安徽皖通高速公路股份有限公司
ANHUI EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 995)

2011 Annual Results Announcement

The board of directors (the "Board") of Anhui Expressway Company Limited (the"Company") together with its subsidiaries (the "Group") is pleased to present the audited results of the Company together with its subsidiaries (the "Group") for the final year ended 31 December 2011 prepared in accordance with Hong Kong Financial Reporting Standards , together with the comparative figures of 2010. They are as follows, the audit committee of the Company has reviewed the annual results of this announcement:

I. **Financial highlights**

Consolidated income statement
For the year ended 31 December 2010
(All amounts in Renminbi thousand unless otherwise stated)

Consolidated profit statement
For the year ended 31 December 2011
(All amounts in Renminbi thousand unless otherwise stated)

		Year ended 31 December	
	Note	**2011**	**2010**
Revenues	2	2,959,662	2,552,664
Cost of sales		(1,554,737)	(1,227,602)
Gross profit		1,404,925	1,325,062
Other gains/(losses) - net		17,321	(697)
Administrative expenses		(66,129)	(56,481)
Operating profit		1,356,117	1,267,884
Finance costs	3	(127,249)	(137,549)
Share of profit of an associate		8,019	4,695
Profit before income tax		1,236,887	1,135,030
Income tax expense	4	(308,575)	(265,791)
Profit for the year		928,312	869,239
Attributable to:			
Equity holders of the Company		849,199	789,154
Minority interest		79,113	80,085
		928,312	869,239
Basic and diluted earnings per share (expressed inRMB per share)	5	0.5120	0.4758

Consolidated statement of comprehensive income
For the year ended 31 December 2011
(All amounts in Renminbi thousand unless otherwise stated)

	Year ended 31 December	
	2011	**2010**
Profit for the year	928,312	869,239
Other comprehensive income	—	—
Other comprehensive income for the year, net of tax	—	—
Total comprehensive income for the year	928,312	869,239
attributable to:		
Equity holders of the Company	849,199	789,154
Non-controlling equity	79,113	80,085
	928,312	869,239

Consolidated balance sheet
As at 31 December 2011
(All amounts in Renminbi thousand unless otherwise stated)

		As at 31 December	
ASSETS		**2011**	**2010**
Non-current assets			
Concession intangible assets		8,155,025	7,812,462
Land use rights		11,330	12,389
Property, plant and equipment		790,225	819,270
Investment properties		196,775	28,970
Intangible assets		2,367	1,800
Investments in an associate		29,285	31,564
Available-for-sale financial assets		300,000	—
		9,485,007	8,706,455
Current assets			
Inventories		3,413	3,761
Trade and other receivables		146,213	78,837
Cash and cash equivalents		597,802	756,507
		747,428	839,105
Total assets		10,232,435	9,545,560
Equity and Liability			
Equity attributable to owners of the Company			
Ordinary share capital		1,658,610	1,658,610
Share premium		1,415,593	1,415,593
Other reserves		316,074	235,174
Retained earnings			
— Proposed final dividend	6	348,308	348,308
— Others		2,637,120	2,217,129
		6,375,705	5,874,814
Non-controlling interests		294,276	270,597
Total equity		6,669,981	6,145,411

Consolidated balance sheet
As at 31 December 2011
(All amounts in Renminbi thousand unless otherwise stated)

	As at 31 December	
	2011	**2010**
LIABILITIES		
Non-current liabilities		
Long-term payables	366,921	307,814
Borrowings	2,290,023	2,173,657
Deferred income tax liabilities	71,691	59,896
Deferred income	43,799	45,972
	2,772,434	2,587,339
Current liabilities		
Trade and other payables	627,190	590,342
Current income tax liabilities	116,004	73,519
Provision	6,826	28,949
Borrowings	40,000	120,000
	790,020	812,810
Total liabilities	3,562,454	3,400,149
Total equity and liabilities	10,232,435	9,545,560
Net current assets / (liabilities)	(42,592)	26,295
Total assets less current liabilities	9,442,415	8,732,750

Consolidated cash flow statement
For the year ended 31 December 2011
(All amounts in Renminbi thousand unless otherwise stated)

