock Exchange on 21 June 2018, and the Company’s announcement titled “Announcement – CONTINUING CONNECTED TRANSACTIONS: SUPPLEMENTAL AGREEMENT TO THE WIDENING WORK AGREEMENT” published on the website of SEHK on 20 June 2018.

* *for identification purpose only*

(3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

2. Related Party/Connected transactions in relation to assets or equity acquisition and disposal**(1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation**

Applicable Not applicable

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

(3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

(4) Performance which shall be disclosed during the Reporting Period (if it involves an agreement of performance)

Applicable Not applicable

3. Significant related party/connected transactions on joint external investment

(1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

Applicable Not applicable

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

(3) Items which have not been disclosed in temporary announcement

Applicable Not applicable

4. Related debtor and creditor accounts

(1) Items which have been disclosed in temporary announcement and without further developments or changes in subsequent implementation

Applicable Not applicable

(2) Items which have been disclosed in temporary announcement and with developments or changes in subsequent implementation

Applicable Not applicable

(3) Items which have not been disclosed in temporary announcement√ Applicable Not applicable

Unit: RMB'000

Related parties	Relationship with the parties	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
ATHC	Controlling shareholder	0	0	0	1,255,257	78,600	1,333,857
XCIC	Other connected persons	0	0	0	457,495	-16,476	441,019
	Total	0	0	0	1,712,752	62,124	1,774,876

The circumstances under which the relationship is formed

The investment amount of ATHC and XCIC exceeded the registered capital of the Ningxuanhang Company. The difference will be counted towards the long-term payables and such an amount is unsecured and without fixed repayment date.

Impact on the Company's operating results and financial situation resulting from the relationship

5. Other Significant Related Party/Connected Transactions Applicable Not applicable**6. Other** Applicable Not applicable

XI. Material Contracts and their Implementation

1. *Material custody, subcontracting and leasing items*

Applicable Not applicable

2. *Implementation of guarantee*

Applicable Not applicable

(RMB'00,000,000)

Total amount of guarantees provided by the Company (not including guarantees provided for its subsidiaries)	
Total amount of guarantees provided during the Reporting Period(not including guarantees provided for its subsidiaries)	0
Total balance of guarantees provided as at the end of the Reporting Period (A) (not including guarantees provided for its subsidiaries)	0
Guarantees provided by the Company for its subsidiaries	
Total amount of guarantees provided for the subsidiaries by the Company during the Reporting Period	-0.023
Total balance of guarantees provided for the subsidiaries as at the end of the Reporting Period (B)	1.68
Total amount of guarantees provided by the Company (including guarantees provided for its subsidiaries)	
Total guarantee amount (A+B)	1.68
Total guarantee amount as a percentage of net asset value (%)	1.76
Thereinto:	
Amount of guarantee provided for shareholders, actual controllers and their affiliates (C)	0
Amount of debt guarantee directly or indirectly provided for the guaranteed objects with the ratio of liabilities to assets exceeding 70% (D)	0
Amount of guarantee that exceeds 50% of the net assets (E)	0
The total of the above three amount of guarantee (C+D+E)	0
Several and joint liability which may have to be borne on the outstanding guarantees	
Clarification on guarantee	

The Company provided a guarantee of RMB 500 million for the Company's subsidiary Ningxuanhang Company, which was approved at the 18th meeting of the fifth session of the Board held on 18 August 2010. As at the end of the Reporting Period, balance of guarantees provided by the Company amounted to RMB 0.168 billion.

3. *Other major contracts*

Applicable Not applicable

XII. **Poverty alleviation work of the Company**

Applicable Not applicable

1. *Targeted poverty alleviation plan*

Applicable Not applicable

The Group will take full advantage of the feature that its highways and the grassroots units are running across suburbs and rural areas, and actively respond to the national policies of targeted poverty alleviation by mobilizing the management offices and subsidiaries to carry out poverty alleviation, making donations for the construction of infrastructure in rural areas, school funding and other social welfare undertakings. It will also fulfill its social responsibility, and effectively promote the interaction between grassroots units and local residents, so as to organize, manage and establish a mass public base and establish a good corporate image.

2. *Summary of targeted poverty alleviation work during the Reporting Period*

Applicable Not applicable

- (1) In April 2017, the Gaojie management office set up a poverty alleviation team to enter the national poverty-stricken village of Lishu Village, Liuhu Township, Taihu County to carry out accurate poverty alleviation work. More than 20 Party members and leading cadres paired up to help 37 poor households. The poverty alleviation team has solidly promoted the top ten projects, helped to establish village-level agricultural cooperatives, and implemented assistance measures. In 2017, the collective economic income of Lishu Village increased from 100,000 yuan to 300,000 yuan. At the end of 2017, 190 households and 747 people were effectively out of poverty. In 2018, it plans to lift out 41 households and 152 people. By 2019, the village will be lifted out of poverty.
- (2) The Tianchang management office actively carried out donations and funded activities to support students. In 2017, Tianchang management office established a donation-supporting relationship with the resident primary school, and formed a helping pair with four students, set up a charity fund, established a donation file, and implemented assistance in a timely manner. Up to now, the donations and materials of the volunteers of the management department have reached more than RMB5,000.

3. *targeted poverty alleviation effect*

Applicable Not applicable

(RMB 0'000)

Index	Quantity and Progress
I. Overall Situation	
Among: 1. Funds	38
2. Goods	0.4
3. Registered poor population helped out of poverty (person)	1,112
II. The Component of Investment	
1. Industrial poverty alleviation	
Among: 1.1 industry poverty alleviation project types	<input checked="" type="checkbox"/> Agricultural industry poverty alleviation <input type="checkbox"/> Tourism poverty alleviation <input type="checkbox"/> E-commerce poverty alleviation <input checked="" type="checkbox"/> Asset income poverty alleviation <input type="checkbox"/> Technology poverty alleviation <input type="checkbox"/> Other
1.2 Number of industrial poverty alleviation projects	3
1.4 Registered poor population helped out of poverty (person)	141
2. Transferring employment poverty alleviation	
Among 2.3 number of registered poor population helped to achieve employment (person)	15
9. other projects	Traffic poverty alleviation, Party building poverty alleviation
Among: 9.1. Number of projects	2
9.2. Investment amount	38
9.4. Other project descriptions	Gaojie management office helps Lishu Village to sell RMB220,000 of agricultural products
III. Awards (content, level)	The Company received the "Anhui Listed Company Social Responsibility Forum" Progressive Award, which was instructed by the Anhui Securities Regulatory Bureau and the Provincial Poverty Alleviation Office, and hosted by the Anhui Listed Company Association; The village support work of Gaojie office has been rated excellent at county level, city level and provincial level, and members of the village work team have been rated excellent at county level.

4. *Progress in the implementation of social responsibility for targeted poverty alleviation*

Applicable Not applicable

Gaojie entered Lishu village in 2017 to carry out targeted poverty alleviation work, As of now:

- (1) The poor households in the village have stable poverty reduction and income increase, and the village has registered 339 families and 1,111 people in the card. At the end of 2017, 190 families and 747 people were lifted out of poverty. In 2018, 41 families and 152 people will be lifted out of poverty, and the village will be lifted out of poverty in 2019. In the first half of 2018, we helped all the poor households to develop industries to alleviate poverty, guided 59 households to cooperate with collective cooperatives to develop industries, and awarded an industrial subsidy of 1,000 yuan per household to the poverty-stricken households in that year, helped the poor households to sell agricultural products, and ensured the stable increase of income of the poor households.
- (2) in June 2018, the 108-kw photovoltaic poverty alleviation power station put into construction has been connected to the network for power generation, and the annual revenue is expected to be RMB100,000; The planting and breeding work of various planting (breeding) bases is carried out in an orderly way.
- (3) in the first half of 2018, our Company invested RMB180,000 to subsidize the road construction of the village group, and all the roads of the group level and the household were hardened.
- (4) Gaojie office took the initiative to cooperate with Lishu Village in Party building, set up the joint construction base for village enterprises, and invested RMB200,000 to improve the construction of the front of Party building activities for the whole village, which effectively promoted the in-depth development of poverty alleviation work.

5. *Subsequent targeted poverty alleviation plans*

Applicable Not applicable

- (1) Continue to carry out poverty alleviation by means of pairing assisted targets and setting poverty alleviation aims and other forms of poverty reduction. Implement the support funds.
- (2) Strengthen Party building, vigorously implement the Party building poverty alleviation project, carry out in-depth construction of the enterprise and village Party building, and insist on building the Party organization in the industrial chain.
- (3) focus on poverty alleviation, vigorously develop the industrial development model of "cooperative general offices + private branches (capable persons for development) + poor households", make full use of special poverty alleviation funds and supportive policies to strengthen the village collective economy, foster and support new types of rural operators, and promote industrial development.
- (4) Improve infrastructure, optimize public services and apply for demonstration sites for the construction of beautiful villages.
- (5) Relying on the characteristics of expressway industries, actively explore and enrich targeted poverty alleviation measures, and carry out "precise assistance", "volunteer exchange APP" and other responsible projects.

