

**Guangdong Provincial Expressway Development Co., Ltd.**

**2015 Annual Report**

**March 2016**

## I. Important Notice, Table of Contents and Definitions

The Board of Directors and the directors, Supervisory Committee and supervisors and Senior Executives of the Company hereby warrant that at the year , there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

Mr.Zhu Zhanliang, The Company leader, Mr. Wang Chunhua, General Manager, Mr. Fang Zhi, Chief financial officer and the Ms.Liu Xiaomei, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in this annual report.

All the directors attended the board meeting for reviewing the Annual Report.

The toll revenues of Expressway is main source of the major business income of the company , The charge standard of vehicle toll must be submitted to the same level people's government for review and approval after the transport regulatory department of province, autonomous region or municipality directly under the central government in conjunction with the price regulatory department at the same level consented upon examination. Therefore, the adjustment trend of the charge price and the charge price if has the corresponding adjustment in the future price level when the cost of the company rises still depend on the approval of relevant national policies and government departments, and the company isn't able to make timely adjustment to the charge standard in accordance with the its own operation cost or the change of market supply demand. So, the change of charge policy and the adjustment of charge standard also have influence on the expressways operated by the company to some extent. So, the charging policy changes and charges adjustment will affect the highways operation of the company.

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows:

1, 257, 117, 748 for the base, the Company would distribute cash dividend to all the shareholders at the rate of CNY1.50 for every 10 shares (with tax inclusive) , 0 bonus shares (including tax) and no reserve would be converted into share capital.

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## Definition

Terms to be defined	Refers to	Definition
The Company /This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Guangfo Company	Refers to	The controlling subsidiary Guangfo Expressway Co., Ltd.
Fokai Company	Refers to	The controlling subsidiary Fokai Expressway Co., Ltd.
Technology Company	Refers to	Guangdong Expressway Technology Investment Co., a wholly-owned subsidiary of the Company
Communication Group	Refers to	The controlling parent Company, Guangdong Communication Group Co., Ltd.

## II. Basic Information of the Company and Financial index

### 1. Company Information

Stock abbreviation:	Guangdong Expressway A,B	Stock code:	000429、200429
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	广东省高速公路发展股份有限公司		
Chinese Abbreviation	粤高速		
English name (If any)	Guangdong Provincial Expressway Development Co.Ltd.		
English Abbreviation (If any)	GPED		
Legal Representative	Zhu Zhanliang		
Registered address	85 Baiyun Road, Guangzhou, Guangdong Province		
Postal code of the Registered Address	510100		
Office Address	45-46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe Disrtict , Guangzhou		
Postal code of the office address	510623		
Internet Web Site	www.gpedcl.com		
E-mail	zqb@gdcg.cn		

### 2. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Zuo Jiang	Feng Xinwei
Contact address	46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe Disrtict , Guangzhou	45/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe Disrtict , Guangzhou
Tel	020-29004609	020-29004522
Fax	020-38787002	020-38787002
E-mail	zuojiang@126.com	fengxw2007@163.com

### 3. Information disclosure and placed

Newspapers selected by the Company for information disclosure	Securities Times, China Securities, Shanghai Securities Daily and Hongkong Commercial Daily.
Internet website designated by CSRC for publishing the Annual report of the Company	www.cninfo.com.cn
The place where the Annual report is prepared and placed	Securities affair Dept of the Company

#### 4.Changes in Registration

Organization Code	19035210-2
Changes in principal business activities since listing (if any)	No change
Changes is the controlling shareholder in the past (if any)	On November 2000, In accordance with Cai Guan Zi (2008) No. 109 Document of Ministry of Finance and Yue Ban Han (2000) No. 574 Document of General Office of Guangdong People's Government, the state-owned shares of Guangdong Expressway originally entrusted to Guangdong Expressway Company (now renamed as "Guangdong Provincial Expressway Co., Ltd.") for management were transferred to Guangdong Communication Group Co., Ltd. for holding and management in November 2000. After the transfer of state-owned shares, Guangdong Communication Group Co., Ltd. became the largest shareholder of the Company. The nature of equity was defined as state-owned shares.

#### 5. Other Relevant Information

##### CPAs engaged

Name of the CPAs	Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd.
Office address:	10/F,Yuehai Group Building, No.555 Dongfeng East Road, Guangzhou
Names of the Certified Public Accountants as the signatories	Wang Shaohua, Yao Jing

The sponsor performing persistent supervision duties engaged by the Company in the reporting period.

Applicable     Not applicable

The Financial advisor performing persistent supervision duties engaged by the Company in the reporting period

Applicable     Not applicable

#### 6.Summary of Accounting data and Financial index

May the Company make retroactive adjustment or restatement of the accounting data of the previous years due to change of the accounting policy and correction of accounting errors.

Yes     No

	2015	2014	Changed over last year (%)	2013
Operating Gross income (RMB)	1,545,498,589.11	1,455,054,983.70	6.22%	1,327,506,119.78
Net profit attributable to the shareholders of the listed company (RMB)	469,386,906.79	318,754,807.85	47.26%	127,777,721.75
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed	442,162,503.47	307,337,119.08	43.87%	71,552,326.17

company (RMB)				
Cash flow generated by business operation, net (RMB)	996,993,291.19	967,241,746.79	3.08%	757,451,778.50
Basic earning per share(RMB/Share)	0.37	0.25	48.00%	0.10
Diluted gains per share(RMB/Share)(RMB/Share)	0.37	0.25	48.00%	0.10
Net asset earning ratio (%)	9.22%	6.90%	2.32%	3.01%
	End of 2015	End of 2014	Changed over last year (%)	End of 2013
Gross assets (RMB)	12,107,767,967.86	12,513,505,946.42	-3.24%	12,694,475,514.01
Net assets attributable to shareholders of the listed company (RMB)	5,209,289,822.59	5,016,176,476.09	3.85%	4,237,999,072.46

## 7.The differences between domestic and international accounting standards

1. Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

Applicable  Not applicable

N/A

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

Applicable  Not applicable

N/A

## 8.Main Financial Index by Quarters

	In RMB			
	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	357,469,802.88	366,923,084.71	410,958,621.31	410,147,080.21
Net profit attributable to the shareholders of the listed company	89,949,365.89	141,906,004.20	161,435,234.27	76,096,302.43
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	87,373,228.21	140,656,775.94	151,723,812.80	62,408,686.52
Net Cash flow generated by business operation	240,651,340.48	277,430,290.27	295,294,269.20	183,617,391.24