	Attributable to equity holders of the Company					
	Ordinary share capital	Share premium	Other reserves	Retained earnings	Non-controlling Interests	Total
Balance at 1 January 2010	1,658,610	1,415,593	147,372	2,195,807	237,302	5,654,684
Comprehensive income						—
Profit for the year	—	—	—	789,154	80,085	869,239
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income	—	—	—	789,154	80,085	869,239
Profit appropriation	—	—	71,946	(71,946)	—	—
Others	—	—	15,856	(15,856)	—	—
Transactions with owners						
2009 final dividends	—	—	—	(331,722)	—	(331,722)
2009 dividends to non-controlling interests by a subsidiary	—	—	—	—	(51,411)	(51,411)
Difference between the carrying amount and undiscounted amount of interest free loan received from a on-controlling interest, net of tax	—	—	—	—	5,849	5,849
Disposal of a subsidiary	—	—	—	—	(1,228)	(1,228)
Balance at 31 December 2010	1,658,610	1,415,593	235,174	2,565,437	270,597	6,145,411
Comprehensive income						
Profit for the year	—	—	—	849,199	79,113	928,312
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income	—	—	—	849,199	79,113	928,312
Profit appropriation	—	—	82,276	(82,276)	—	—
Others	—	—	(1,376)	1,376	—	—
Transactions with owners						
2010 final dividends	—	—	—	(348,308)	—	(348,308)
2009 dividends to non-controlling interests by a subsidiary	—	—	—	—	(71,012)	(71,012)
Non-controlling interests to offer affiliates of the fair Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax	—	—	—	—	15,578	15,578
Balance at 31 December 2011	1,658,610	1,415,593	316,074	2,985,428	294,276	6,669,981

Consolidated cash flow statement
For the year ended 31 December 2011
(All amounts in Renminbi thousand unless otherwise stated)

	Year ended 31 December	
	2011	**2010**
Cash flows from operating activities		
Cash generated from operations	1,174,887	1,231,553
Interest paid	(119,621)	(120,023)
Income tax paid	(259,488)	(241,471)
Net cash generated from operating activities	795,778	870,059
Cash flows from investing activities		
Purchase of property, plant and equipment	(294,999)	(172,302)
Purchase of intangible assets	(1,193)	(900)
Purchase of Financial assets available for sale	(300,000)	—
Pay of equity bid bond	(50,000)	—
Proceeds from sales of available-for-sale financia assets	—	23,208
Proceeds from sales of property, plant and equipment	3,621	16,834
Net cash outflows from disposal of a subsidiary Interest received	—	(49)
Interest received	13,012	4,762
Dividend received from available-for-sale financial assets	3,990	—
Net cash used in investing activities	(625,569)	(128,447)
Cash flows from financing activities		
Proceeds from bank borrowings	151,000	366,900
Repayments of bank borrowings	(120,000)	(1,035,000)
Cash generating from a non-controlling interest's contribution to a subsidiary	60,000	22,500
Dividends paid to non-controlling interests	(71,012)	(51,411)
Dividends paid to the Company's shareholders	(348,308)	(331,722)
Net cash (used in) generated from financing activities	(328,320)	(1,028,733)
Net (decrease) increase in cash and cash equivalents	(158,111)	(287,121)
Cash and cash equivalents at beginning of the year	756,507	1,042,968
Exchange gains on cash and cash equivalents	(594)	660
Cash and cash equivalents at end of the year	597,802	756,507

Notes:

1. **Basis of preparation**

The consolidated financial statements of the Group, including the financial statements of the Company, have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets at fair value.

The preparation of these financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Change in accounting policy and disclosures

(a) ***New and amended standards adopted by the Group***

The Group has adopted the following new and amended HKFRSs for the financial year beginning 1 January 2011:

Hong Kong Accounting Standards 24 (Amendment) "Related Party" disclosures that it would come into force in January 2011 or after annual periods. This amendment introduces the exemption of all disclosure regulations among government-related subjects and these who traded with government in Hong Kong Accounting Standards 40. These disclosures are replaced by the provisions of the following disclosures:

- Qualities of government names and their relationships;
- Qualities and amounts of any individual major transactions;
- In the sense of meanings and amounts any major transaction;

This amendment also clarifies and simplifies the definition of related parties.

Annual Improvement promulgated by Hong Kong Institute of Certified Public Accountants in May 2010

Hong Kong Financial Reporting Standards 3 (Amendment)	Business Combination
Hong Kong Financial Reporting Standards 7 (Amendment)	Financial Instruments: Disclosure
Hong Kong Accounting Standards 1 (Amendment)	Financial Statement Delivery
Hong Kong Accounting Standards 27 (Amendment)	Combined and Separate Financial Statement
Hong Kong Accounting Standards 34 (Amendment)	Interim Financial Statement

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events):

- Hong Kong Accounting Standards 32 Amendment "Classification of Allotment of Shares"

- Hong Kong (The International Financial Reporting Interpretation Committee)-Interpretation Announcement 19 "Equity Instrument replaces Financial Liability

- Hong Kong Financial Reporting Standards 1 Amendment- "Hong Kong Financial Reporting Standards 7 comparison disclosures, there are some exemptions for first adopters"

- Hong Kong (The International Financial Reporting Interpretation Committee)-Interpretation Announcement 14 Amendment " Advance Payment ruled by Minimum Capital"

- Annual Improvement promulgated by Hong Kong Institute of Certified Public Accountants in May 2011

Hong Kong Financial Reporting Standards 1 (Amendment)	Firstly adopt Hong Kong Financial Reporting Standards
Hong Kong (The International Financial Reporting Interpretation Committee) -Interpretation Announcement 13	Customer Loyalty Plan

(c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted.