XIII. Convertible Bonds

Applicable Not applicable

XIV. Environmental information

(I) *Explanation on the environmental situation of the Company and the subsidiaries which are engaged in heavily polluted industries as specified by the national environmental protection authorities*

Applicable Not applicable

(II) *Explanation on the environmental situation for companies other than key polluters*

Applicable Not applicable

The company fully implements the green development concept of resource conservation, intensive and efficient, energy saving and emission reduction, ecological environmental protection and natural harmony, rationally protects the environment to the maximum extent, and effectively uses resources to provide people with safe, comfortable, fast and convenient travel. The company strictly abide by the state regulations on waste gas, waste water produced in the process of business, the emissions of greenhouse gases, and the handling of hazardous and non-hazardous waste (including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution), with no incident of breaching the relevant laws and regulations during the Reporting Period.

1. Take effective measures to deal with environmental problems during the construction of expressway. First, integrate the ideas of "innovative design, green construction, low-carbon operation and recycling development" into the whole construction process, with adequate consideration of the needs of social development and environmental protection in the design process, and emphasis on the harmony between highways and the environment. Second, compile energy conservation evaluation report, strengthen construction site management and insist on civilized construction. Reasonably arrange temporary facilities such as construction site, access road and residence so as to avoid damaging the environment, and take effective environmental protection measures such as dustproof and silencing; Third, the Company attaches great importance to the sustainable development of the environment through construction. The Company's Hefei management office has innovatively adopted the new technology of pile-slab soilless roadbed in the reconstruction and expansion project of the Longtang toll road entrance of Hefei Ring Expressway. The amount of dust generated during construction and the construction period have been effectively reduced, and good results have been achieved. In addition, the Company vigorously promotes recycling of waste asphalt and other materials, and promotes harmless disposal of construction waste.
2. In the operation of business, adhere to green development, scientific and technological innovation. The company actively implements the requirements of the provincial Party committee and the provincial government to support the innovative development and popularization and application of the new energy vehicle industry, speeds up the construction of charging infrastructure, cooperates with the Yida Company and the State Grid, and takes the lead in the construction of charging piles in its service areas, making positive contributions to green development. At the same time, the construction of non - parking fee system to improve the efficiency of crossings and reduce waste gas pollution.

3. Pay attention to the cultivation of staff awareness of environmental protection, environmental behavior. Starting from education, the section management office under the Company shall carefully organize the study of Environmental Protection Law, Water Pollution Prevention and Control Law and Air Pollution Prevention and Control Law, implement relevant regulations of local environmental protection department, and do a good job in environmental protection along the section. Supervise and urge all employees to do well environmental protection work consciously, and accept the supervision and guidance of environmental protection department seriously. Office automation has been steadily implemented, and the Company's portal website, OA system, financial management system, human resource information system, information integration platform, private cloud platform and vehicle management system have been built and applied to realize paperless office, improve management efficiency and enhance employees' awareness of environmental protection.

(III) Explanation of reasons for non-disclosure of environmental information by companies other than key emitters

Applicable Not applicable

(IV) Description of the subsequent progress or changes in the disclosure of environmental information during the reporting period

Applicable Not applicable

XV. Analysis of Other Major Events

1. The situation and impact of the change of accounting policy, accounting estimates and accounting methods compared with the previous accounting period

Applicable Not applicable

2. During the Reporting Period, the situation, corrected amount, reason and impact of the correction of the significant accounting error required to be restated during the Reporting Period

Applicable Not applicable

3. Other

Applicable Not applicable

Preferential Policies of Road Truck Tolls Adjustment

According to the "Implementation of Views on Cost Reduction to Reduce the Financial Burden of Real Economy of People's Government of Anhui Province" and the "Notice on Conscientiously Implementing the Preferential Policies for Truck Toll issued by Anhui Provincial Department of Transportation", trucks that passed by toll roads of Anhui Province with Anhui transportation cards can enjoy another 10% discount on the original 5% discount. The promotional period will last for three years from 12 July 2016 to 11 July 2019 temporarily.

Major accounting policy changes

In 2017, the Ministry of Finance promulgated the Notice on Amending the Format of Financial Statements for General Enterprises (Accounting [2017] No. 30) and the revised Accounting Standards for Business Enterprises No. 14 - Income (hereinafter referred to as the "New Income Guidelines"), "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets" and "Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments", etc. (hereinafter collectively referred to as "New Financial Instruments Guidelines"), and in 2018 issued the "Notice of the Ministry of Finance on Revising the Format of the General Financial Statements for 2018" (Accounting [2018] No. 15), the Group has adopted the above guidelines and notifications. For the six months ended June 30, 2018, the new income standard has no material impact on the Group's statements. The impact of other standards and notices on the Group's financial statements is as follows:

(a) *financial instruments*

- (i) On 1 January 2018, financial assets were classified and measured in accordance with the provisions of the original financial instrument guidelines and the New Financial Instrument Guidelines, and the comparison table is as follows:

subject	Original financial instrument guidelines		subject	New Financial Instrument Guidelines	
	Measurement category	book value		Measurement category	book value
Monetary fund	Amortized cost	1,829,395,118.96	Monetary fund	Amortized cost	1,829,395,118.96
Other receivables	Amortized cost	502,419,132.47	Other receivables	Amortized cost	502,419,132.47
Financial assets available for sale	Measured at fair value and included in other comprehensive income (equity instrument)	404,845,417.06	Other equity investment	Measured at fair value and included in other comprehensive income	404,845,417.06
Long-term receivables (the company)	Amortized cost	1,869,089,259.76	Debt investment (the company)	Amortized cost	1,869,089,259.76

On 31 December 2017 and 1 January 2018, the group has not designated financial assets measured at fair value and whose changes are recorded into current profits or losses.

- (ii) On 1 January 2018, the book value of the original financial asset was adjusted to the book value of the New Financial Instrument Guidelines according to the measurement category under the New Financial Instrument Guidelines:

An equity instrument investment is designated as a financial asset which is measured at fair value and whose changes are recorded in other comprehensive income

As of 31 December 2017, the amount of unlisted equity investment held by the group at fair value is RMB 404,845,417.06 on the book and RMB 16,753,563.48 of accumulated impairment provision. On January 1, 2018, for the consideration of strategic investment, the group chose to designate this equity investment as a financial asset measured at fair value and whose changes are included in other comprehensive income, and listed as other equity instrument investment. Accordingly, the group transfers the accumulated impairment loss of RMB 16,753,563.48 and the deferred income tax expense of RMB 4,188,390.87 from the initial retained earnings to other comprehensive earnings.

- (iii) On 1 January 2018, the original financial asset impairment provision was adjusted to the adjustment table of the loss provision according to the New Financial Instrument Guidelines:

Measurement category	Loss provision based on the original financial instrument guidelines	Remeasurement	Loss provisions in accordance with the New Financial Instrument Guidelines
Financial assets that are measured at fair value and whose changes are recorded in other comprehensive income – Provision for available-for-sale financial assets	<u>16,753,563.48</u>	<u>(16,753,563.48)</u>	<u>—</u>

(b) *other*

Content and reasons for changes in accounting policies	Name of the report item affected	Amount affected For the six months ended June 30, 2017 (unaudited)
The group shall record the profits and losses generated from the disposal of fixed assets for six months ending June 30, 2018 as the loss item of asset disposal. The comparative financial statements for the same period of 2017 have been adjusted accordingly.	Loss of asset disposal	(42,944.64)
	Non-operating income	(44,418.14)
	Non-operating expenses	87,362.78
December 31, 2017 (audited)	The group shall incorporate interest, dividend and other receivables into other receivables.	(8,313,003.42)
	Interest receivable	8,313,003.42
The group will incorporate notes payable and accounts payable into bills payable and accounts payable items.	Accounts payable	(765,351,783.89)
The group shall incorporate interest payable, dividend payable and other payables into other payables.	Notes payable and accounts payable	765,351,783.89
Interest payable	(4,408,638.83)	
Other payables	4,408,638.83	

XVI. Corporate Governance

The Company has strictly complied with the requirements of laws, regulations and regulatory documents including the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and the Guidelines on Articles of Association of Listed Companies issued by CSRC in the PRC since its establishment and has continued to enhance its corporate governance standards. During the Reporting Period, the Company continued to enhance the governance system and operation procedures based on the work arrangement of the regulatory authorities and the latest regulations. The actual conditions of the Company's corporate governance did not deviate from the requirements of the CSRC's Code of Corporate Governance for Listed Companies and other related laws and regulations. The Company had also fully adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules.

Corporate Governance Code

During the Reporting Period, save and except that both the duties of the remuneration committee and the 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 most of the members of the human resources and remuneration committee are independent Directors, which can ensure the protection of the interests of shareholders), the Company has always complied with the CG 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.

Revising the Articles of Association of the Company

The Company incorporates Party construction into the Articles of Association of the Company to further standardize and improve the corporate governance structure, as well as fully play the Party's leading and political core roles in the operation and management of the Company. According to "Rules for the General Meetings of Shareholders of Listed Companies" (revised in 2016) (CSRC Announcement [2016] No. 22) and "Guidance for the Articles of Listed Companies" (revised in 2016) (CSRC Announcement [2016] No. 23) and other relevant provisions, the Company has amended the provisions of the Articles of Association of the Company concerning the individual votes and dividend policies of small and medium investors; in addition, the general counsel is added to the senior management of the company to cope with its development needs. The above mentioned items have been approved by the sixth meeting of the eighth Board of Directors on 23 March 2018 and submitted to the approval at the annual general meeting for the year 2017.