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

Yes     No

### 9. Items and amount of non-current gains and losses

Applicable     Not applicable

In RMB

Items	Amount (2015)	Amount (2014)	Amount (2013)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	21,188,094.05	149,097.85	-23,918,178.20	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	480,000.00	150,000.00	450,000.00	
Gain/loss on non-monetary asset swap			13,323,796.97	
Except the effective hedge business related to the normal operation business of the Company, the profit and loss in the changes of fair values caused by the holding of tradable financial assets and tradable financial liabilities as well as the investment returns in disposal of tradable financial assets, tradable financial liabilities and saleable financial assets			3,493,826.63	
Single impairment test for impairment of receivables transferred back to preparation		8,652,012.00		
Operating income and expenses other than the aforesaid items	24,879,481.73	-838,802.06	-1,263,509.69	
Other non-business income and expenditures other than the above	854,210.29	2,991,262.39		
Less: Amount of influence of income tax	11,529,933.00	-179,496.34	-36,651,119.93	
Amount of influence of minority interests(after tax)	8,647,449.75	-134,622.25	-27,488,339.94	
Total	27,224,403.32	11,417,688.77	56,225,395.58	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable     Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss.



### III. Outline of Company Business

#### I. Main Business the Company is Engaged in During the Report Period

The company belongs to the infrastructure industry and the company's main business covers the construction of expressways, classified highways and bridges, toll and maintenance of highways and bridges, vehicle rescue, maintenance and cleaning and the company has the matching business of transportation and warehousing. The company is one of the major institutes for developing expressways and large bridges in the Expressway System of Guangdong Province.

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway, investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Jingzhu Expressway Guangzhou Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd., Ganzhou Kangda Expressway, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd. and Guangdong Guangle Expressway Co., Ltd..

#### II. Major Changes in Main Assets

##### 1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	Mainly for the comprehensive influence of the increase in the joining company's dividend distribution and investment income.
Fixed assets	The depreciation of Guangfo Company and Fokai Company at the current period.
Intangible assets	No significant changes.
Construction in process	No significant changes.
Available for sale financial assets	The share price of China Everbright Bank held by the Company fell, which resulted in decreases in the fair value at the end of period.
Account receivable	Main reason of increase was the delayed settlement, separation and transfer of network toll collection center.
Monetary funds	Comprehensive influence of accumulation in business, the obtained investment income, the repayment of bank loan and dividend.

##### 2. Main Conditions of Overseas Assets

Applicable      Not applicable

### **III. Analysis On core Competitiveness**

The toll revenue of expressway industry mainly depends on the regional economic development. The regional economy is the critical factor that influences the traffic volume. The Guangfo expressway and the Fokai expressway, controlled by the company, are part of the National Expressway Network Planning-“Five vertical and seven horizontal”, and many of the company’s equity-participation expressways that are part of the main skeleton of the Guangdong Provincial Expressway Planning-“Ten vertical and five horizontal”, which provides a strong guarantee for stable traffic volume. Meanwhile, the regional economy is the critical factor that influences the traffic volume, as Guangdong province is the economically developed region, with years’ continuous high growth of GDP, so that provides the stable rising demand for the company.

## IV. Management's Discussion and Analysis

### I. General

In 2015, The board of directors of the Company actively implemented all resolutions of shareholders' general meeting, duly performed its duties, Operated the company management team, In the key year of comprehensive deepening reform, the company focused on the overall strategic target of "being stronger and excellent" to further promote the development of the enterprise transformation, for successfully completing every annual target task.

#### 1. Perfecting the self-construction of the board of directors and continuously strengthening the, corporate governance

The board of directors totally convened and organized 4 general shareholder meetings which all adopted a combination of on-site and online voting method to convene, so that adequately protected the-right-to-know and voting rights of the shareholders particularly for minority shareholders, therefore the rights and interests of investors were protected.

#### 2. Continually enhancing the construction of internal control system

In 2015, the company's board of directors conscientiously performed the guidance, evaluation and management so forth responsibilities and continually enhanced the construction of internal control system and continually engaged the external audit agency for the company's annual internal-control audit. As to the reasonable suggestions provided by the external audit agency on internal control system, daily operations and managements, finance and bushiness, the company's board of directors had organized relevant departments and related companies for seriously rectifying and improving to ensure the relevant risks were effectively controlled.

#### 3. Working together for providing compliance support to the major asset restructuring

Upon the joint efforts made by the company and related parties and the intermediary agency, the item of the major asset restructuring by Guangdong Expressway in year 2015 had been approved in the general shareholder meeting in Sep, 2015 with high-proportion of affirmative votes, and the major asset restructuring plan had been approved by the CSRC on Feb 5, 2016.

#### 4. Successful completion of information disclosure work of year 2015 by the company.

In 2015, according to the relevant regulations and requirements of information disclosure stipulated by CSRC and Shenzhen Stock Exchange, the board of directors further enhanced the garnering, feedback, filing and reviewing of the material information and disclosed the information timely in accordance with relevant provisions, ensuring the truthfulness, accuracy and completeness of the contents of the information disclosed. There were aggregately 4 annual reports and 69 provisional reports issued in the name of the board of directors in year 2015 and all the reports were in line with the requirements by Shenzhen Stock Exchange.

## 5. Continually strengthening the management of investor relations

Through the online communication day, investor relations interaction platform and hotline for investors, the board of directors had communicated and exchanged with the investors under in compliance with the relevant law and regulations. The company's inside director, on behalf the board of directors, participated in the illustration meeting of the company's business performance of year 2015; aggregately participated in 11 times of online reception days for investor interactions and accumulatively answered about 200 questions, which timely and effectively completed the information disclosure of the major asset restructuring and the communication task with high-quality, obtained good communication effects with the investors.

## 6. Guide the preparation of the Company's "Thirteenth Five-Year" development plans and the company's development strategy (2015-2019)

In order to provide directional guidance for the company's development for the next five years. The company's strategy committee of the board guided the company's managers to complete the Company's "Thirteenth Five-Year" development plans and the company's development strategy.

## II. Main business analysis

### I. General

The Company is an infrastructure industry, with main business in developing and operating expressway and big bridges. It is one of the main institutions of developing expressway and big bridge in Guangdong Expressway System. The expressway industry is the industry helped by government.