- Hong Kong Financial Reporting Standards 9 "Financial Instrument"

- Hong Kong Financial Reporting Standards 10 "Combined Financial Statement"

- Hong Kong Financial Reporting Standards 12 "Other Corpus Rights Disclosures"

- Hong Kong Financial Reporting Standards 13 "Fair Value Measurements"

- Hong Kong Financial Reporting Standards 7 (Amendment) "Disclosure-Financial Assets Assignment"

- Hong Kong Financial Reporting Standards 7 (Amendment) "Financial Instrument: Disclosure- Offset Financial Assets and Financial Liabilities.

- Hong Kong Financial Reporting Standards 32 (Amendment) "Financial Instrument: Expression-Offset Financial Assets and Financial Liabilities.

No other non-effective Hong Kong Financial Reporting Standards or Hong Kong (The International Financial Reporting Interpretation Committee)-Interpretation Announcement and anticipate there will be significant impact on the Group.

2. **Turnover - the Group**

	Year ended 31 December	
	2011	**2010**
Toll income from toll roads operation	2,163,722	2,069,404
Revenue from construction or upgrade work under Service Concessions		
Concessions	743,307	431,449
Service income from toll roads service sectors	21,077	20,897
- Rental income of Service Areas	7,200	7,000
- Rental income of other investment real estate	13,877	13,897
Income from emergency assistance	15,763	13,475
Service income from management of toll roads	15,371	17,299
Other	422	140
	2,959,662	2,552,664

3. **Finance costs - the Group**

	Year ended 31 December	
	2011	**2010**
Interest expense on:		
- bank borrowings	4,533	16,112
- corporate bonds	105,366	105,095
- interest payment	100,000	100,000
- bond premium amortization	5,366	5,095
- amortisation of long-term payables	17,350	16,342
	127,249	137,549

4. **Taxation - the Group**

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

	Year ended 31 December	
	2011	**2010**
Current taxation- CIT (a)	301,973	271,398
Deferred taxation charged to income	6,602	(5,607)
	308,575	265,791

(a) ***Hong Kong profits tax and PRC Corporate Income Tax***

There was no Hong Kong profits tax liabilities as the Group has no assessable income which is subject to Hong Kong profits tax.

The Company and its subsidiaries, associated companies determined and paid the PRC Corporate Income Tax ('CIT') in accordance with the CIT Law. Under the new CIT Law, the CIT rate applicable to the Company and its subsidiaries, associated companies is 25%.

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

According to the CIT law and the detailed implementation regulations, foreign shareholders are subject to a 10% WHT for the dividend repatriated by the Company. For certain treaty jurisdictions which had signed tax treaties with the PRC, the WHT rate is according to the tax treaties.

(c) ***The tax on the Group's profit before tax differs from the theoretical amount that would arise using the CIT rate for companies in PRC as follows:***

	Year ended 31 December	
	2011	**2010**
Profit before income tax	1,236,887	1,135,030
CIT rate	25%	25%
Tax calculated at the CIT rate	309,222	283,758
Expenses not deductible for tax purpose	2,592	266
Income not subject to income tax	(2,005)	(9,807)
Tax adjustment made after tax filing by tax bureau (a)	(1,234)	(8,426)
Tax Charges	308,575	265,791

(a) The Company acquired the non-controlling interests in Anhui Gao Jie Expressway Co., Ltd. ("Gao Jie") in 2005. After the acquisition, Gao Jie completed its de-registration process and merged all of its assets and liabilities into the Company based on their fair value. According to the China tax regulation, the tax base for these merged assets and liabilities shall be the fair value. However, the Company calculated current income tax expenses based on the net book value of these merged assets, which was required by local tax authority. During annual tax filing in 2010 in respect of 2009's taxable income, tax authority allowed the Company to declare current income tax expenses based on the fair value of these merged assets. Thus, related income tax of RMB8,426 thousand was adjusted in 2010 and credited to current income tax expenses.