Diversification Policy of the Members of the Board

According to the latest requirements of the CG Code, the Company has amended the work duties of the human resources and remuneration committee of the Board. The Company has also adopted a diversification policy of the Board members, which was passed at the sixth session of the Board of the twentieth board meeting.

Liability Insurance for Directors and Supervisors

According to the CG Code, during the Reporting Period, the Company has selected insurance providers of liability insurance and completed insurance arrangements for Directors, Supervisors and senior executives in 2018, thereby providing protection for the Directors, Supervisors and senior executives in their performance of duties.

Audit Committee

As at the date of this report, the audit committee of the Company convened three meetings, in which it reviewed the 2017 annual report and financial statement prepared in accordance with PRC accounting standards and HKAS, the 2018 first quarterly financial statement, as well as the 2018 interim results announcement and 2018 interim unaudited financial statement prepared in accordance with PRC accounting standards and HKAS.

Independent Non-executive Directors

The Company has appointed enough independent non-executive Directors with professional knowledge in accordance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company appointed 3 independent non-executive Directors, two of whom are specialized in accounting or related financial management.

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

For the six months ended 30 June 2018, the Company, with respect to securities transactions by Directors and Supervisors, has adopted a code of conducts on terms no less exacting than the provisions in the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 of the Listing Rules. After making specific enquiries, all Directors and Supervisors confirmed that they have fully complied with the Model Code during the Reporting Period.

Internal Control

A comprehensive and practicable internal control system is fundamental to good corporate governance. The Board is responsible for establishing and maintaining the internal control systems of the Company so as to review the financial, operational and supervisory control procedures, and to protect the interests of shareholders and safety of the Company's assets.

During the Reporting Period, the Board, based on its continuous review of the internal control system of the Company, prepared the "Self-evaluation Report Regarding Internal Control of the Company" to elaborate and explain the objectives of internal control, the composition and implementation of the internal control systems and the overall evaluation results.

The internal audit department of the Group plays an important role in reinforcing the internal monitoring system. It periodically reviews all the operation projects of the Group in a circulation form, so as to assist the Board in deciding whether the internal monitoring system is effective and accords with established procedures and standards. The annual audit plan (including annual audit objectives and audit frequency) was formulated based on the independent risk assessment of the department, and the audit committee of the Company will discuss and approve the annual audit plan at the beginning of every fiscal year. All the major internal audit findings will be submitted to the audit committee of the Company for approval, and all the suggestions of the internal audit department will be properly followed up, so as to make sure that the suggestions can be executed within a reasonable time.

The Board considers that the internal monitoring system of the Group is efficient and effective. The Group will keep reviewing and updating the system to safeguard the investment of shareholders and assets of the Group.

SECTION VI CHANGE OF ORDINARY SHARES AND SHAREHOLDERS

I. Change of share capital

1. Change of shares

(1) Change of shares

During the Reporting Period, the total number of ordinary shares and capital structure of the Company's ordinary shares was not changed.

(2) Explanation of change of share capital

Applicable Not applicable

(3) The Influence of change of share capital from the time after the Reporting Period to the date of this interim report to financial indicators like earnings per share and net assets per share (If any)

Applicable Not applicable

(4) Other content that the Company deems necessary or the securities regulatory authority requires to disclose

Applicable Not applicable

2. Change of restricted shares

Applicable Not applicable

II. Shareholders

1. Number of shareholders

Number of shareholders of ordinary shares as at the end of the Reporting Period 31,111

Note: at the end of the Reporting Period, the total number of A-share shareholders is 31,043 and the total number of H-share shareholders is 68.

2. *The top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) with the highest shareholding percentage as at the end of the Reporting Period*

Unit: shares

Name of shareholders	The top ten shareholders		Shareholding percentage (%)	Number of restricted shares	Shares pledged or locked-up		Nature of shareholders
	Change during the Reporting Period	Total shareholding as at the end of the Reporting Period			Share status	number	
Anhui Transportation Group	0	524,644,220	31.63	0	Nil		State-owned legal person
HKSCC NOMINEES LIMITED	-82,000	489,065,899	29.49	0	Unknown		Overseas legal person
China Merchants Highway	0	404,191,501	24.37	0	Nil		State-owned legal person
Chen Xiaohong	3,186,626	7,319,365	0.44	0	Unknown	2,230,000	Domestic natural person
Hong Kong Securities Clearing Company Ltd.	3,520,133	6,048,516	0.36	0	Nil		other
Ding Xiuling	0	5,411,435	0.33	0	Nil		Domestic natural person
DONGHAI SECURITIES COMPANY LIMITED	1,852,849	4,104,109	0.25	0	Nil		Domestic non-state-owned legal person
Wu Juhong	-6,798,592	3,757,951	0.23	0	Nil		Domestic natural person
Wu Mujun	-5,191,842	3,037,470	0.18	0	Nil		Domestic natural person
Jiang Ping	254,484	2,928,584	0.18	0	Nil		Domestic natural person

The ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares	
		Type	Number
Anhui Transportation Group	524,644,220	RMB ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	489,065,899	Overseas listed foreign shares	489,065,899
China Merchants Highway	404,191,501	RMB ordinary shares	404,191,501
Chen Xiaohong	7,319,365	RMB ordinary shares	7,319,365
Hong Kong Securities Clearing Company Ltd.	6,048,516	RMB ordinary shares	6,048,516
Ding Xiuling	5,411,435	RMB ordinary shares	5,411,435
DONGHAI SECURITIES COMPANY LIMITED	4,104,109	RMB ordinary shares	4,104,109
Wu Juhong	3,757,951	RMB ordinary shares	3,757,951
Wu Mujun	3,037,470	RMB ordinary shares	3,037,470
Jiang Ping	2,928,584	RMB ordinary shares	2,928,584

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

There is no connected relationship between the State-owned shareholders and the legal person shareholders in the above chart. The Company does not know if there is any connected relationship amongst other shareholders, or whether they belong to the persons acting in concert under "Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies".

Note: The H shares held by HKSCC NOMINEES LIMITED are held by it on behalf of many clients.

Shareholdings and restrictions of top ten restricted shareholders

Applicable Not applicable

3. *Strategic investors or ordinary legal person who became the top ten shareholders due to issuance of new shares*

Applicable Not applicable

III. Change of Controlling Shareholders and Effective Controllers

Applicable Not applicable

IV. Persons (other than the Directors, Supervisors or chief executive of the Company) who have interests or short positions disclosable under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance

As at 30 June 2018, so far as is known to the Directors, or as can be ascertained after reasonable enquiry by the Directors, the persons (other than the Directors, Supervisors or chief executive of the Company) who had, directly or indirectly, interests or had short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were set out as follows:

Name of Shareholders	Capacity	Number at the end of reporting period (shares)	Change during the Reporting Period	Type of shares	Proportion of H shares	Whether pledged or frozen
China Merchants Highway	Interest in controlled corporation	89,160,000 (Long position)	Unknown	H shares	18.08%	Unknown
FIL Limited	Interest in controlled corporation	24,308,000 (Long position)		H shares	4.93%	Unknown
HSBC Holdings plc	Interest in controlled corporation	98,525,221 (Long position)	Unknown	H shares	19.98%	Unknown
		99,825,933 (Short position)			20.25%	
JPMorgan Chase & Co.	Beneficial owner	29,383,579 (Long position)	-218,713	H shares	5.96%	Unknown
		568,000 (Short position)	+22,000		0.12%	
	Custodian corporation/ approved lending agent	27,483,579 (Shares available for lending)	-386,021		5.57%	
Deutsche Bank Aktiengesellschaft		24,541,953 (Long position)		H shares	4.98%	
		898,000 (Short position)			0.18%	
		1,276,000 (Shares available for lending)			0.26%	

Name of Shareholders	Capacity	number at the end of Reporting Period (shares)	Change during the Reporting Period	Type of shares	Proportion of domestic shares	Whether pledged or frozen
Anhui Transportation Group	Beneficial owner	524,644,220	0	A shares	45.01%	no
China Merchants Highway	Beneficial owner	404,191,501	0	A shares	34.68%	no

Note: Except as disclosed in this report, on 30 June 2018, as shown in the register to be kept under section 336 of part XV of the SFO, the company has not received any notice of interest or short position in the shares of the company and related shares as at 30 June 2018.

V. Purchase, Sale and Redemption of the Company's Securities

During the Reporting Period, neither the Company nor any of its subsidiaries and joint ventures purchased, sold or redeemed any of the listed securities of the Company.