In the report period, the vehicle traffic and toll income of the controlled subsidiaries and joint ventures of the Company are as follows:

	Volume of vehicle traffic in 2015( vehicles)	Increase /Decrease (%)	Toll income in 2015 (RMB'0000)	Increase/Decrease (%)
Guangfo Expressway	50270053	9.38%	35707.70	6.34%
Fokai Expressway	46527879	9.45%	113964.85	6.11%
Huiyan Expressway	32204277	-6.09%	20045.76	-13.49%
Jingzhu Expressway Guangzhu Section	63152663	6.88%	108332.85	5.68%
Guangzhao Expressway	28533136	7.02%	52750.89	4.97%
Guanghui Expressway	43192137	15.45%	170624.59	13.27%
Jiangzhong Expressway	42129667	5.43%	38930.52	4.64%
Kangda Expressway	2238682	-4.61%	23424.93	-2.20%
Gangkang Expressway	2332183	-8.22%	16572.21	-9.12%

Various parameters, control highways operating normally, with no large projects. Due to the government's acquisition of Yantian hollow tunnel of Huiyan Expressway, the toll had been terminated as of February 1, 2015, which resulted in decreases by 13.49% in the accumulated toll revenue year on year. Due to the improved peripheral road condition and the reduction of full-speed cars, which led to decreases by 2.2% in the toll revenue. In November and December of 2014, due to the traffic restriction caused by the repair of Taigan Expressway,

making car bypassing to Gankang Expressway, which brought in substantial increases in toll revenue for Gankang Expressway. On January 8, 2015, Taigan Expressway reopened to traffic, where good effect was eliminated in the toll revenue of Gankang Expressway, which led to decreases by 9.12% in the toll revenue of 2015 year on year. In January, due to the construction of “White and Black” special project, the toll revenue of Yuezhao Co. Ltd. decreased by 38.54%, of which the accumulated revenue increased by 4.97% during the whole year. For other road segments, the toll all are showing growth trend year on year.

During the reporting period, the company’s major investments and operating status were as follows:

#### 1. Being diligent and promising in the major asset restructuring

According to the notice from the majority shareholder- Guangdong Transportation Group Co.,Ltd, the company’s share-trading had been suspended since Apr 8, 2015 and subsequently, the company began the major asset restructuring. The company had established the leading group and the working group of asset restructuring for putting best efforts to carry out the related works. On Jul 23, the asset restructuring plan was approved by the board of directors, then the company’s A and B-share trading was restored. On Sep 14, the asset restructuring plan was approved in the general shareholder meeting with high-proportion of affirmative votes. On Feb 5, 2016, the company had received formal documents of approval from the CSRC, and the company has become the first listed expressway company with a major asset restructuring being approved since 2009, which was the significant breakthrough in the capital operation for listed companies of expressway, wildly praised by the peer companies. The major asset restructuring will have a profound impact on the future development of Guangdong Provincial Expressway Co.,Ltd. According to estimates, after the completion of the transaction, the Fokai expressway shall be wholly-controlled by the company, and the company’s share-proportion of Guangzhudong expressway shall be rose to 75%, thus newly controlled by the company. Pro forma data in 2015, the company’s total share capital increased to 2.066 billion shares from 1.257 billion shares, and the total assets of the company increased to RMB 15.789 billion from RMB 12.514 billion, an increase of 26.24%; the operating revenue increased to RMB 2.512 billion from RMB 1.455 billion, an increase of 72.65%; the net profits attributable to the parent company increased to RMB 0.62 billion from RMB 0.319 billion, an increase of 94.36%, thus the sustainable profitability of the main business of expressway has been further improved. Meanwhile, the company introduced the Fosun Group, Poly Real estate, GF Securities three strategic investors. Guangdong Provincial Expressway Co.,Ltd can utilize its advantages of different fields and start from pluralistic industries related to the expressway, speed up the business transformation and upgrading, establish a new profit growth point, promote the company's sustainable development and raise the company’s value.

#### 2. Deepening the enterprise reform in solid steps

(1) Steadily promoting the study of financial equity investment and industrial M & A fund. In order to actively adapt the market demand, fully utilize the functions of state-owned listed company platform, make innovations of the investment management and speed up the development of the new economic growth point, the special study on establishment of industrial M & A fund was actively carried out.

(2) Actively carried out the documents of the company's strategic planning, clarified the overall positioning of the transformation and development, guiding ideology and development goals, and established detailed task measures and safeguards. Combined with the real situation of the company’s development, then further revised and improved the company's strategic planning.

#### 3. The operating and management of the highway assets are standardized and effective

(1) Strengthening the management of expressway toll. The company overcame difficulties and being fully cooperating for the completion of the national ETC network toll collection, the international vehicle-type

classification and the charge work of total weight of the freight car. Further carried out special operations to strike toll escape, so that had recovered the economic losses of about RMB 3.12 million.

(2) Soundly managed the expressway maintenance and management. There was a scientific arrangement for the annual maintenance plan and the preventive maintenance management was increasingly enhanced and carried out the comprehensive overhaul of single pier bridges reinforcement to ensure the expressways entirely in a good running state. Actively guided the Guangfo Company and Fokai Company to do a good job for "Receiving national inspection", and the representative of Fokai Company was openly praised during the company was inspected by the precheck team of the group company.

(3) Successfully completed the toll cancellation compensation application work of Yantianao tunnel. Utilizing the shareholder's function, then fully supported the Huiyan Company to carry out multi round communication and negotiation. Through unremitting efforts, by the end of 2015, the Huiyan expressway company had received Shenzhen municipal government compensation of RMB 130.67 million and tax compensation of RMB 36.6877 million.

(4) The company actively strived for compensation due to the toll of Jiujiang Bridge cancelled in advance. After communication and negotiation with multi parties, the provincial government agreed to the amount of compensation that started from 2015 and divided into three years to be listed in the operating budget arrangement of state-owned asset, then the first compensation of RMB 20 million had been transferred into the company's account, which soundly protected the legitimate rights and interests of the enterprise.

(5) The company shall follow up the work of appraising and rarifying the operating period of Guangfo Expansion. According to the "Guangdong Provincial Department of transportation about the management approach of highway expansion (Trial)", The company organised the work of appraising and rarifying the operating period of Guangfo Expansion, at present the relevant assessment report is submitted to the relevant government department.