5. **Earnings per share**

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

	Year ended 31 December	
	2011	**2010**
Profit attributable to equity holders of the Company	849,199	789,154
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.5120	0.4758

6. **Dividends**

The dividends paid during the years ended 31 December 2011 and 2010 were RMB 348,308 thousand (RMB 0.21 per share) and 331.722 thousand (RMB 0.20 per share) respectively. A final dividend in respect of 2011 of RMB 0.21 per share, amounting to a total dividend of RMB 348,308 thousand will be proposed at the Annual General Meeting on 25 May 2011. These financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2011	**2010**
Proposed final dividend of RMB 0.21 (2010: RMB 0.21) per ordinary share	348,308	348,308

7. **Impact of HKFRS adjustments on net profit and net assets**

The Group has prepared the statutory accounts in accordance with the PRC Accounting Standards ("CAS") and the PRC laws and financial regulations. The differences between CAS and HKAS lead to the differences between the statutory accounts and the accounts prepared under the Hong Kong GAAP. The differences are summarized as follows:

	Consolidated net profit (attributable to shareholders of the Company)		Consolidated net assets (attributable to shareholders of the Company)	
	2011	2010	31 December 2011	31 December 2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amount presented in accordance with the CAS	856,728	782,917	6,266,753	5,756,707
Difference and amounts -				
Valuation and Depreciation / amortization and deferred taxes	(7,529)	6,237	108,952	118,107
Reconciliation to HKAS	849,199	789,154	6,375,705	5,874,814

II. Final dividend and close of share transfer

The Board proposes to declare a final dividend of RMB0.21 per share (Taxation included) for the year ended 31 December 2011 to all shareholders.

The final dividend is subject to the approval of shareholders at the 2011 Annual General Meeting.

III. Business review

(In accordance with the PRC Accounting Standard unless otherwise stated)

(I) Results summary (In accordance with the PRC Accounting Standards)

During the reporting period, the Group achieved the operating income of RMB2,216,355 thousand (2010: RMB2,121,215 thousand), representing an increase of 4.49% over the corresponding period of the previous year; Total profit of RMB1,245,849 thousand (2010: RMB1,126,768 thousand), representing an increase of 10.57% over the corresponding period of the previous year; Net profit attributable to shareholders of the Company of RMB856,728 thousand (2010: RMB782,917 thousand), representing an increase of 9.43% over the corresponding period of the previous year; Basic earnings per share of RMB0.517 (2010: RMB0.472), representing an increase of 9.53% over the corresponding period of the previous year. The increase of net profit was mainly due to the increase of the operating income of the Group.

Composition and percentage of operating income (including principal business income and other business income) was as follows:

Items	**2011 (RMB'000)**	**Percentage of total revenue (%)**	**2010 (RMB'000)**	**Percentage of total revenue (%)**
Hening Expressway (G40 Hushan Expressway Hening Section)	953,722	43.03	864,579	40.77
New Tianchang Section of National Trunk 205	50,362	2.27	60,121	2.83
Gaojie Expressway (G50 Huyu Expressway Gaojie Section)	520,424	23.48	538,837	25.40
Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section)	424,604	19.16	410,756	19.36
Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section)	192,709	8.70	181,306	8.55
Ninghuai Expressway Tianchang Section	74,534	3.36	65,616	3.09
Total	2,216,355	100	2,121,215	100

(II) **Operations of toll highway Operation of various sections**

Items	**Interests**	**Converted average daily traffic volumes for entire journey (vehicle)**			**Toll income (RMB'000)**		
		2011	**2010**	**Change (%)**	**2011**	**2010**	**Change (%)**
Hening Expressway	100%	21,179	19,721	7.39	924,602	836,052	10.59
New Tianchang Section of National Trunk 205	100%	5,540	6,561	-15.56	49,332	59,026	-16.42
Gaojie Expressway	100%	10,777	11,507	-6.34	508,104	525,736	-3.35
Xuanguang Expressway	55.47%	15,116	14,609	3.47	421,203	408,330	3.15
Lianhuo Expressway Anhui Section	100%	8,243	7,742	6.47	188,229	177,097	6.29
Ninghuai Expressway Tianchang Section	100%	17,750	15,722	12.90	72,252	63,163	14.39

Items	**Interests**	**Ratio of passenger vehicles to goods vehicles**		**Toll income per vehicle (RMB)**		**Change**
		2011	**2010**	**2011**	**2010**	**Change (%)**
Hening Expressway	100%	65:35	62:38	18,904	17,094	10.59
New Tianchang Section of National Trunk 205	100%	37:63	36:64	4,505	5,391	-16.42
Gaojie Expressway	100%	47:53	43:57	12,655	13,094	-3.35
Xuanguang Expressway	55.47%	63:37	57:43	13,738	13,318	3.15
Lianhuo Expressway Anhui Section	100%	55:45	49:51	9,550	8,985	6.29
Ninghuai Expressway Tianchang Section	100%	74:26	77:23	14,139	12,361	14.39