VI. Pre-emptive Rights

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

SECTION VII RELATED INFORMATION OF PREFERENCE SHARES

Applicable Not applicable

SECTION VIII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. Changes of Shareholdings

1. *Change in shareholdings of Directors, Supervisors and senior management (current or resigned during the Reporting Period)*

Applicable Not applicable

2. *Equity incentives awarded to Director, Supervisor, senior management during the Reporting Period*

Applicable Not applicable

II. Change in Directors, Supervisors and Senior Management during the Reporting Period

Applicable Not applicable

Changes of Directors, Supervisors and senior management of the Company

Applicable Not applicable

III. Information on other issues

Applicable Not applicable

IV. Disclosure of Interests of the Directors, Supervisors and Chief Executive

As at 30 June 2018, none of the Directors, Supervisors, chief executive nor their associates had or were deemed to have any interests or short positions in any shares, or underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the SEHK and to be disclosed herein pursuant to the Model Code.

V. Employees remuneration and training

As at 30 June 2018, the Group (including the main subsidiaries) employed approximately 2,981 employees (as at 30 June 2017: 2,692 employees), which included 2,291 production staff, 158 technicians, 37 financial staff and 495 administrative staff (as at 30 June 2017, the numbers are 2,054, 132, 36 and 470 respectively).

The Company carried out a reform of the remuneration system with the introduction of broadband pay system. The system formulates remuneration scales for different positions, and makes different classifications according to the characteristics of each job. By making close connections among the labor remuneration of employees, value of positions, accumulated contributions, and work performance, it has built multiple channels of career development and pay promotion for employees. Through the establishment of pay promotion standards, the enthusiasm of employees has been mobilized and the incentive effect on the implementation of the remuneration system has been ensured. During the Reporting Period, staff salaries are of RMB 190,864.9 thousand (corresponding period in 2017: RMB 161,000 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, basic medical insurance, injury insurance and child-bearing insurance for the staff.

The Company constantly attaches great importance to staff education training and revised its "Interim measures for staff training management". At the beginning of each year, annual training plans are established based on training needs. Various trainings are conducted orderly according to relevant systems and plans and the educational and training levels are improved constantly. During the Reporting Period, the Company and its various departments have consolidated actual work requirements and departmental business functions, and have carried out training in operational management, which enhanced the skills and professional knowledge of the staff greatly. In terms of comprehensive management, the training should be focused, and a series of training should be organized according to the development situation of the company. Systematic training should be given to the macro-economic situation, highway development in the context of big data and intelligent transportation, as well as workplace management. In terms of network learning, the Company has encouraged employees to participate in self-learning by promoting E-learning and online study. The Company also utilized new platforms such as mobile phone application and online interactive functions to encourage learning and communication.

SECTION IX RELATED INFORMATION OF BONDS

Applicable Not applicable

SECTION X FINANCIAL REPORT

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

ASSETS	Note	Unaudited 30 June 2018	Audited 31 December 2017
Non-current assets			
Concession intangible assets	8	10,003,484	10,002,807
Land use rights	8	9,985	10,464
Property, plant and equipment	8	912,547	999,705
Investment properties	8	354,246	331,878
Intangible assets	8	4,960	7,065
Investments in an associate		137,399	125,010
Deferred income tax assets		13,668	12,313
Financial assets at fair value through other comprehensive income ("Financial assets at FVOCI")	4,9	404,846	—
Available-for-sale ("AFS") financial assets	4,9	—	404,846
		11,841,135	11,894,088
Current assets			
Inventories		7,043	7,402
Trade and other receivables	10	239,346	503,418
Cash and cash equivalents	26	2,427,772	1,829,395
		2,674,161	2,340,215
Total assets		14,515,296	14,234,303
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	11	1,658,610	1,658,610
Share premium	11	1,415,593	1,415,593
Other reserves	12	103,450	116,522
Retained earnings		6,428,451	6,245,478
		9,606,104	9,436,203
Non-controlling interests		529,201	650,390
Total equity		10,135,305	10,086,593

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

LIABILITIES	Note	Unaudited 30 June 2018	Audited 31 December 2017
Non-current liabilities			
Long-term payables	17	1,180,853	1,130,609
Borrowings	14	1,635,741	1,666,585
Deferred income tax liabilities		98,476	105,303
Deferred income	16	29,671	30,757
		2,944,741	2,933,254
Current liabilities			
Trade and other payables	13	1,238,678	999,273
Current income tax liabilities		68,177	157,370
Provision	15	43,927	34,565
Borrowings	14	84,468	23,248
		1,435,250	1,214,456
Total liabilities		4,379,991	4,147,710
Total equity and liabilities		14,515,296	14,234,303

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 63 to 99 were approved by the Board of Directors on 24 August 2018 and the interim condensed consolidated balance sheet was signed on its behalf by:

Director (喬傳福)

Director (許振)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited	
		Six months ended 30 June	
		2018	2017
Revenue	19	1,760,879	1,651,101
Cost of sales	20	(946,230)	(866,861)
Gross profit		814,649	784,240
Other gains - net	18	40,053	29,610
Administrative expenses	20	(40,209)	(30,845)
Operating profit		814,493	783,005
Finance costs	21	(64,795)	(44,920)
Share of profit of an associate		12,390	3,920
Profit before income tax		762,088	742,005
Income tax expenses	22	(217,821)	(230,351)
Profit for the period		544,267	511,654
Attributable to:			
Owners of the Company		551,381	520,107
Non-controlling interests		(7,114)	(8,453)
		544,267	511,654
Basic and diluted earnings per share			
(expressed in RMB per share)	23	0.3324	0.3136

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
	2018	2017
Profit for the period	544,267	511,654
Other comprehensive income	—	—
Total comprehensive income for the period	544,267	511,654
Attributable to:		
Owners of the Company	551,381	520,107
Non-controlling interests	(7,114)	(8,453)
	544,267	511,654

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

Note	Attributable to equity holders of the Company					Non-controlling interests	Total
	Ordinary	Share	Other	Retained			
	share capital (Note 11)	premium (Note 11)	reserves (Note 12)	earnings			
Balance at 1 January 2017 (audited)	<u>1,658,610</u>	<u>1,415,593</u>	<u>127,587</u>	<u>5,542,709</u>	<u>740,743</u>	<u>9,485,242</u>	
Comprehensive income							
Profit/(loss) for the period (unaudited)	—	—	—	520,107	(8,453)	511,654	
Other comprehensive income (unaudited)							
– Fair value gains on AFS financial assets, net of tax	—	—	—	—	—	—	
Total comprehensive income/ (loss) for the period ended 30 June 2017 (unaudited)	<u>—</u>	<u>—</u>	<u>—</u>	<u>520,107</u>	<u>(8,453)</u>	<u>511,654</u>	
Others (unaudited)	—	—	(507)	507	—	—	
Transactions with owners							
Dividends relating to 2016 (unaudited)	—	—	—	(381,480)	—	(381,480)	
Dividends paid to a non-controlling interest of subsidiaries relating to 2016 (unaudited)	—	—	—	—	(101,780)	(101,780)	
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)	17	—	—	—	13,588	13,588	
Balance at 30 June 2017 (unaudited)	<u>1,658,610</u>	<u>1,415,593</u>	<u>127,080</u>	<u>5,681,843</u>	<u>644,098</u>	<u>9,527,224</u>	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Attributable to equity holders of the Company				Non-controlling interests	Total
		Ordinary share capital (Note 11)	Share premium (Note 11)	Other reserves (Note 12)	Retained earnings		
Balance at 31 December 2017							
as originally presented (audited)		1,658,610	1,415,593	116,522	6,245,478	650,390	10,086,593
Change in accounting policy (unaudited)	4	—	—	(12,565)	12,565	—	—
Restated total equity							
at 1 January 2018 (unaudited)		1,658,610	1,415,593	103,957	6,258,043	650,390	10,086,593
Comprehensive income							
Profit/(loss) for the period (unaudited)		—	—	—	551,381	(7,114)	544,267
Other comprehensive income (unaudited)							
– Fair value change on financial assets at FVOCI, net of tax		—	—	—	—	—	—
Total comprehensive income/(loss) for the period ended 30 June 2018 (unaudited)		—	—	—	551,381	(7,114)	544,267
Others (unaudited)		—	—	(507)	507	—	—
Transactions with owners							
Dividends relating to 2017 (unaudited)	24	—	—	—	(381,480)	—	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2017 (unaudited)		—	—	—	—	(127,255)	(127,255)
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)	17	—	—	—	—	13,180	13,180
Balance at 30 June 2018 (unaudited)		<u>1,658,610</u>	<u>1,415,593</u>	<u>103,450</u>	<u>6,428,451</u>	<u>529,201</u>	<u>10,135,305</u>

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2018

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2018	2017
Cash flows from operating activities			
Cash generated from operations		656,102	767,895
Interest paid		(49,415)	(39,752)
Income tax paid		(319,592)	(241,295)
		<hr/>	<hr/>
Net cash generated from operating activities		287,095	486,848
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(430)	(3,809)
Purchase of intangible assets	8	(247)	(6)
Purchase of investment properties		—	(3,852)
Purchase of AFS financial assets		—	(100,000)
Net decrease in restricted cash	26	—	10,000
Net decrease/(increase) in financial products	10	310,000	(70,000)
Proceeds from sales of property, plant and equipment		179	261
Interest received		36,516	16,111
		<hr/>	<hr/>
Net cash generated from/(used in) investing activities		346,018	(151,295)
Cash flows from financing activities			
Proceeds from borrowings		120,600	171,350
Repayments of borrowings		(28,100)	(41,849)
Dividends paid to the non-controlling interests		(127,255)	(58,581)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(34,755)	70,920
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		1,829,395	1,900,812
Exchange gains/(losses) on cash and cash equivalents		19	(72)
		<hr/>	<hr/>
Cash and cash equivalents at end of the period	26	2,427,772	2,307,213
		<hr/>	<hr/>

The notes on pages 70 to 99 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

(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 (the "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, the PRC.