#### 4. Continually enhancing the enterprise management capability

Implementing the comprehensive budget management and improving capital efficiency. Established a budget execution unit, the business department, the budget management committee, board of directors and general shareholder meeting constituted the "five level" budget management system, which had comprehensively strengthened the rigid rules of the budget management and regularly analyzed the budget implementation status for truly implementing the process-control.

## 2. Revenue and cost

### (1) Component of Business Income

In RMB

	2015		2014		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	1,545,498,589.11	100%	1,455,054,983.70	100%	6.22%
Industry					
Highway transportations	1,496,981,439.40	96.86%	1,408,659,740.77	96.81%	6.27%
Other	48,517,149.71	3.14%	46,395,242.93	3.19%	4.57%

Product					
Highway transportations	1,496,981,439.40	96.86%	1,408,659,740.77	96.81%	6.27%
Other	48,517,149.71	3.14%	46,395,242.93	3.19%	4.57%
Area					
Guangfo Expressway	357,077,010.88	23.10%	335,798,072.70	23.08%	6.34%
Fokai Expressway	1,140,967,080.52	73.83%	1,072,861,668.07	73.73%	6.35%
Other	47,454,497.71	3.07%	46,395,242.93	3.19%	2.28%

(2) Situation of Industry, Product and District Occupying the Company's Business Income and Operating Profit with Profit over 10%

Applicable     Not applicable

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Highway transportations	1,496,981,439.40	837,239,932.98	44.07%	6.27%	2.61%	2.00%
Product						
Roll revenue	1,496,981,439.40	837,239,932.98	44.07%	6.27%	2.61%	2.00%
Area						
Guangfo Expressway	357,077,010.88	263,424,873.54	26.23%	6.34%	8.17%	-1.25%
Fokai Expressway	1,140,967,080.52	573,815,059.44	49.71%	6.35%	0.24%	3.06%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest on year's scope of period-end.

Applicable     Not applicable

(3) Whether the Company's Physical Sales Income Exceeded Service Income

Yes     No

(4) Degree of Performance of the Significant Sales Contract Signed up to this Report Period

Applicable     Not applicable

(5) Component of business cost

## Industry category

In RMB

Industry category	Items	2015		2014		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Highway transportations	Depreciation and Amortized	599,455,250.50	69.06%	567,890,546.79	66.93%	2.14%
Highway transportations	Out of pocket expenses	251,238,931.34	28.95%	262,761,091.92	30.97%	-2.02%
Other	Other	17,291,845.71	1.99%	17,895,605.76	2.11%	-0.12%

## Notes

## (6) Whether Changes Occurred in Consolidation Scope in the Report Period

Yes      No

## (7) Relevant Situation of Significant Changes or Adjustment of the Business, Product or Service in the Company's Report Period

Applicable      Not applicable

## (8) Situation of Main Customers and Main Supplier

## Information of the Company's top 5 customers

Total sales amount to top 5 customers (RMB)	0.00
Proportion of sales to top 5 customers in the annual sales(%)	0.00%

## Information of the Company's top 5 customers

No	Name	Amount (RMB)	Proportion %
1	No	0.00	0.00%
2	No	0.00	0.00%
3	No	0.00	0.00%
4	No	0.00	0.00%
5	No	0.00	0.00%
Total	--	0.00	0.00%

## Other explanation :

Applicable      Not applicable

## Principal suppliers

Total purchase of top 5 Suppliers (RMB)	0.00
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	0.00%

## Information about the top 5 suppliers



No	Name	Amount (RMB)	Proportion %
1	No	0.00	0.00%
2	No	0.00	0.00%
3	No	0.00	0.00%
4	No	0.00	0.00%
5	No	0.00	0.00%
Total	--	0.00	0.00%

Other explanation :

Applicable     Not applicable

### 3. Expenses

In RMB

	2015	2014	Increase/Decrease (%)	Notes
Administration expenses	166,209,446.96	167,805,309.46	-0.95%	
Financial expenses	342,004,056.37	401,972,752.87	-14.92%	The comprehensive effect of the loan principal and interest rate cuts to reduce.

### 4. Research and Development

Applicable     Not applicable

### 5. Cash Flow

In RMB

Items	2015	2014	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	1,579,916,975.49	1,506,463,726.69	4.88%
Subtotal of cash outflow received from operation activities	582,923,684.30	539,221,979.90	8.10%
Net cash flow arising from operating activities	996,993,291.19	967,241,746.79	3.08%
Subtotal of cash inflow received from investing activities	636,844,330.11	206,801,621.21	207.95%
Subtotal of cash outflow for investment activities	97,152,722.60	290,509,801.92	-66.56%
Net cash flow arising from investment activities	539,691,607.51	-83,708,180.71	-744.73%
Subtotal cash inflow received from financing activities	50,001,378.67	335,012,507.50	-85.07%
Subtotal cash outflow for financing activities	1,161,248,707.56	1,632,936,389.15	-28.89%
Net cash flow arising from financing activities	-1,111,247,328.89	-1,297,923,881.65	-14.38%
Net increase in cash and cash equivalents	424,937,231.66	-414,668,282.10	-202.48%

Notes to the year-on-year change of the relevant data

√ Applicable  Not applicable

(1) Subtotal of investment activity cash inflows increased year on year was mainly due to: Caused by the increase in the current cash dividend received.

(2) Subtotal of investment activity cash outflows decreased year on year was mainly due to: Caused by the decreasing payment in extension project compared with the prior period

(3) Subtotal cash inflow received from financing activities decreased year on year was mainly due to an Subtotal: Caused by the decrease in the current loan compared with the prior period

(4) Subtotal cash outflow for financing activities decreased year on year was mainly due to: Caused by the decrease in the current loan repayment compared with the prior period.