Principal business in terms of industries and products

Name of roads	Operating income (RMB'000)	Operating costs (RMB'000)	Operating profit rate (%)	Change in operating income (%)	Change in operating costs (%)	Change in Operating profit rate (%)
In terms of industries						
Expressway operations	2,181,838	703,632	67.75	4.52	-1.58	An increase of 2.00 percent point
In terms of products						
Hening Expressway	935,272	305,089	67.38	10.46	-4.93	An increase of 5.28 percent point
New Tianchang Section of National Trunk 205	49,332	23,197	52.98	-16.42	-16.10	A decrease of 0.18 percent point
Gaojie Expressway	513,150	139,518	72.81	-3.32	-1.16	A decrease of 0.60 percent point
Xuanguang Expressway	421,203	123,840	70.60	3.15	19.56	A decrease of 4.03 percent point
Lianhuo Expressway Anhui Section	189,329	81,275	57.07	6.25	-12.66	An increase of 9.29 percent point
Ninghuai Expressway Tianchang Section	73,552	30,713	58.24	14.10	7.38	An increase of 2.61 percent point
Total	2,181,838	703,632	67.75	4.52	-1.58	An increase of 2.00 percent point

Since 2011, the Group has reclassified the path loss compensation income and employee compensation in management office and other expenses. In addition, it has reclassified that of the previous year in accordance with the same caliber. The above reclassification does not affect the Group's net profit, earnings per share and stockholder equity in the current year and comparison period. Please see the notes to financial statements for details. For detailed, please see the Notes to the Financial Statements 42.

During the reporting period, the toll income increased at a lower speed quarter by quarter, resulting from a drop in the volume of goods and passengers, which is due to the speed-drop in domestic needs and investment which was brought about by a lower GDP growth rate and the national tighten monetary policy and the increased intensity of the macro-control policy. The Group achieved the total toll income of RMB2,163,722 thousand, representing a 4.56% increase year-on-year.

Hening Expressway

During the year, toll income amounted to RMB924,602 thousand, representing an increase of 10.59% over last year; Average daily traffic volumes reached 21,179, representing an increase of 7.39% over last year. The increase in toll income is principally due to the natural increase in traffic volume and the adjustment of expressway tolling rate since November 2010.

New Tianchang Section of National Trunk 205

During the year, toll income amounted to RMB49,332 thousand, representing a decrease of 16.42% over last year; Average daily traffic volumes reached 5540, representing a decrease of 15.56% over last year. The drop in the toll income and the traffic volume is due to the reconstruction project on this section.

Ninghuai Expressway Tianchang Section

During the year, toll income amounted to RMB72,252 thousand, representing an increase of 14.39% over last year; Average daily traffic volume reached 17,750, representing an increase of 12.90% over last year. The increase of toll income was affected by traffic diverging due to the reconstruction on National Trunk 205。

Gaojie Expressway

During the year, toll income amounted to RMB508,104 thousand, representing a decrease of 3.35% over last year; Average daily traffic volumes reached 10,777, representing a decrease of 6.34% over last year, which is mainly caused by the decline in the number of goods vehicles and the traffic diverging since the Liuwu Expressway was opened to traffic.

Xuanguang Expressway

During the year, toll income amounted to RMB421,203 thousand, representing an increase of 3.15% over last year; Average daily traffic volumes reached 15,116, representing an increase of 19.46% over last year. The increase of toll income was mainly due to the natural increase of traffic volumes.

Lianhuo Expressway Anhui Section

During the year, toll income amounted to RMB188,229 thousand, representing an increase of 6.29% over last year; Average daily traffic volumes reached 8,243, representing an increase of 6.47% over last year. day on average, The increase in toll income is due to the natural increase in traffic volume and the adjustment of expressway tolling rate since November 2010.

(III) Operating conditions and results of principal subsidiaries and investee companies of the Company (In accordance with the PRC Accounting Standards)

Unit: RMB'000

Name	**Interests held by the Group**	**Registered capital**	**Assets**	**Net profit (Loss)**	**Principal business**
Xuanguang Company	55.47%	111,760	1,274,726	175,849	Construction, management and operation of Xuanguang Expressway
NingXuanhang Company	70%	100,000	1,208,214	0	Construction, design, supervision, toll collection, maintenance, management and technical consultation of highways and supporting service
Expressway Media	38%	50,000	151,373	21,105	Design, making, release and agency of domestic advertisements Information Investment
Xin'an Financial	16.67%	3,000,000	1,769,907	20,487	Financial Investment, equity investment, Management consulting

Note 1: All the above companies are incorporated in the PRC

Note 2: Ningxuanhang Company will be engaged in construction and operation of Ningxuanhang Expressway (Anhui Section). As at 31 December 2011, Ningxuanhang Company was still in the process of setting up.

