



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 with limited liability as a joint stock limited company)

(Stock Code: 995)

2006 Third Quarterly Report

This announcement is made pursuant to Rule 13.09 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

For the three months ended 30 September 2006, the Group recorded the income from core business of RMB402,047,000, representing an increase of 6.80% as compared with that of the corresponding period last year; profit from core business of RMB277,359,000, representing an increase of 17.42% as compared with that of the corresponding period last year; net profit of RMB201,076,000, representing an increase of 26.40% as compared with that of the corresponding period last year.

All the financial information set out in the 2006 Third Quarterly Report of the Company and its subsidiaries in accordance with the applicable PRC Accounting Standards. In accordance with the applicable rules of the Shanghai Stock Exchange of the PRC (on which the Company's A shares are listed), the 2006 Third Quarterly Report of the Company and its subsidiaries will be published on 30 October 2006 in designated newspapers circulated in the PRC.

In accordance with the applicable rules of the Shanghai Stock Exchange of the People's Republic of China (the "PRC") (on which the Company's A shares are listed), a report of Anhui Expressway Company Limited (the "Company") and its subsidiaries (regarded as the "Group" combined with the Company) for the Third Quarterly Report of 2006 ("the 2006 Third Quarterly Report") will be published on 30 October 2006 in designated newspapers circulated in the PRC. All the financial information set out in the 2006 Third Quarterly Report has been prepared in accordance with the applicable PRC Accounting Standards. The following is the main text of the 2006 Third Quarterly Report:

1. Important Notice

- The board of directors of the Company (the "Board") warrants that there are no false accounts, misleading presentations or material omissions in this report, and the directors of the Company jointly and severally accept responsibility for the truth, accuracy and completeness of the contents in this report.
- All the directors of the Company attended the Board meeting.
- The financial information in this report has not been audited.
- Mr. Wang Shui, Chairman of the Company, Mr. Li Yungui, Director and General Manager of the Company and Ms. Liang Bing, Manager of Financial Department of the Company warrant the truth and completeness of the financial information in this report.

2 Corporate Profile

2.1 Corporate Information

Short name of the Company's A shares	Wantong Expressway	Stock name before change (if applicable)	G Wantong
Stock code of the Company's A shares	600012		
Short name of the Company's H shares	Anhui Expressway	Stock name before change (if applicable)	
Stock code of the Company's H shares	0995		
	Company Secretary		Representatives of the Securities Affairs
Name	Xie Xinyu	Han Rong, Ding Yu	
Contact address	520 Wangjiang West Road, Hefei, Anhui, the PRC		520 Wangjiang West Road, Hefei, Anhui, the PRC
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2.2 Financial Information

2.2.1 Major accounting data and financial indicators

Unit: RMB

	As at the end of the reporting period under review	As at the end of previous financial year	Change (%)
Total assets	7,182,544,858.54	6,970,437,823.83	3.04
Shareholders' equity (excluding minority interests)	4,695,837,754.14	4,636,191,707.77	1.29
Net asset per share	2.83	2.80	1.07
Adjusted net asset per share	2.83	2.80	1.07
	Reporting period (July-September)	From beginning of the year to the end of the reporting period (January-September)	Change (%)
Net cash flows from operating activities	288,088,951.78	791,205,864.63	44.29
Earnings per share	0.1212	0.3160	25.20
Returns on net asset (%)	4.28	11.16	18.56
Returns on net asset after extraordinary items (%)	4.26	11.14	11.15
Extraordinary items			Amount (Unit: RMB)
Non-operating income			1,231,456.47
Non-operating expenses			-110,881.76
Taxation of extraordinary items			-292,661.56
Total			827,913.15