Notes to the big difference between cash flow from operating activities and net profit in the reporting year

√ Applicable  Not applicable

In RMB

I. Adjusting net profit to cash flow from operating activities	
Net profit	539,430,034.99
Add: Impairment loss provision of assets	158,124.94
Depreciation of fixed assets, oil and gas assets and consumable biological assets	606,630,043.61
Amortization of intangible assets	1,965,777.86
Amortization of long-term deferred fexpenses	1,770,241.07
Loss on disposals of fixed assets, intangible assets and other long-term assets ("-" for gains)	3,038,144.04
loss on retirement of fixed assets	
Loss from Fair Value Change	
Financial expenses	349,761,606.03
Investment loss	-505,392,075.50
Decrease of deferred income tax assets	8,764,947.73
Increase of deferred income tax assets	-7,623,297.88
Decrease of inventories	-800,998.80
Decease of operating receivables	-22,234,654.77
Increased of operating Payable	21,525,397.87
Other	
Net cash flows arising from operating activities	996,993,291.19

**III. Analysis of Non-core Business**

√ Applicable □ Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment Income	505,392,075.50	78.67%	Equity investment income	Sustainable
Changes in fair value		0.00%		
Asset impairment	158,124.94	0.02%		
Non-operating income	28,448,162.03	4.43%	Jiujiang bridge compensation income	Not sustainable
Non-operating expenses	6,126,824.34	0.95%	Road repair expenses	Sustainable

**IV. Condition of Asset and Liabilities**

## 1. Condition of Asset Causing Significant Change

In RMB

	End of 2015		End of 2014		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)				
Monetary fund	986,737,635.38	8.15%	561,800,403.72	4.49%	3.66%	Comprehensive influence of the accumulation in business, the obtained investment income, the repayment of bank loan and dividend.
Accounts receivable	48,147,335.85	0.40%	23,621,958.13	0.19%	0.21%	Delayed settlement, separation and transfer of network toll collection center
Inventories	800,998.80	0.01%		0.00%	0.01%	
Investment real estate	3,684,184.48	0.03%	4,148,397.88	0.03%	0.00%	
Long-term equity investment	2,635,251,969.72	21.76%	2,706,081,363.32	21.63%	0.13%	Mainly for the comprehensive influence of the increase in the joining company's dividend and investment income
Fixed assets	6,591,106,343.61	54.44%	7,176,766,024.73	57.35%	-2.91%	Mainly for the comprehensive influence of the increase in the joining company's dividend and investment income
Construction in process	17,125,070.14	0.14%	2,974,467.60	0.02%	0.12%	Mainly for the current depreciation of Guangfo and Fokai

Short-term loans		0.00%	150,000,000.00	1.20%	-1.20%	Repaid at the current period
Long-term loans	4,081,760,000.00	33.71%	4,393,840,000.00	35.11%	-1.40%	The repayment of the due loan at the current period

## 2. Asset and Liabilities Measured by Fair Value

Applicable  Not applicable

In RMB

Items	Opening amount	Gain/Loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Closing amount
Financial assets							
3. Available-for-sale financial assets	1,148,044,126.72	-150,563,164.16	479,920,085.76				997,480,962.56
Subtotal of financial assets	1,148,044,126.72	-150,563,164.16	479,920,085.76				997,480,962.56
Total of the above	1,148,044,126.72	-150,563,164.16	479,920,085.76				997,480,962.56
Financial liabilities	0.00						0.00

Did any significant change occur to the attribute of the Company's main asset measurement during the reporting period?

Yes  No

## V. Investment situation

### 1. General

Applicable  Not applicable

Investment Amount in 2015(RMB)	Investment Amount in 2014(RMB)	Change rate
0.00	20,206,700.00	-100.00%

### 2. Condition of Acquiring Significant Share Right Investment during the Report Period

Applicable  Not applicable

### 3. Situation of the Significant Non-equity Investment Undergoing in the Report Period

Applicable  Not applicable

## 4. Investment of Financial Asset

## (1) Securities investment

√ Applicable □ Not applicable

In RMB

Security category	Security code	Stock Abbreviation	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Sauce of the shares
Domestic and foreign stocks	601818	China Everbright Bank	517,560,876.80	FVM	1,148,044,126.72	-150,563,164.16	479,920,085.76				997,480,962.56	Financial assets available for sale	Self
Total			517,560,876.80	--	1,148,044,126.72	-150,563,164.16	479,920,085.76	0.00	0.00	0.00	997,480,962.56	--	--
Disclosure Date of Announcement on Securities Investment Approved by the Board of Directors			July 22, 2009										
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting			August 7, 2009										

## (2) Investment in Derivatives

□ Applicable √ Not applicable

N/A.

## 5. Application of the raised capital

□ Applicable √ Not applicable N/A.

## **VI. Significant Asset and Right Offering**

### 1. Situation of Significant Asset Sale

Applicable  Not applicable

N/A.

### 2. Situation of Substantial Stake Sale

Applicable  Not applicable

## VII. Analysis of the Main Share Holding Companies and Share Participating Companies

√ Applicable □ Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company

In RMB

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Guangfo Expressway Co., Ltd.	Subsidiary	Operating Guangfo Expressway Co., Ltd.(starts from Hengsha, Guangzhou, ends in Xiebian, Foshan. Total length 15.7 kilometers	RMB 200 million	368,766,952.88	330,440,591.47	361,707,563.06	53,632,373.07	41,902,986.44
Guangdong Fokai Expressway	Subsidiary	Operation and management of Fokai Expressway Co., Ltd., supporting salvage, maintenance and cleaning, supply of parts and components	RMB 1.108 billion	6,727,174,620.59	3,346,028,621.31	1,149,868,147.35	307,631,543.32	238,269,526.32
Shenzhen Huiyan Expressway Co., Ltd.	Sharing company	The organization and management of the construction of the main line of Shenzhen section of Huiyan Expressway, its operation, management and maintenance after its completion, collection of toll and road service management, the construction management of road, bridge and culvert projects and engineering consultation	RMB 36 million	437,056,934.15	399,180,309.18	202,939,671.65	91,475,167.93	146,186,134.18
Jingzhu Expressway	Sharing company	The operation and management of Guangzhou-Zhuhai Expressway and	RMB 580 million	3,955,252,015.68	1,924,686,959.13	1,114,341,543.59	541,335,911.27	360,161,755.18

Guangzhu Section Co., Ltd.		provision of supporting services including fueling, salvage and supply of parts and components						
Zhaoqing Yuezhao Highway Co., Ltd.	Sharing company	Construction, operation and management of Guangzhao Expressway, old highways and their supporting facilities, service facilities and integrated projects.	RMB 818.3 million	2,097,777,721.84	1,097,108,987.63	533,009,051.43	209,436,190.98	156,687,764.02
Guangdong Guanghui Expressway Co., Ltd.	Sharing company	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and maintenance management of Guanghui Expressway	RMB 2.352 million	5,326,829,588.97	3,566,383,234.63	1,724,652,359.29	1,040,249,976.46	787,421,508.59

## Particulars about the principal subsidiaries and Mutual holding companies

Applicable  Not applicable

## Particulars about the Mutual holding companies

1. The company holds 75% stake of Guangdong Provincial Fokai Expressway Co. Ltd which is one of the subsidiaries majority-controlled by the company and the subsidiary mainly engaged in operating and managing the Fokai Expressway and the related matching businesses such as rescue, maintenance, cleaning and spare parts supply service. The net profits in the current period increased RMB 107 million compared with the last period, computed in percentage as an increase of 81.57%. The main reasons of the increase are: (1) Due to the toll revenue increased as the spontaneous growth of the traffic volume; (2) The financial expenses decreased in the current period due to the repayment of liabilities with interest and the lower interest rates.