(IV) Principal customers and suppliers

As the principal customers of the Company are users of toll highways, whereas the principal suppliers of the Company are contractors of toll highways, there is no further information on principal customers and suppliers to be disclosed.

(V) **Project Investment**

1. **Equity investment of the Company**

Unit: RMB'000

The Company's equity investment amount during the reporting period	300,000
Increase/decrease of the Company's equity investment amount during the reporting period	300,000
Equity investment amount of the corresponding period last year	0

2 Investments other than the use of proceeds

(1) **Reconstruction of National Trunk 205**

In order to further enhance service level and link up the built asphalt roads on both ends of Jiangsu at the same time, our company launched the "Black" reconstruction on Tianchang Section of National Trunk 205 in March, 2011. The budgeting according to working drawing was verified at RMB253 million and the work period is 16 months.

During the reporting period, this project completed the investment of RMB 181 million, totally RMB 181 million.

(2) **Construction of Ningxuanhang Expressway Xuancheng-Ningguo Section**

Ningxuanhang Expressway Xuancheng-Ningguo Section is a part of Ningxuanhang Expressway Anhui Section with a total mileage of 44km and investment of RMB2, 678 million, which began to be constructed in September 2009.

During the reporting period, RMB495 million was invested in the reconstruction works, as at the end of the reporting period, the accumulated investment was RMB1040 million.

(3) **Construction engineering of NingXuanhang Expressway Ningguo to Qianqiu section**

The project of NingXuanhang Expressway Ningguo to Qianqiu section is a part of that expressway anhui section, which is approximately 40 kilometers long and the total investment of RMB 2.928 billion. The project started work construction completely in March 2011.

during the Report period,it has completed RMB 0.154 billion investment.Reporting the final,the investment totaled 0.154 billion

(4) **Widening of four-lane to eight-lane of Hening Expressway**

The widening of four-lane to eight-lane of Hening Expressway with the section of Dashushan to inter-connected interchange of Longxi commenced in August 2006. The widening works is to be completed within 3 years with a total length of 42.64 km. The total investment of the widening works is expected to be approximately RMB1964 million. The project was completed in September 2009.

During the reporting period, RMB5 million was invested in the widening works because of the project settlement, as at the end of the reporting period, the accumulated investment was RMB1978 million.

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

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

During the reporting period, RMB103 million was invested in the reconstruction works, as at the end of the reporting period, the accumulated investment was RMB354 million.

(6) **Reconstruction of Gaojie Expressway**

The reconstruction of Gaojie Expressway was commenced at the end of 2007 with the budgetary estimate of RMB970 million within two years. The total investment of the reconstruction works is expected to be approximately RMB830 million. The project was completed in June 2009.

During the reporting period, RMB1 million was invested in the reconstruction works because of the project settlement, as at the end of the reporting period, the accumulated investment was RMB825 million.

3. **Use of proceeds**

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

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

IV. Major Shareholders

As of 31 December 2011, the total number of shareholders of the Company was 63,756, out of which there were 63,667 domestic shareholders and 89 H shareholders.

As at 31 December 2011, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons who were, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities of Futures Ordinance, was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were set out as follows:

Names	At end of period (shares)	Increase/ decrease during the reporting period	Type of shares	As a% of total share capital	Pledged or locked-up
Anhui Expressway Holding Group Company Limited	518,581,000(L)	—	State-owned shares	31.27%	No
China Merchants Huajian Highway Investments Company Limited	347,019,000(L)	—	State-owned Legal person shares	20.92%	No

Names	At end of period (shares)	Increase/ decrease during the reporting period	Type of shares	As a% of total H shares	Pledged or locked-up
Commonwealth Bank of Australia	43,572,000(L)	—	H Shares	8.84%	Not known
Colonial First State Group Ltd	33,358,000(L)	Not clear	H Shares	6.77%	Not known
Colonial Holding Company (No.2) Pty Limited	33,358,000(L)	Not clear	H Shares	6.77%	Not known
Colonial Holding Company Pty Ltd.	33,358,000(L)	Not clear	H Shares	6.77%	Not known
Colonial Ltd	33,358,000(L)	Not clear	H Shares	6.77%	Not known
First State Investment Managers (Asia) Ltd	33,358,000(L)	Not clear	H Shares	6.77%	Not known
First State Investments (Bermuda) Ltd	33,358,000(L)	Not clear	H Shares	6.77%	Not known
The Colonial Mutual Life Assurance Society Ltd	33,358,000(L)	Not clear	H Shares	6.77%	Not known
First State (Hong Kong) LLC	32,166,000(L)	Not clear	H Shares	6.52%	Not known
First State Investments (Hong Kong) Limited	30,712,000(L)	Not clear	H Shares	6.23%	Not known
First State Investments (Singapore)	30,608,000(L)	Not clear	H Shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited	30,608,000(L)	Not clear	H Shares	6.21%	Not known
Deutsche Bank Aktiengesellschaft	31,012,392 (L) 7,860,707 (P)	+1,278,345 +295,221	H Shares	6.29% 1.59%	Not known