2.2.2 Profit Account

Unit: RMB Unaudited

Items	Consolidated		Parent company	
	During the reporting period under review (July-September)	Corresponding period last year (July-September)	During the reporting period under review (July-September)	Corresponding period last year (July-September)
1. Income from core business	402,046,844.60	376,464,711.18	339,383,263.70	212,627,830.22
Less: Costs of core business	112,201,401.20	128,363,916.41	94,474,953.54	53,975,667.17
Taxation and surcharge of core business	12,486,792.53	11,887,249.11	10,356,499.06	6,429,754.30
2. Profit from core business ("-"representing loss)	277,358,650.87	236,213,545.66	234,551,811.10	152,222,408.75
Add: Profit from other business ("-"representing loss)	3,276,909.79	1,602,252.23	3,050,216.11	1,211,371.05
Less: Operating expenses				
Management expenses	23,143,800.95	28,378,501.20	18,185,627.06	24,999,752.58
Finance expenses	13,567,007.89	2,581,142.56	13,589,837.30	2,646,353.07
3. Operating profit ("-"representing loss)	243,924,751.82	206,856,154.13	205,826,562.85	125,787,674.15
Add: Investment income ("-"representing loss)	112,630.16	0	25,829,643.71	52,156,304.70
Subsidy income				
Non-operating income	658,002.80	123,190.51	365,014.76	11,165.00
Less: Non-operating expenses	30,064.04	3,332,841.06	19,511.00	
4. Total profit ("-"representing total loss)	244,665,320.74	203,646,503.58	232,001,710.32	177,955,143.85
Less: Income tax	43,624,341.35	44,599,970.51	30,925,809.99	18,869,825.87
Less: Profit/loss attributable to minority interests	-34,920.94	-38,784.91		
Add: Unrecognized investment loss (Consolidated Statement)				
5. Net profit ("-"representing net loss)	201,075,900.33	159,085,317.98	201,075,900.33	159,085,317.98

Unit: RMB Unaudited

Items	Consolidated		Parent company	
	During the reporting period under review (January-September)	Corresponding period last year (January-September)	During the reporting period under review (January-September)	Corresponding period last year (January-September)
1. Income from core business	1,211,402,014.99	1,143,321,890.36	881,650,463.54	648,601,614.83
Less: Costs of core business	396,498,093.36	427,377,894.77	286,593,828.39	218,595,901.23
Taxation and surcharge of core business	38,015,949.70	49,931,429.15	26,912,913.60	27,273,817.26
2. Profit from core business ("-"representing loss)	776,887,971.93	666,012,566.44	568,143,721.55	402,731,896.34
Add: Profit from other business ("-"representing loss)	22,284,239.03	4,689,361.83	19,948,217.04	1,586,213.44
Less: Operating expenses				
Management expenses	102,793,656.41	105,511,814.93	82,073,733.03	80,174,550.14
Finance expenses	41,432,946.74	10,333,916.96	41,793,483.10	11,221,270.07
3. Operating profit ("-"representing loss)	654,945,607.81	554,856,196.38	464,224,722.46	312,922,289.57
Add: Investment income ("-"representing loss)	1,319,774.06	816,362.84	129,295,278.43	152,810,725.44
Subsidy income				
Non-operating income	1,231,456.47	160,130.51	448,000.41	37,665.00
Less: Non-operating expenses	110,881.76	14,969,001.90	19,511.00	181,895.75
4. Total profit ("-"representing total loss)	657,385,956.58	540,863,687.83	593,948,490.30	465,588,784.26
Less: Income tax	133,445,131.86	122,316,975.08	69,891,643.93	46,916,708.82
Less: Profit/loss attributable to minority interests	-116,021.65	-125,362.69		
Add: Unrecognized investment loss (Consolidated Statement)				
5. Net profit ("-"representing net loss)	524,056,846.37	418,672,075.44	524,056,846.37	418,672,075.44

- The total number of shareholders and shareholding of the ten largest shareholders of unrestricted circulating shares of the Company at the end of the reporting period (The Share Segregation reform has been completed)