As at 30 June 2018, the Group's toll roads and concession period granted 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 20 July 2004 to 20 July 2029
Ningxuanhang Expressway Anhui Section	113	From 8 September 2013 to 30 December 2022*

* In 2013, the section of Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section was officially opened to traffic. The length of toll road is 46 kilometres and the temporary granted concession period is 5 years starting from 8 September 2013. In 2015, the section of Ningguo to Qianjiuguan of Ningxuanhang Expressway Anhui Section was officially opened to traffic. The length of toll road is 40 kilometres and the temporary granted concession period is 5 years starting from 19 December 2015. In 2017, the section of Liqiao to Xuancheng of Ningxuanhang Expressway Anhui Section was officially opened to traffic. The length of toll road is 27 kilometres and the temporary granted concession period is 5 years starting from 30 December 2017. The formal granted concession period for Ningxuanhang Expressway Anhui Section will be determined according to future assessment and relevant provisions.

The condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was reviewed by audit committee of the Company and approved for issue by the Board of Directors on 24 August 2018.

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 2018 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

(a) Amendments of HKFRS effective in 2018 adopted by the Group

The following new standards, amendments and interpretations have been adopted by the Group for the first time for its financial year beginning on 1 January 2018:

- HKFRS 9 “Financial Instruments”
- HKFRS 15 “Revenue from Contracts with Customers”
- Amendments to HKFRS 2 regarding classification and measurement of share-based payment transactions
- Amendments to HKFRS 4 on applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
- Amendments to HKFRS 1 “First-time Adoption of HKFRS”
- Amendments to HKAS 28 “Investments in Associates and Joint Ventures”
- Amendments to HKAS 40 regarding transfer of investment property
- HK (IFRIC) 22 “Foreign Currency Transactions and Advance Consideration”

The impact of the adoption of HKFRS 9 and HKFRS 15 are disclosed in Note 4 below. The other amendments and interpretations did not have any impact on the Group’s condensed consolidated financial statements and did not require retrospective adjustment.

3 Accounting policies (Continued)

(b) New standards and amendments of HKFRS issued but are not yet effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group

A number of new standards, amendments and interpretations of HKFRS which are relevant to the Group's operations are effective for the financial year beginning after 1 January 2018 and have not been applied in preparing these condensed consolidated interim financial statements. The Group intends to adopt them no later than the respective effective dates of these new standards, amendments and interpretations. These new standards, amendments and interpretations are set out below:

- HKFRS 16 "Leases", effective for annual accounting periods beginning on or after 1 January 2019 (i)
- HK (IFRIC) 23 "Uncertainty over Income Tax Treatments", effective for annual accounting periods beginning on or after 1 January 2019
- Amendments to HKFRS 10 and HKAS 28 regarding sale or contribution of assets between an investor and its associate or joint venture. The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

The Group is assessing the full impact of these new standards, amendments and interpretations. According to the preliminary assessment, other than the assessment results of HKFRS 16 stated below which may give rise to some impact, none of these is expected to have a significant impact on the consolidated financial statements of the Group:

(i) HKFRS 16 "Leases"

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at 30 June 2018, the Group has non-cancellable operating lease commitments of RMB 500 thousand. The Group estimates that all of these relate to payments for short-term and low-value leases which will be recognised on a straight-line basis as an expense in profit or loss.

Accordingly, the Group does not expect the new standard to have a significant impact on the Group's results of operations and financial position.

3 Accounting policies (Continued)

(b) *New standards and amendments of HKFRS issued but are not yet effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group (Continued)*

(i) **HKFRS 16 “Leases” (Continued)**

Date of adoption by Group

Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

4 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 “Financial Instruments” and HKFRS 15 “Revenue from Contracts with Customers” on the Group’s condensed consolidated interim financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

4.1 *Impact on the consolidated financial statement*

As a result of the changes in the entity’s accounting policies, opening balance of interim condensed consolidated financial statements had to be restated. As explained in Note 4.2 below, HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated consolidated balance sheet as at 31 December 2017, but are recognised in the opening consolidated balance sheet on 1 January 2018.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

4 Changes in accounting policies (Continued)

4.1 Impact on the consolidated financial statement (Continued)

Consolidated balance sheet (extract)	31 December		1 January
	2017		2018
	as originally presented	HKFRS 9	restated
Financial assets at FVOCI	—	404,846	404,846
Available-for-sale financial assets	404,846	(404,846)	—
Total assets	404,846	—	404,846
Other reserves	116,522	(12,565)	103,957
Retained earnings	6,245,478	12,565	6,258,043
Total equity	6,362,000	—	6,362,000

There is no impact on the statement of profit or loss and other comprehensive income by adopting HKFRS 9 and HKFRS 15.

4.2 HKFRS 9 Financial Instruments – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and reclassification of the opening balance in the consolidated financial statements. The new accounting policies are set out in note 4.3 below. In accordance with the transitional provisions in HKFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

	2018
Closing retained earnings at 31 December	6,245,478
Reclassify prior-year impairment of AFS financial assets and related deferred taxation to other reserves (i)	12,565
Opening retained earnings 1 January - HKFRS 9	6,258,043

4 Changes in accounting policies (Continued)

4.2 HKFRS 9 Financial Instruments – Impact of adoption (Continued)

(i) Equity investment previously classified as AFS financial assets

The Group elected to present in OCI changes in the fair value of all its equity investments previously classified as AFS financial assets, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of RMB 404,846 thousand were reclassified from available-for-sale financial assets to financial assets at FVOCI. Prior-year impairment loss of RMB 16,753 thousand and deferred taxation of RMB 4,188 thousand were reclassified from retained earnings to other reserves (Note 12).

4.3 HKFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

Investment and other financial assets

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4 Changes in accounting policies (Continued)

4.3 HKFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018 (Continued)

Investment and other financial assets (Continued)

(b) Measurement

At initial recognition, the Group measures a financial asset at FVOCI at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

(c) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its other financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

4.4 HKFRS 15 Revenue from Contracts with Customers – Impact of adoption

The adoption of HKFRS 15 does not have a material impact on the Group's results of operations and financial position.

5 Estimates

The preparation of condensed consolidated interim financial information 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 expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

6 Financial risk management and financial instruments

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017.

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

6.2 Liquidity risk

Compared to 31 December 2017, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

6.3 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).

The following table presents the Group's financial assets that are measured at fair value at 30 June 2018 and 31 December 2017.

As at 30 June 2018 (unaudited)	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at FVOCI	—	—	404,846	404,846
As at 31 December 2017 (audited)	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
AFS financial assets	—	—	404,846	404,846

7 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategic Development and Investment Committee that makes strategic decisions.

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

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

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

The revenue, profit or loss and assets of the pawn services business were much less than 10% of the relevant combined totals. The Group considered that it is not meaningful to treat the pawn services business as separate reportable operating segment and since there are no other significant businesses other than the toll road services, no segment information is presented for the six months ended 30 June 2018.

The Group is domiciled in Anhui Province, the PRC. Its revenue is generated from Anhui Province, the PRC. As at 30 June 2018 and 31 December 2017, all non-current assets of the Group are located in the PRC.

8 Capital expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment properties	Land use rights
Six months ended 30 June 2017					
Opening net book amount as at					
1 January 2017 (audited)	9,236,927	3,548	954,173	338,391	10,493
Additions	257,236	6	3,809	3,852	—
Transfers	—	265	(8,386)	7,121	1,000
Disposals	—	—	(5,174)	—	—
Depreciation/amortisation (Note 20)	<u>(282,828)</u>	<u>(1,021)</u>	<u>(53,282)</u>	<u>(8,935)</u>	<u>(478)</u>
Closing net book amount as at					
30 June 2017 (unaudited)	<u>9,211,335</u>	<u>2,798</u>	<u>891,140</u>	<u>340,429</u>	<u>11,015</u>
Six months ended 30 June 2018					
Opening net book amount as at					
1 January 2018 (audited)	10,002,807	7,065	999,705	331,878	10,464
Additions	293,371	247	430	—	—
Transfers	—	307	(31,204)	30,897	—
Disposals	—	—	(467)	—	—
Depreciation/amortisation (Note 20)	<u>(292,694)</u>	<u>(2,659)</u>	<u>(55,917)</u>	<u>(8,529)</u>	<u>(479)</u>
Closing net book amount as at					
30 June 2018 (unaudited)	<u>10,003,484</u>	<u>4,960</u>	<u>912,547</u>	<u>354,246</u>	<u>9,985</u>

As at 30 June 2018, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

Borrowing costs of RMB 3,565 thousand have been capitalised in the six months ended 30 June 2018 at an average annual interest rate of 1.20% (same period of 2017: RMB 14,891 thousand; 5.552%).