Names	At end of period (shares)	Increase/ decrease during the reporting period	Type of shares	As a% of total H shares	Pledged or locked-up
JPMorgan Chase & Co.	39,187,670 (L)	+9,769,685	H Shares	7.95%	Not known
	0(P)	Not clear		0.00%	
	39,131,670 (Shares attributable to lend)	+12,491,685		7.94%	
Templeton Investment Counsel, LLC	27,372,592 (L)	+27,372,592	H Shares	5.55%	Not known

Save as disclosed herein, the Directors are not aware of any person who was, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any options in respect of such capital as at 31 December 2011.

V. Significant Connected Transactions

Connected transactions in relation to daily operations

Unit: RMB'000

Connected parties	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Percentage to the similar transactions	Payment method
Anhui Expressway Group	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	12,901	83.93	Transfer
Anlian Company	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	1,467	9.55	Transfer

Connected parties	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Percentage to the similar transactions	Payment method
Fuzhou Expressway	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	1,003	6.52	Transfer
Bangning Property	To receive management service of project construction HI-tech Park	Made by negotiations through fair principles with reference to its costs	852	0.08	Transfer
Xiandai Transportation	To receive Management service of project construction HI-tech Park	Made by negotiations through fair principles with reference to its costs	18,408	1.79	Transfer
Bangning Property	To receive property management service	Made by negotiations through fair principles with reference to its costs	5,077	71.46	Transfer
Expressway Inspection Center	To receive construction inspection service	Made by negotiations through fair principles with reference to its costs	3,749	0.36	Transfer
Highway Project Supervision Company	To receive supervisory service of project construction	Made by negotiations through fair principles with reference to its costs	7,365	0.71	Transfer

Connected parties	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Percentage to the similar transactions	Payment method
Expressway Media	Accept advertising business	Made by negotiations through fair principles with reference to its costs	617	41.33	Transfer
Yida Company	To lease service areas of the Company	To recognize on a straight-line basis over the lease period	7,200	34.16	Transfer
Yida Company	To lease the NO. 1 research and development building in New and High-tech Park	To recognize on a straight-line basis over the lease period	183	0.87	Transfer
Xiandai Transportation	To lease the NO. 9 research and development building in New and High-tech Park	To recognize on a straight-line basis over the lease period	241	1.14	Transfer
Expressway Petrochemical	To lease the NO. 1 research and development building in New and High-tech Park	To recognize on a straight-line basis over the lease period	15	0	Transfer
Remuneration of key administrators	To pay for key administrators		2,641	1.63	Transfer
Total			61,719		

Details please see the Note 40 to the financial report prepared in accordance with the Hong Kong Accounting Standards in the annual report.

VI. **Confirmation by the independent directors regarding connected transaction**

The independent non-executive directors of the Company have reviewed the above connected transactions and confirmed that:

1. The transactions were carried out in the normal and usual course of business of the Company;

2. The transactions were carried out on normal commercial terms (as compared with transactions of similar nature carried out by the similar entities in the PRC) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and

The transactions were carried out in accordance with the terms of agreement governing such transactions.

VII. **Material Litigation or Arbitration**

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

VIII. **Implementation of guarantee**

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

(RMB'000,000,000)

Guarantees provided by the Company to its controlling subsidiaries	
Total amount of guarantees provided for the controlling subsidiaries by the Company during the reporting period	0.51
Total balance of guarantees provided for the controlling subsidiaries as at the end of the reporting period	1.81
Total amount of guarantees provided by the Company (including guarantees provided for the controlling subsidiaries)	
Total guarantee amount	1.81

Total guarantee amount as a percentage of net asset value (%)	2.89
Of which:	
To provide for shareholders, real controller and its connected parties	0
To provide guarantee amount for guarantee agencies with asset-liability ratio more than 70% directly or indirectly	0
Guarantee amount more than 50% of net assets	0
Total guarantee amount of the above items	0

IX. Financial Entrustment

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

X. Entrusted Deposit and Overdue Fixed Deposit

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

XI. Staff Insurance and Welfare Protecting

The Company takes care of staff, protects the staff's legal interests and strictly complies with the State's social insurance policies. According to the relevant State's stipulation, the Company has arranged the old-age insurance, basic medical insurance, unemployment insurance, injury insurance and child-bearing insurance for the staff and paid the above insurance fee in full. The Company paid RMB18,820,000 of various social insurance fee. At the same time, the Company has arranged the complement medical insurance and accident injury insurance for the staff.