Unit: share

Name of shareholders (full name)	The number of unrestricted circulating shares	Type of shares
HKSCC NOMINEES LTD (agent)	486,149,898	Overseas-listed foreign shares
National Social Insurance Fund -108 Composition	20,737,718	Renminbi-denominated ordinary shares
Franklin Guohai Elastic Market Value Stock Securities Investment Fund	13,825,988	Renminbi-denominated ordinary shares
Boshi Theme Industry Stock Securities Investment Fund	11,739,897	Renminbi-denominated ordinary shares
National Social Insurance Fund-102 Composition	8,714,255	Renminbi-denominated ordinary shares
National Social Insurance Fund-103 Composition	5,919,851	Renminbi-denominated ordinary shares
Boshi Value Growth Securities Investment Fund	5,700,000	Renminbi-denominated ordinary shares
Guangfa Strategic and Optimal Mixed Form Securities Investment Fund	5,000,466	Renminbi-denominated ordinary shares
ARSENTON NOMINEES LIMITED (agent)	4,802,000	Overseas-listed foreign shares
Huifeng-SOCIETE GENERALE	4,000,000	Renminbi-denominated ordinary shares

3 Management Discussion and Analysis

3.1 Brief analysis on the Company's operating activities during the period under review

During the reporting period, the Company's operation was in good shape, and its highways experienced steady growth in toll revenue. The Group recorded an income from core business of RMB402,047,000, representing an increase of 6.80% compared with that of the corresponding period last year; profit from core business of RMB277,359,000, representing an increase of 17.42% compared with that of the corresponding period last year; net profit of RMB201,076,000, representing an increase of 26.40% as compared with that of the corresponding period last year. The increase rate of profit was higher than that of the income was mainly due to the deduction of costs expenditure compared with that of the corresponding period of last year.

During the reporting period, the operations of highways of the Company were as follows:

Name of roads	Income from core business (RMB'000)	Change (%)	Converted average daily traffic volumes for entire journey (vehicle)	Change (%)
Hening Expressway	151,204	13.80	13,534	11.09
New Tianchang Section of National Trunk 205	28,873	17.30	16,148	8.62
Gaojie Expressway	97,980	8.30	8,092	7.28
Xuanguang Expressway	62,664	-14.59	8,392	-4.78
Lianhuo Expressway Anhui Section	61,326	11.21	9,326	13.58

During the reporting period, traffic volumes of Xuanguang Expressway decreased slightly, which was due to its reconstruction and its connecting part in Zhejiang Province (The reconstruction of Xuanguang Expressway was completed on 20 October and its connecting part in Zhejiang province was completed on 30 October). Apart from Xuanguang Expressway, the traffic volumes of all other highways increased to some extent, which was mainly due to the fast growing regional economy.

Some characteristics appeared in the region and structure of traffic volumes' change:

(1) The increase of traffic volumes originated from economic growth mainly reflects on the national roads which means important road sections can benefit more from economic growth, the trend of which remains to be observed; (2) Traffic volumes of each highway of the Company represent a trend that the percentage of passenger vehicles rises and goods vehicles drops, which will keep continuous in the coming 1-2 years.

3.1.1 Core industries or products representing more than 10% of the turnover or profit of the core business are as follows:

Applicable  Not applicable

Unit: RMB'000 Unaudited

	Income from core business	Costs of core business	Gross margin (%)
<i>Industries</i>			
Toll roads	402,047	112,201	68.99
<i>Products</i>			
Hening Expressway	151,204	23,118	81.66
New Tianchang Section of National Trunk 205	28,873	6,473	74.53
Gaojie Expressway	97,980	47,812	48.15
Xuanguang Expressway	62,664	17,726	68.31
Lianhuo Expressway Anhui Section	61,326	17,072	69.11
Including: Connected transactions	0		

3.1.2 Seasonal or periodic features of the Company's operations

Applicable  Not applicable

3.1.3 Composition of profit for the reporting period (disclosure as to any material changes and reasons for the changes in the profit from core business, profit from other business, expenses for the period, investment income, subsidy income and the percentage of net non-operating income/expenses to total profit when compared with that of the previous reporting period)

Applicable  Not applicable

3.1.4 Major changes of the core business and its structure compared with that of the previous reporting period and the reason for the changes

Applicable  Not applicable

3.1.5 Major changes of profitability (gross margins) of the core business compared with that of the previous reporting period and the reason for the changes