2. The company's share-participation company-Shenzhen Huiyan Expressway Co., Ltd whose one-third equity was held by the company, was responsible for organizing and managing the construction of the mainline of Shenzhen section of Huiyan Expressway and the management, maintenance, conservation, collection of tolls and expressway administration of the completed mainline of Shenzhen section of Huiyan Expressway; engaged in the engineering construction management and engineering consulting of bridges and culverts. The net profits in the current period increased RMB 67 million compared with the last period, computed in percentage as an increase of 81.22%. The main reason of the increase is due to the combined influence of recovering the government's compensation while having a reduction of the toll of Yantianao Tunnel.



## VIII. Special purpose vehicle controlled by the Company

Applicable  Not applicable

## IX. Prospect for future development of the Company

### 1. The Development Trend of the Industry

In recent years, our country's expressways have a rapid development and the freeway main lines have achieved its initial development, but the density of expressways is still low and the network hasn't fully formed yet. Also, in our country, there is no freeway to directly and effectively link up between some prefecture-level cities and provincial capital cities or between the prefecture-level cities in which the population and the economic output have reached the considerable scale. With the continuous growth of our country's national economy and the continual increase of expressway demanded by social running, Highway still has a certain amount of room for development in China in the future. Highway upfront investment is huge and slow growth on investment benefits, apparent hysteresis effect and output. Highway upfront investment for a huge, slow growth of investment benefits, apparent hysteresis effect and output. The changes in national policies, directly affecting the realization of the company's main business revenue and goals.

### 2. Development opportunities and challenges

The general target in 2016 is: Completing business income RMB2.738 billion, keeping the overhead expenses within RMB1.277 billion, ensuring the full completion of the annual task target assigned by company's board of directors.

Centering on above target, company will focus on works in below two fields in 2016:

#### (1). Focus on the Strategic Layout and the Capital Operation to Accelerate the Innovation in Transformation Development Business

According to the Company's "Thirteenth Five-Year" development plans and combining with this reorganization, the Company initiates the strategic plans. Make a good layout and starting with innovation development driven and regarding the capital operation as key problems. Make full use of the capital market advantage for providing platform supports for the Company's transformation development. Set up the normalization concept in capital operation, by means of merger and acquisition of high-quality asset complying with the transformation, to jointly boost the value promotion of the Company. Implement the platform operation of land development. Put forth effort to the integration of project resource, finance resource and human resource, collect, integrate, develop the idle land, house property, business property and the land resource obtained from "Projects+ Resources" of the holding highway property company.

#### (2). Keep Stable in Expressway Industry to Provide a Solid Foundation for Transformation Development.

Further optimize the existing asset structure. Of the existing participation project, for high-quality projects which have a better prospect and a longer remaining operating period, increase in the share proportion can be considered. The Company plans to add a new holding project of expressway through private placement and bonds for raising funds.

Complete the extension construction of Guangfo Company. and restart to verify the operating-period work. The Company will actively strive for the policy support of provincial government, to realize the reasonable returns in the extension investment.

Constantly improve the operation and management level. Actively boost the feasibility research in the

management mode of centralization charge for Guangfo and Fokai Expressway. Deployment and focus efforts on the treatment of single-column pier bridges to strike for completion within the year. Comprehensively implement preventative maintenance concept to further strengthen the road condition inspection and the sweeping check of hidden dangers.

(3). Deepen the Reform and Strengthen the Foundation to Improve the Business's Core Competitiveness

The Company strives for support in policy from the superior, strengthen the decision-making mechanism of listed company's board of directors, constantly strive for optimization on mechanisms. Gradually set up a scientific and effective marketization incentive, reform the existing salary and evaluation system, actively explore the incentive with medium and long term and research as well as implementing equity incentive or employee stock ownership plan. Around the Company's strategic goals and transformation development, actively explore suitable restraint mechanism for talent selection and personnel incentive and restraint mechanism. Mobilize staffs' subjective initiative by means of mechanisms like selecting senior talents with marketization, taking official posts by competition, implementing dynamic assessments and carrying out the reward and punishment. Implement the promotion project of human resource, optimize the organization setting and the post deployment, perfect the staff career development mechanism of salary, evaluation, promotion, work shift and cadre management.

**X. List of the received researches, visits and interviews**

1. Particulars about researches, visits and interviews received in this reporting period

Applicable      Not applicable

The company was not involved with such situation during the reporting period

## V. Important Events

### I. Specification of profit distribution of common shares and capitalizing of common reserves

Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

Applicable       Not applicable

The profit distribution preplan or proposal and the Plan(preplan) or proposal of conversion of the capital reserve into share capital in the past three years(with the reporting period inclusive):

1. The Company's profit distribution preplan for 2013 is as follows:

(1).10% of the net profit of the company, i.e. RMB 13,195,496.53, is to be allocated for statutory common reserve fund.

(2).The profit for 2013 is to be distributed as follows: RMB 62,855,887.40. is to be allocated as the fund for dividend distribution for 2013. with the total shares at the end of 2013, i.e., 1,257,117,748 shares, as the base, cash dividend of RMB 0.5 (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2013 annual shareholders' general meeting makes resolution on dividend distribution.

2. The Company's profit distribution plan for 2014 is as follows:

(1).10% of the net profit of the company, i.e. RMB 19,305,459.02, is to be allocated for statutory common reserve fund.