In 2011, the Company arranged RMB11,330 thousand of housing accumulation fund for staff.

In addition to the above social security plans, the Company established a multi-level social security system, which protects the benefits of staff and strengthens the cohesion, unity and competitiveness of the Company. In 2008, the Company had completed the establishment of enterprise annuity plan according to the actual situation of the Company and relevant requirements of the Enterprise Annuity Tentative Procedures. In 2011, the total enterprise annuity expenses were RMB3,910,000.

XII. Shareholdings of Directors, Supervisors and Senior Management

As at 31 December 2010, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in any shares, or underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests which he was taken or deemed to have under such provisions of the Securities and Futures Ordinance) or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and the Takeovers Code.

XIII. Purchase, Sale and Redemption of Listed Shares

During the reporting period, the Company had not redeemed any of its listed shares, nor had it purchased or re-sold any listed shares of the Company.

XIV. Code on Corporate Governance Practices

The Directors are of the opinion that the Company has complied with the Code of Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities formulated by The Stock Exchange of Hong Kong Limited during 2010.

XV. Audit Committee

The Audit Committee was set up in August 1999 by the Company. It consists of 3 directors, of which 2 are independent directors. The Audit Committee is mainly responsible for supervising the Company's internal control system and its execution, evaluating financial information and related disclosure, reviewing the internal control system, auditing major connected transactions and also communicating, supervising and investigating the Company's internal and external audits.

In 2011, the Audit Committee convened 4 meetings, which reviewed the annual, interim and quarterly financial statements of the Company. After evaluating these financial statements with regard to their integrity, accuracy and fairness, the members unanimously confirmed that the financial status of the Company was accurately revealed with a complete disclosure of related information in the financial statements.

XVI. **Review and Outlook**

First we must aware that the development of the company is facing complex and serious situation this year. The current world economic situation is facing rising uncertain and unstable factors: European debt crisis goes one after another; emerging economies are slowing down; the world economy is facing increased downside risks. Unbalanced, uncoordinated and unsustainable contradictions are still outstanding in China's economic development. We are facing both the domestic economic growth and price hike pressures, which have an impact on the Group's development. Mainly shown in the slowdown in toll revenue growth rate will be further continued. In addition, the Group's highway construction is also facing the dual pressures of investment rising costs, more difficult financing.

Overall, the 2012 transport development in Anhui Province enjoys a lot of favorable conditions and factors: First, China's macro economy still maintained rapid growth, controlled inflation trend, the fundamentals of economic development and long-term favorable trend has not changed. Second, the implementation of some major regional economic strategies have put forward higher requirements on the layout of the highway network, the transport capacity, efficiency and quality of service, and in turn will provide the development of transportation with more and more nurturing and support. In 2012, Anhui will continue to unswervingly push forward the construction of transport infrastructure, planned investment in transportation infrastructure RMB27 billion, and strive to RMB30 billion, the new highway mileage 150 km, the total mileage of up to 3200 kilometers.

In 2012, we will make a correct understanding of the new environment, new opportunities inherent in the new policy; fully aware of the new features of the company's current stage development; keep a clear mind, and enhance the sense of urgency, fully estimate difficulties and problems, actively seize opportunities, firm confidence of development, carry out work from the following aspects:

First, from the changes in economic situation, company must settle the financing problems, and promote the project as an urgent task; second, from the adjustment of industry policy, company must implement the comprehensive publicizing, strengthen plugging and increasing income as key work; third, company must take basing on the main business, appropriately diversified expansion as strategic orientation; Fourth, from the perspective of scientific development, the company must strengthen internal controls, and implement cultural management as a fundamental measure; Fifth, proceed from the fundamental interests of the majority shareholders, the company must strengthen cost control, and enhance profitability as the basic idea.

By order of the Board
Zhou Renqiang
Chairman

Hefei, The PRC, 27 March 2012

As at the date of this Announcement, the board of directors of the Company comprises: Zhou Renqiang, Tu Xiaobei, Li Junjie, Li Jiezhi, Liu Xianfu, Meng Jie, Hu Bin, Yang Mianzhi and To Cheng Chi.

A detailed interim results announcement containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 to the Listing Rules will be subsequently published on the Stock Exchange's website in due course: http://www.hkex.com.hk