9 Financial assets at FVOCI

	Equity interests in unlisted companies and LPs							Total
	AXFG (a)	ATZIF (b)	ATGBF (c)	AXCM (a)	WTMC (d)	ATZFM (b)	ATGFM (c)	
Balance as of								
1 January 2018								
and 30 June 2018	<u>132,427</u>	<u>99,625</u>	<u>99,625</u>	<u>57,419</u>	<u>15,000</u>	<u>375</u>	<u>375</u>	<u>404,846</u>

- (a) As at 30 June 2018, FVOCI represented 6.62% equity interests in Anhui Xin'an Financial Group Co., Ltd. ("安徽新安金融集團股份有限公司", "AXFG") with a fair value of RMB 132,427 thousand (31 December 2017: 6.62% and fair value of RMB 132,427 thousand) and 6.62% equity interests in Anhui Xin'an Capital Operation Management Co., Ltd. ("安徽新安資本運營管理股份有限公司", "AXCM") with a fair value of RMB 57,419 thousand (31 December 2017: 6.62% and fair value of RMB 57,419 thousand).
- (b) As at 30 June 2018, FVOCI represented 2.50% equity interests in Anhui Transportation Zhaoshang Fund Management Co., Ltd. ("安徽交控招商基金管理有限公司", "ATZFM") with a fair value of RMB 375 thousand (31 December 2017: 2.50% and fair value of RMB 375 thousand) and 6.64% equity interests in Anhui Transportation Zhaoshang Industry Investment Fund LP ("安徽交控招商產業投資基金(有限合夥)", "ATZIF") with a fair value of RMB 99,625 thousand (31 December 2017: 6.64% and fair value of RMB 99,625 thousand).
- (c) As at 30 June 2018, FVOCI represented 2.50% equity interest in Anhui Transportation Goldstone Fund Management Co., Ltd. ("安徽交控金石基金管理有限公司", "ATGFM") with a fair value of RMB 375 thousand (31 December 2017: 2.50% and fair value of RMB 375 thousand) and 6.64% equity interest in Anhui Transportation Goldstone Buy-out Fund LP ("安徽交控金石並購基金合夥企業(有限合夥)", "ATGBF") with a fair value of RMB 99,625 thousand (31 December 2017: 6.64% and fair value of RMB 99,625 thousand).
- (d) As at 30 June 2018, FVOCI represented 10% equity interests in Hefei Wan Tong Microcredit Co., Ltd. ("合肥市皖通小額貸款有限公司", "WTMC").

10 Trade and other receivables

	30 June 2018	31 December 2017
	(unaudited)	(audited)
Pawn loans to customers (a)	180,886	148,601
Financial products	50,000	360,000
Toll roads income receivable (b)	42,413	43,870
Receivables for construction	30,051	30,051
Receivables from management service of toll roads	24,390	8,062
Interest receivable	10,752	8,313
Dividends receivable (c) (Note 27)	200	—
Others	24,638	28,365
	363,330	627,262
Less: Provision for impairment of pawn loans (a)	(121,621)	(121,528)
Provision for others (d)	(2,363)	(2,316)
	239,346	503,418

10 Trade and other receivables (Continued)

(a) Pawn loans to customers

As at 30 June 2018 and 31 December 2017, the analysis of pawn loans to customers is as follows:

	30 June 2018 (unaudited)	31 December 2017 (audited)
Pawn loans to customers		
- Principal	180,886	148,601
- Interest	—	—
	<u>180,886</u>	<u>148,601</u>
Less: Impairment allowances		
- Individually assessed	(121,621)	(97,839)
- Collectively assessed	—	(23,689)
	<u>(121,621)</u>	<u>(121,528)</u>
Pawn loans to customers, net	<u>59,265</u>	<u>27,073</u>

Pawn loans to customers are arising from the Group's pawn loans business. The loan periods granted to customers are from two to six months and bore fixed interest rates ranging from 10.92% to 26.40% for the six months ended 30 June 2018 (2017: bore fixed interest rates ranging from 22.32% to 26.40%). The Group ceased interest accrual once pawn loans were over due.

As at 30 June 2018, the Group's pawn loans to certain third party customers with carrying amounts of RMB 600 thousand (31 December 2017: RMB 1,774 thousand) were secured by their trade receivables of RMB 7,510 thousand (31 December 2017: RMB 14,080 thousand), which were due from Anhui Transportation Construction Management Co., Ltd ("安徽省交控建設管理有限公司", "ATCMC", formerly named "Anhui Expressway Construction Headquarter") who is subsidiary of Anhui Transportation Holding Group Co., Ltd. ("安徽省交通控股集團有限公司", "ATHC").

Reconciliation of provision account for loss on pawn loans to customers is as follows:

	For the six months ended 30 June	
	2018	2017
Beginning of the period (audited)	(121,528)	(112,732)
(Recognised)/reversed impairment losses (unaudited) (Note 20)	(93)	6,545
	<u>(121,621)</u>	<u>(106,187)</u>

10 Trade and other receivables (Continued)

- (b) As at 30 June 2018, toll roads income receivable mainly represented receivable from Anhui Expressway Network Operations Co., Ltd. (“安徽高速公路聯網運營有限公司”, “AENO”, the toll settlement centre of Anhui Province) of RMB 38,146 thousand (31 December 2017: RMB 39,559 thousand) for uncollected toll roads income (Note 27).
- (c) ATZFM declared a cash dividend of RMB 200 thousand to the Company for the six months ended 30 June 2018, which has not been received by the Company.
- (d) As at 30 June 2018, other receivables of RMB 2,772 thousand (31 December 2017: RMB 2,871 thousand) were impaired. The according provision was amounted to RMB 2,363 thousand (31 December 2017: RMB 2,316 thousand). The individually impaired receivables mainly related to customers of from Hefei Wan Tong Pawn Co., Ltd. (“合肥皖通典當有限公司”, “Wan Tong Pawn”), which were in unexpectedly difficult economic situations. It was assessed that a portion of the receivables was expected to be recovered. The ageing of these receivables is as follows:

	30 June 2018 (unaudited)	31 December 2017 (audited)
Up to 1 year	—	182
1 to 2 years	122	155
2 to 3 years	147	424
Over 3 years	2,503	2,110
	2,772	2,871

Reconciliation of provision account for loss on other receivables is as follows:

	For the six months ended 30 June	
	2018	2017
Beginning of the period (audited)	(2,316)	(1,994)
Impairment losses recognised (unaudited) (Note 20)	(47)	(38)
End of the period (unaudited)	(2,363)	(2,032)

10 Trade and other receivables (Continued)

(e) As at 30 June 2018 and 31 December 2017, the ageing analysis of the trade and other receivables is as follows:

	30 June 2018 (unaudited)	31 December 2017 (audited)
Up to 1 year	210,232	473,017
1 to 2 years	3,035	514
2 to 3 years	204	1,057
Over 3 years	149,859	152,674
	363,330	627,262

As at 30 June 2018 and 31 December 2017, all trade and other receivables balances were denominated in RMB. Except for pawn loans to customers and other related receivables which are analysed in Note 10 (a) and (d), all trade and other receivables balances were fully performing.

As at 30 June 2018, the fair values of trade and other receivables of the Group approximated their carrying amounts.

11 Ordinary share capital and share premium

	Number of A shares (thousands)	Number of H shares (thousands)	Ordinary Share capital	Share premium	Total
At 1 January 2017 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2017 (unaudited)	<u>1,165,600</u>	<u>493,010</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>
At 1 January 2018 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2018 (unaudited)	<u>1,165,600</u>	<u>493,010</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>

The total authorised and issued 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.

12 Other reserves

	Capital surplus	Statutory surplus reserve fund	Discretionary surplus reserve fund	Enterprise safety fund	Merger reserve	Excess of the consideration over carrying amount of the non-controlling interests acquired	Fair value change of AFS financial assets, net of tax	Fair value change of financial assets at FVOCI	Total
					(a)	(b)	(Note 9)		
Balance at 1 January 2017									
(audited)	2,243	955,881	658	50,283	(186,362)	(710,116)	15,000	—	127,587
Usage of enterprise safety fund (unaudited)	—	—	—	(507)	—	—	—	—	(507)
Balance at 30 June 2017									
(unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>49,776</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>15,000</u>	<u>—</u>	<u>127,080</u>
Balance at 31 December 2017									
(audited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>49,269</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>4,949</u>	<u>—</u>	<u>116,522</u>
Change in accounting policy (Note 4)	—	—	—	—	—	—	(4,949)	(7,616)	(12,565)
Balance at 1 January 2018	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>49,269</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>—</u>	<u>(7,616)</u>	<u>103,957</u>
Usage of enterprise safety fund (unaudited)	—	—	—	(507)	—	—	—	—	(507)
Balance at 30 June 2018									
(unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>48,762</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>—</u>	<u>(7,616)</u>	<u>103,450</u>

Upon approval from the Board of Directors, capital surplus, other than those relating to receipts of donated non-cash assets and equity investments held can be used to increase capital. Capital surplus arising from receipts of donated non-cash assets and equity investments can only be used to increase capital after the donated assets or investments have been disposed of.