Applicable  Not applicable

3.2 Major events and analysis on its effects and solutions

Applicable  Not applicable

Connected transactions related to daily operations

Significant connected transactions in relation to merchant's sales and providing service

Unit: RMB

Connected parties	Contents of connected transactions	Price-making principles of connected transactions	Price of connected transactions	Amounts of connected transactions	Percentage to the similar transactions (%)	Method of payment	Market price
Anhui Kaiyuan Road Maintenance Engineering Company Limited	To undertake the maintenance engineering of Xuanzhou South Ring Road	Made by negotiations through fair principles with reference to the tender documents		1,460,110.43	1.62	Credit payment	
Anhui Kaiyuan Road Maintenance Engineering Company Limited	To undertake the road surface maintenance of Lianhuo Expressway Anhui Section	Made by negotiations through fair principles with reference to the tender documents		4,971,047.07	5.51	Credit payment	

3.3 Disclosure for the reasons for the changes in accounting policies, accounting estimates, consolidations and major accounting errors

Applicable  Not applicable

3.4 Relevant explanations by the Board and the supervisory committee of the Company in respect of "qualified audit opinion"

Applicable  Not applicable

3.5 Forecast of a probable loss in respect of the accumulated net profit from the beginning of the financial year to the end of the next reporting period or warning in respect of any significant changes of profit as compared with that of the corresponding period of last year and the reasons

Applicable  Not applicable

3.6 Disclosure as to any continuous adjustments to the annual operating plan or budget previously disclosed by the Company.

Applicable  Not applicable

3.7 Particular undertakings made by the shareholders of non-circulating shares of the Company during the Share Segregation Reform and their implementation.

Applicable  Not applicable

Name of shareholders	Particular commitments	The implementation of their undertakings
Anhui Expressway Holding Corporation	(1) The Shareholders of Non-circulating Shares have undertaken to pay relevant expenses arising from the Share Segregation Reform proportional to the respective percentages of the Company's Non-circulating Shares held by them immediately prior to the implementation of the Share Segregation Reform; (2) Within 3 years from the implementation date of the Share Segregation Reform Proposal, the Shareholders of Non-circulating Shares undertook to sell their shares, if they need to, with the price not less than RMB8.28 (such price to be calculated on an ex-rights basis if dividends distribution, allotment of shares and capitalization of capital reserve are implemented); The proceeds from any sale by Shareholders of Non-circulating Share in breach of such undertaking shall be reverted to the Company's account for the benefit of all shareholders of the Company; (3) All Shareholders of Non-circulating Shares undertook that, during three continuous years immediately following the completion of implementation of the Reform Proposal, they should propose at the annual general meeting of the Company that the Company's dividends distributable in cash shall not be less than 60% of the period available for distribution to the shareholders for the corresponding periods and undertook to vote for such resolutions at the annual general meeting; (4) Shareholders of Non-circulating Shares undertook that, upon the completion of this Share Segregation Reform, they will make recommendation for formulation of long term incentive scheme, including the share incentive scheme, to the Board of Directors of the Company. Such long-term incentive scheme will be implemented by Board of Directors in accordance with the relevant regulation of the State or upon approval by the general meeting of shareholders; (5) In the future, Anhui Expressway Holding Corporation will continue to support the Company to purchase good-quality road assets owned by Anhui Expressway Holding Corporation, as always, pay attention to protect shareholders' interests.	Implemented their undertakings carefully without breach.
Huajian Transportation Economic Development Center		

3.8 As at the announcement date of this quarterly report, explanation to time arrangement of Share Segregation Reform of the companies without entering into Share Segregation Reform procedure.

Applicable  Not applicable

As at the announcement date of this quarterly report, relevant explanation of the companies without entering into Share Segregation Reform procedure.

Applicable  Not applicable

By Order of the Board  
Xie Xinyu  
Company Secretary

27 October 2006  
Hefei, Anhui, the PRC

As at the date of this announcement, the Board comprises of: Wang Shui, Li Yungui, Tu Xiaobei, Zhang Hui, Zhang Wensheng, Li Zhanglin, Leung Man Kit, Li Mei and Guo Shan