(2).The profit for 2014 is to be distributed as follows: RMB 125,711,774.80. is to be allocated as the fund for dividend distribution for 2014. with the total shares at the end of 2014, i.e., 1,257,117,748 shares, as the base, cash dividend of RMB 1.00 (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2014 annual shareholders' general meeting makes resolution on dividend distribution.

3. The Company's profit distribution preplan for 2015 is as follows:

(1).10% of the net profit of the company, i.e. RMB 26,741,749.54, is to be allocated for statutory common reserve fund.

(2).The profit for 2015 is to be distributed as follows: RMB 188,567,662.20. is to be allocated as the fund for dividend distribution for 2015. with the total shares at the end of 2015, i.e., 1,257,117,748 shares, as the base, cash dividend of RMB 1.50 (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2015 annual shareholders' general meeting makes resolution on dividend distribution.

## Dividend distribution of the latest three years

In RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent company in the consolidated financial statements	Ratio in net profit attributable to the parent company in the consolidated financial statements	Amount of cash dividends from cash offer to repurchase shares of the funds	Proportion of cash dividends from cash offer to repurchase shares of the funds
2015	188,567,662.20	469,386,906.79	40.17%	0.00	0.00%
2014	125,711,774.80	318,754,807.85	39.44%	0.00	0.00%
2013	62,855,887.40	127,777,721.75	49.19%	0.00	0.00%

In the reporting period, both the Company's profit and the parent company's retained earnings were positive however not cash dividend distribution proposal has been put forward.

Applicable     Not applicable

**II.Profit distribution plan and capitalizing of common reserves plan for the Period**

Applicable     Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for every ten shares (Yuan)(Tax-included)	0.15
Distribute additional (shares)for 10 shares	0
A total number of shares as the distribution basis(shares)	1,257,117,748
Total cash dividend (Yuan)(Tax-included)	18,856,766.22
Profit dividend (Yuan)	1,338,090,597.21
Proportion of cash dividend in the distributable profit (%)	100.00%
Cash dividend distribution policy	
The Company is in a fast growth stage, there fore, the cash dividend will reach 80% of the profit distribution at least.	
Details of profit distribution or reserve capitalization plan	
1.10% of the net profit of the company, i.e. RMB 26,741,749.54, is to be allocated for statutory common reserve fund.	
2.The profit for 2015 is to be distributed as follows: RMB 188,567,662.20. is to be allocated as the fund for dividend distribution for 2015. with the total shares at the end of 2015, i.e., 1,257,117,748 shares, as the base, cash dividend of RMB 1.50 (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2015 annual shareholders' general meeting makes resolution on dividend distribution.	

**III.Commitments to fulfill the situation**

1.The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parities.

Applicable  Not applicable

N/A

2.The existence of the company's assets or projects earnings forecasts and earnings reporting period is still in the forecast period, the company has assets or projects meet the original profit forecast made and the reasons explained

Applicable  Not applicable

#### **IV.Particulars about the non-operating occupation of funds by the controlling shareholder**

Applicable  Not applicable

N/A

#### **V.Explanation of the Supervisory Committee and Independent Directors (If applicable)on the Qualified Auditor's Report Issued by the CPAs.**

Applicable  Not applicable

#### **VI.Explain change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year.**

Applicable  Not applicable

N/A

#### **VII.Explain retrospective restatement due to correction of significant accounting errors in the reporting period**

Applicable  Not applicable

N/A

#### **VIII.Explain change of the consolidation scope as compared with the financial reporting of last year.**

Applicable  Not applicable

N/A

#### **IX.Engagement/Disengagement of CPAs**

CPAs currently engaged

Name of the domestic CPAs	Zhengzhong Zhujiang Certified Public Accountants Co., Ltd.
Remuneration for domestic accounting firm (RMB'0000)	120
Successive years of the domestic CPAs offering auditing services	5
Names of the certified public accountants from the domestic CPAs	Wang Shaohua and Yao Jing

Has the CPAs been changed in the current period

Yes  No

Description of the CPAs, financial adviser or sponsor engaged for internal control auditing

Applicable  Not applicable

2014 shareholders' general meeting of the Company examined and adopted the Proposal for Engaging Auditing

Body for Internal Control. The Company was approved to engage Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd. as the auditing body for internal control of the Company for 2015. The audit fee shall be less than RMB 0.30 million.

**X.Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly Report**

Applicable  Not applicable

**XI.Relevant Matters of Bankruptcy Reorganization**

Applicable  Not applicable

N/A

**XII.Matters of Important Lawsuit and Arbitration**

Applicable  Not applicable

N/A

**XIII.Situation of Punishment and Rectification**

Applicable  Not applicable

N/A

**XIV.Credit Condition of the Company and its Controlling Shareholders and Actual Controllers**

Applicable  Not applicable

During reporting period, there was no effective judgment of a court and large amount of debt maturity that the company, its controlling shareholders and actual controller failed to perform or pay off.

**XV.Implementation Situation of Stock Incentive Plan of the Company, Employee Stock Ownership Plan or Other Employee Incentive Measures**

Applicable  Not applicable

N/A

**XVI.Material related transactions**

**1. Related transactions in connection with daily operation**

Applicable  Not applicable

N/A

**2. Related-party transactions arising from asset acquisition or sale**

Applicable  Not applicable

N/A

**3. Related-party transactions with joint investments**

Applicable  Not applicable

N/A

**4. Credits and liabilities with related parties**

Applicable  Not applicable

Was there any non-operating credit or liability with any related party?

Yes  No

N/A

**5. Other significant related-party transactions**

√Applicable    □ Not applicable

The Company's issue of shares and cash to buy assets and raise matching funds and related transactions were examined and adopted by the Company's 18th, 20th, 23th and 25th (provisional) meeting of the 7th board of directors as well as the 2nd provisional shareholder's meeting. The issue of shares and cash to buy assets and the matching funds raising, the 2 parts which are divided in this transaction.

**(1) Issue of Share and Cash to Buy Asset**

The Company planned to purchase the 25% stock rights of Fokai Co., Ltd. which is held by Guangdong Provincial Expressway Co., Ltd. (hereinafter referred to as "Provincial Expressway") with issue of A shares and cash to buy; The Company planned to purchase the 100% stock rights of Guangzhu Co., Ltd. which is held by Guangdong Provincial Highway Construction Co., Ltd. (hereinafter referred to as "Construction Company") with issue of A shares and cash to buy, and planned to purchase the creditor's rights of Guangzhu East Co., Ltd. from the Construction Company with cash to buy.