The Company appropriates discretionary surplus reserve after shareholders' meeting approves the Board of Directors' proposal. The discretionary surplus reserve can be used to make up for the loss or increase capital after approval.

12 Other reserves (Continued)

- (a) The merger reserve as at 30 June 2018 and 31 December 2017 represented the excess of consideration over the Company's share of paid-in capital of Xuancheng Guangci Expressway Co., Ltd. ("宣城市廣祠高速公路有限責任公司", "Guangci") acquired under common control.

	30 June 2018 (unaudited)
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	(215,330)
Merge reserve	(186,362)

- (b) The reserve of excess of the consideration over carrying amount of the non-controlling interests acquired represented RMB 699,147 thousand arising from acquisition of 49% equity interests of Gaojie Expressway in 2006 and RMB 10,969 thousand arising from acquisition of 4.47% equity interests of Guangci in 2012.

13 Trade and other payables

	30 June 2018 (unaudited)	31 December 2017 (audited)
Payables on acquisition of concession intangible assets	569,328	790,477
Dividends payable (Note 27)	381,480	—
Staff salaries and welfare	84,973	26,737
Current portion of long-term payables (Note 17)	67,581	55,079
Deposits for construction projects	56,875	54,504
Other taxation payables	18,046	21,704
Interest payable	5,159	4,409
Service fee payable for collection of toll roads income	4,224	3,765
Others	51,012	42,598
	1,238,678	999,273

As at 30 June 2018, trade and other payables of RMB 240,753 thousand were aged over one year (31 December 2017: RMB 235,632 thousand). These payables were mainly for construction projects and will be settled after project is completed.

As at 30 June 2018 and 31 December 2017, all trade and other payables were denominated in RMB.

As at 30 June 2018 and 31 December 2017, the fair values of trade and other payables, except for staff salaries and welfare, approximated their fair values.

14 Borrowings

	30 June 2018		31 December 2017	
	Interest rate per annum (unaudited)	Amount	Interest rate per annum (audited)	Amount
Long-term bank borrowings				
Denominated in RMB				
– guaranteed (a)	4.41%-4.90%	951,964	4.41%-4.90%	919,270
– unsecured (a)	4.41%	168,245	4.41%	170,563
– pledged (b)	1.20%	600,000	1.20%	600,000
		<u>1,720,209</u>		<u>1,689,833</u>
Less: current portion				
Denominated in RMB				
– guaranteed (a)	4.41%-4.90%	(69,338)	4.90%	(18,612)
– unsecured (a)	4.41%	(5,130)	4.41%	(4,636)
– pledged (b)	1.20%	(10,000)	—	—
		<u>(84,468)</u>		<u>(23,248)</u>
Non-current borrowings		<u>1,635,741</u>		<u>1,666,585</u>

(a) The bank borrowings of RMB 289,900 thousand were guaranteed by Xuancheng Communication Investment Co., Ltd. (“宣城市交通投资有限公司”, “XCIC”), a non-controlling interest of subsidiaries; RMB 662,064 thousand were guaranteed by the ATHC; RMB 168,245 thousand were guaranteed by the Company as at 30 June 2018 (31 December 2017: RMB 255,900 thousand were guaranteed by XCIC; RMB 663,370 thousand were guaranteed by the ATHC; and RMB 170,563 thousand were guaranteed by the Company).

(b) As at 30 June 2018, the bank borrowings of RMB 600,000 thousand was guaranteed by estimated future toll roads cash inflow from the completion of reform and expansion of Hening Expressway (31 December 2017: RMB 600,000 thousand).

As at 30 June 2018 and 31 December 2017, the Group’s borrowings are repayable as follows:

	30 June 2018 (unaudited)	31 December 2017 (audited)
Within 1 year	84,468	23,248
Between 1 and 2 years	158,194	143,217
Between 2 and 5 years	736,463	700,783
Over 5 years	741,084	822,585
	<u>1,720,209</u>	<u>1,689,833</u>

14 Borrowings (Continued)

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

	30 June	31 December
	2018	2017
	(unaudited)	(audited)
Expiring within one year	<u>6,144,890</u>	<u>6,295,557</u>

15 Provision - maintenance/resurfacing obligation

Balance at 1 January 2018 (audited)	34,565
Addition of provision (unaudited)	77,749
Utilisation of provision (unaudited)	<u>(68,387)</u>
Balance at 30 June 2018 (unaudited)	<u>43,927</u>

16 Deferred income

	30 June	31 December
	2018	2017
	(unaudited)	(audited)
Government grants	<u>29,671</u>	<u>30,757</u>

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

17 Long-term payables

The carrying amounts and fair values of long-term payables (including current portion) are as follows:

	Carrying Amounts		Fair values	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	(unaudited)	(audited)	(unaudited)	(audited)
Long-term payables to ATHC (a)	945,965	876,028	991,019	922,112
Long-term payables to XCIC (b)	302,469	309,660	321,018	329,519
Long-term payables - total	1,248,434	1,185,688	1,312,037	1,251,631
Less: current portion of long-term payables (Note 13)	<u>(67,581)</u>	<u>(55,079)</u>	<u>(68,232)</u>	<u>(55,683)</u>
	<u>1,180,853</u>	<u>1,130,609</u>	<u>1,243,805</u>	<u>1,195,948</u>

17 Long-term payables (Continued)

- (a) Long-term payables to ATHC represents ATHC's share of total investment in 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 ATHC's equity contribution in Ningxuanhang. This amount is non-guaranteed. As at 30 June 2018, the balances represented interest-free loans of RMB 679,927 thousand and interest-bearing loans of RMB 653,930 thousand.
- (b) 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 Ningxuanhang in excess of XCIC's equity contribution in Xuan Guang and Ningxuanhang. This amount is non-guaranteed. As at 30 June 2018, the balances represented interest-free loans of RMB 441,019 thousand.

As at 30 June 2018, the undiscounted amount of long-term payables to XCIC and ATHC was RMB 441,019 thousand and RMB 1,333,857 thousand respectively (31 December 2017: RMB 457,495 thousand and RMB 1,255,257 thousand respectively).

The fair values of long-term payables are based on cash flows discounted using 4.90%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 30 June 2018 (31 December 2017: 4.90%).

18 Other gains - net

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Interest income	39,063	21,348
Amortisation of government grants relating to assets	1,086	1,086
Dividend income	200	3,464
Losses from disposal of property, plant and equipment	(288)	(43)
Government grants relating to profits	—	3,302
Others	(8)	453
	40,053	29,610

19 Revenue

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Toll roads income, rental income and others	1,465,537	1,397,493
Revenue from construction or upgrade work under Service Concessions	293,371	252,910
Interest income from pawn loans to customers	1,971	698
	1,760,879	1,651,101

20 Expenses by nature

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

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Depreciation and amortisation expenses (Note 8)	360,278	346,544
Costs payable to vendors for construction or upgrade work under the Service Concessions	293,371	252,910
Employee benefit expenses	190,865	161,004
Repair expenses	77,749	76,045
Tax related to revenues (a)	12,860	12,182
Auditor's remuneration		
– Annual audit services	1,050	1,050
Impairment/(reversal of impairment) for pawn loans to customers (Note 10)	93	(6,545)
Impairment for other receivables (Note 10)	47	38
Others	50,126	54,478
	986,439	897,706

(a) Taxes related to revenue

The Group is subject to the following supplemental turnover taxes:

- (i) Urban Construction and Maintenance Tax - levied at 5% or 7% of VAT payable.
- (ii) Local Education Surcharge - levied at 3% of VAT payable.

21 Finance costs

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Interest expenses	68,360	59,811
Including: amortisation of long-term payables	18,196	18,580
Less: capitalised interest expenses (Note 8)	(3,565)	(14,891)
	64,795	44,920

22 Taxation

The amount of taxation charged to the interim condensed consolidated income statement represents:

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Current taxation - CIT (a)	230,399	216,670
Deferred taxation (credited)/debited to the consolidated income statement	(12,578)	13,681
	<u>217,821</u>	<u>230,351</u>

(a) Hong Kong profits tax and the PRC Corporate Income Tax ("CIT")

The Company and its subsidiaries, associated companies determine and pay the PRC 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 (except for Anhui Expressway (H.K.) Limited ("安徽皖通高速公路股份(香港)有限公司", "AEHK")), associated companies is 25%. And the CIT rate applicable to AEHK is 16.5%.

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

Pursuant to Cai Shui [2008] Circular 1 jointly issued by the Ministry of Finance and the State Administration of Taxation, where the Company declares dividend in or after 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. Pursuant 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 1 January 2008. For certain treaty jurisdictions such as Hong Kong which has signed tax treaties with the PRC, the WHT rate is 5%.

23 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.

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Profit attributable to equity holders of the Company	551,381	520,107
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	<u>0.3324</u>	<u>0.3136</u>

24 Dividends

The final dividend in respect of 2017 of RMB 0.23 per share, amounting to a total dividend of RMB 381,480 thousand was approved at the Annual General Meeting in May 2018.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2018 (same period of 2017: nil).

25 Commitments

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

	30 June 2018 (unaudited)	31 December 2017 (audited)
Contracted but not provided for		
– Concession intangible assets	2,219,181	2,209,369
– Property, plant and equipment	60,911	60,911
	2,280,092	2,270,280

26 Cash and cash equivalents

	30 June 2018 (unaudited)	31 December 2017 (audited)
Cash at bank and on hand	2,427,772	1,829,395
Less: restricted cash	—	—
Cash and cash equivalents at end of the period	2,427,772	1,829,395

27 Related party transactions

(a) Name of related party and relationship

The Company's parent company is ATHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by the 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 ATHC 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 ATHC as well as their close family members.

Name	Relationship with the Group
ATHC	Parent company
XCIC	Non-controlling interest of the Group
ATZFM	Significantly influenced by ATHC
ATGFM	Significantly influenced by ATHC
AENO	Subsidiary of ATHC
ATCMC	Subsidiary of ATHC
WTMC	Subsidiary of ATHC
Anhui Expressway Advertisement Co., Ltd. ("安徽高速傳媒有限公司", "AEAC")	Associate
Anhui Anlian Expressway Co., Ltd. ("安徽安聯高速公路有限公司", "ALEC")	Subsidiary of ATHC
Anhui Transportation Capital Investment Management Co., Ltd. ("安徽交控資本投資管理有限公司", "ATCIM")	Subsidiary of ATHC
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 ATHC
Anhui Expressway Petrochemical Co., Ltd. ("安徽省高速石化有限公司", "AEPC")	Subsidiary of ATHC
Anhui Gaolu Construction Co., Ltd. ("安徽省高路建設有限公司", "AGCC", formerly named "Anhui Modern Transportation Facilities Co., Ltd." ("安徽省現代交通設施工程有限公司", "MTFC"))	Subsidiary of ATHC

27 Related party transactions (Continued)

(a) Name of related party and relationship (Continued)

Name	Relationship with the Group
Anhui Expressway Experiment Research Centre (“安徽省高速公路試驗檢測科研中心”, “AERC”)	Subsidiary of ATHC
Hefei Bangning Property Management Company (“合肥市邦物業管理有限公司”, “BNMC”)	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. (“安徽高速融資租賃有限公司”, “AWFC”)	Subsidiary of ATHC
Anhui Transport Consulting & Design Institute Co., Ltd. (“安徽省交通規劃設計研究總院股份有限公司”, “ATCD”)	Subsidiary of ATHC
Anhui Qixing Project Testing Co., Ltd. (“安徽省七星工程測試有限公司”, “AQPT”)	Subsidiary of ATHC
Anhui Anqing Expressway and Bridge Co., Ltd. (“安徽安慶長江公路大橋有限責任公司”, “AAEBC”)	Subsidiary of ATHC
Anhui Wangqian Expressway Co., Ltd. (“安徽望潛高速公路有限公司”, “AWQEC”)	Subsidiary of ATHC
Anhui Yangji Expressway Co., Ltd. (“安徽省揚績高速公路有限公司”, “AYEC”)	Subsidiary of ATHC
Anhui Liguang Expressway Co., Ltd. (“安徽省溧廣高速公路有限公司”, “ALGEC”)	Subsidiary of ATHC
Anhui Zhongxing Project Management Co., Ltd. (“安徽省中興工程監理有限公司”, “AZPMC”)	Subsidiary of ATHC
Anhui Huanyu Highway Construction Development Co., Ltd. (“安徽省環宇公路建設開發有限責任公司”, “AHHCD”)	Subsidiary of ATHC
Anhui Hezong Expressway Co., Ltd. (“安徽省合縱高速公路有限責任公司”, “AHEC”)	Subsidiary of ATHC
Anhui Xunjie Logistics Materials Trading Co., Ltd. (“安徽迅捷物流有限責任公司物資貿易分公司”, “AXLMT”)	Subsidiary of ATHC
Anhui Yuehuang Expressway Co., Ltd. (“安徽省岳黃高速公路有限責任公司”, “AYHEC”)	Subsidiary of ATHC
China Merchants Hua Jian Highway Investment Co., Ltd. (“招商局華建公路投資有限公司”, “HJHI”)	Shareholder of the Company

27 Related party transactions (Continued)

(b) Related party transactions

(i) Service income from management of toll roads

	Unaudited	
	For the six months ended 30 June	
	2018	2017
ATHC	65,122	43,270
AYEC	8,557	6,783
AAEBC	6,971	6,674
AWQEC	5,374	5,149
ALGEC	5,363	4,693
	<u>91,387</u>	<u>66,569</u>

(ii) Rental income

	Unaudited	
	For the six months ended 30 June	
	2018	2017
AEPC	12,679	12,434
YTMC	5,155	5,351
ATHC	3,244	3,251
AGCC	413	461
ALEC	279	283
ATCMC	238	201
AWFC	211	212
ATCIM	165	—
WTMC	106	106
AHEC	63	—
ATZFM	50	—
ATGFM	33	—
BNMC	14	14
AYHEC	8	—
	<u>22,658</u>	<u>22,313</u>

27 Related party transactions (Continued)

(b) Related party transactions (Continued)

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

	Unaudited	
	For the six months ended 30 June	
	2018	2017
AGCC	20,086	3,974
AXLMT	12,091	—
AHHCD	8,187	—
AZPMC	1,621	—
BNMC	1,481	1,500
ATCD	1,423	—
AQPT	1,266	—
AERC	502	1,469
	<u>46,657</u>	<u>6,943</u>

(iv) Toll roads income received on behalf of the Group

	Unaudited	
	For the six months ended 30 June	
	2018	2017
AENO	<u>1,294,080</u>	<u>1,253,001</u>

(v) Service fee for the collection of toll roads income

	Unaudited	
	For the six months ended 30 June	
	2018	2017
AENO	<u>6,348</u>	<u>9,437</u>

27 Related party transactions (Continued)

(b) Related party transactions (Continued)

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

	Unaudited	
	For the six months ended 30 June	
	2018	2017
ATHC	17,280	11,881
XCIC	759	900
	<u>18,039</u>	<u>12,781</u>

(vii) Guarantee received

As at 30 June 2018, long-term bank borrowings of RMB 289,900 thousand were guaranteed by XCIC and RMB 662,064 thousand were guaranteed by ATHC (Note 14).

(viii) Key management compensation

Key management includes directors (executive and non-executive) and the Company secretary. The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	For the six months ended 30 June	
	2018	2017
Salaries and other short-term employee benefits	<u>945</u>	<u>900</u>

27 Related party transactions (Continued)

(c) Related party balances

(i) Trade and other receivables (excluding current portion of loans to subsidiaries)

	30 June 2018 (unaudited)	31 December 2017 (audited)
AENO	38,146	39,559
ATHC	20,660	235
YTMC	4,117	1,226
AWQEC	3,730	6,234
AEPC	1,078	—
ATCMC	205	184
ATGFM	35	—
AYHEC	—	116
ALGEC	—	1,593
	67,971	49,147

(ii) Dividends receivable

	30 June 2018 (unaudited)	31 December 2017 (audited)
ATZFM	200	—

27 Related party transactions (Continued)
(c) Related party balances (Continued)
(iii) Trade payables

	30 June 2018	31 December 2017
	(unaudited)	(audited)
AGCC	10,897	14,623
AHHCD	2,341	3,405
AZPMC	1,416	1,686
AERC	1,397	1,357
AQPT	688	144
ATCD	671	671
AEAC	10	10
BNMC	4	4
	17,424	21,900

(iv) Other payables

	30 June 2018	31 December 2017
	(unaudited)	(audited)
AENO	4,224	3,765
YTMC	2,111	3,011
ATHC	1,021	1,021
AGCC	1,909	973
ATCD	1,403	1,387
WTMC	169	100
AWFC	110	—
AZPMC	100	100
AEPC	6	2,038
AEAC	2	2
	11,055	12,397

27 Related party transactions (Continued)

(c) Related party balances (Continued)

(v) Dividends payable

	30 June 2018 (unaudited)	31 December 2017 (audited)
ATHC	120,668	—
HJHI	92,964	—
	213,632	—

(vi) Long-term payables (including current portion) (Note 17)

	30 June 2018 (unaudited)	31 December 2017 (audited)
ATHC	945,965	876,028
XCIC	302,469	309,660
	1,248,434	1,185,688

As at 30 June 2018 and 31 December 2017, amounts due from and due to the related parties as afore mentioned, except for long term payables as disclosed in Note 17, 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 repayable within 1 year.

SECTION XI DOCUMENTS AVAILABLE FOR INSPECTION

Directory of documents
Available for Inspection

The original copy of the interim report signed by the Chairman;
The accountant's report, signed by the legal representative, director in charge of accounting work, and director in charge of accounting firm and stamped with corporate seal;
The original copies of corporate documents and announcements published in the Shanghai Securities News and China Securities Journal during the Reporting Period;
The Articles of Association;
The interim report disclosed in other securities market.

Chairman: Qiao Chuanfu

The date of the approval of the board: 24 August 2018



Anhui Expressway Company Limited