**(2) Raise of Matching Funds**

on Asian Union Investment Co., Ltd., Tibet Yingyue Investment and Management Co., Ltd., and GF Securities Co., Ltd. to raise matching funds which is to be used for the payment of this transaction's partial cash consideration and transaction tax as well as supplementing the cash flow of listed company, of which the raised matching funds' amount shall not be over 1650 million RMB and 100% transaction price of the asset planned to buy

On January 14, 2016, the Company received the notice from CSRC. After being examined by the 4th working conference in 2016 of Merger and Reorganization Committee held by Merger and Reorganization Audit Committee for Listed Companies of CRSC on January 14, 2016, the Company's issue of shares and cash to buy assets and raise matching funds and related transactions was adopted conditionally. On February 5, 2016, the company received the China Securities Regulatory Commission "about the approval of Guangdong Provincial Expressway Development Co., Ltd. to issue shares to buy assets and raise matching funds approved" (Commission license [2016] No. 230).

The website to disclose the interim announcements on significant related-party transactions:

Name of the interim announcement	Disclosure date of the interim announcement	Website to disclose the interim announcement
Announcement of Resolutions of the 18th (Provisional) Meeting of the Seventh Board of Directors, etc.	July 1, 2015	www.cninfo.com.cn
Announcement of Resolutions of the 20th (Provisional) Meeting of the Seventh Board of Directors, etc.	August 28, 2015	www.cninfo.com.cn
Announcement of Resolutions of the second provisional shareholders' general meeting in 2015	September 15, 2015	www.cninfo.com.cn
Announcement of Resolutions of the 23th (Provisional) Meeting of the Seventh Board of Directors, etc.	December 19, 2015	www.cninfo.com.cn
Announcement of Resolutions of the 25th (Provisional) Meeting of the Seventh Board of Directors, etc.	December 31, 2015	www.cninfo.com.cn
Announcement on the Company's Significant Asset Reorganization Adopted by Mergers and Acquisitions	January 15, 2016	www.cninfo.com.cn

Committee of CSRC and Trade Resumption		
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## XVI. Particulars about significant contracts and their fulfillment

### 1. Particulars about trusteeship, contract and lease

#### (1) Trusteeship

Applicable     Not applicable

N/A

#### (2) Contract

Applicable     Not applicable

There was no any contract of the Company in the reporting period.

#### (3) Lease

Applicable     Not applicable

N/A

### 2. Guarantees

Applicable    Not applicable

#### (1) Guarantees

In RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guangdong Communication Group Co.,Ltd	May 11, 2012	150,000	May 31, 2013	150,000	Martgage		No	Yes
Total of external guarantee approved in Period(A1)				0	Total of actual external guarantee in Period(A2)			
Total of external guarantee approved at Period-end(A3)				150,000	Total balance of actual external guarantee at Period-end(A4)		150,000	
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the	Amount of guarantee	Date of happening (Date of signing	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or	Guarantee for associate



	guaranteed amount		agreement)				not	d parties (Yes or no)
Total of Company' s guarantee (namely total of the large three aforementioned)								
Total of guarantee in the Period (A1+B1+C1)		0	Total of actual guarantee in the Period (A2+B2+C2)		0			
Total of guarantee at Period-end (A3+B3+C3)		150,000	Total of actual guarantee at Period-end (A4+B4+C4)		150,000			
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)				28.79%				
Including								
Amount of guarantee for shareholders, actual controller and its associated parties (D)				150,000				
Total guarantee Amount of the abovementioned guarantees (D+E+F)				150,000				

Description of the guarantee with complex method

(2) Illegal external guarantee

Applicable  Not applicable

N/A

3.Situation of Entrusting Others for Managing Spot Asset

(1)Situation of Entrusted Finance

Applicable  Not applicable

N/A

(2)Situation of Entrusted Loans

Applicable  Not applicable

N/A

4. Other significant contract

Applicable  Not applicable

N/A

**XVIII.Explanation about other significant matters**

Applicable  Not applicable

N/A

**XIX.Major issues of subsidiary**

Applicable  Not applicable

**XX.Social responsibility**

Applicable  Not applicable

**XXI.Information about the corporate bonds**

Whether the listed company failed to honor the corporate bonds public issued and listed on the Stock Exchange in due or undue at the approval date of the annual report

No

## VI. Change of share capital and shareholding of Principal Shareholders

### I. Changes in share capital

#### 1. Changes in share capital

In Shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1. Shares with conditional subscription	440,485,326	35.04%				-786,574	-786,574	439,698,752	34.98%
1. State-owned shares	409,977,151	32.61%						409,977,151	32.61%
2. State-owned legal person shares	21,712,738	1.73%						21,712,738	1.73%
3. Other domestic shares	8,795,437	0.70%				-786,574	-786,574	8,008,863	0.64%
Including : Domestic Legal person shares	8,063,849	0.64%				-710,982	-710,982	7,352,867	0.59%
Domestic natural person shares	731,568	0.06%				-75,592	-75,592	655,996	0.05%
II. Shares with unconditional subscription	816,632,422	64.96%				786,574	786,574	817,418,996	65.02%
1. Common shares in RMB	467,882,422	37.22%				786,574	786,574	468,668,996	37.28%
2. Foreign shares in domestic market	348,750,000	27.74%						348,750,000	27.74%
III. Total of capital shares	1,257,117,748	100.00%				0	0	1,257,117,748	100.00%

Reasons for share changed

√ Applicable    □ Not applicable

Notes 1: In the report period, Mr. Yun Wujun attained the retiring age, resigned from the post of the Chief Accountant, 15,032 senior executives shares held by him

were transferred into frozen shares for unrestricted negotiable shares.

Notes 2: In the report period, Mr. Xiao Laijiu was transferred to work, resigned from the post of the General Manager, 2,114 unrestricted negotiable shares held by him were transferred into frozen shares for senior executives.

Notes 3: In the report period, 710,982 shares held by domestic legal persons subject to sale restriction and 62,674 shares held by domestic Natural persons subject to sale restriction was unfrozen and listed for trading and transferred into unrestricted shares on January 26, 2015.

Approval of Change of Shares

Applicable  Not applicable

Transfer of Change of shares

Applicable  Not applicable

Influence from the shareholding movements upon such financial indicators as earnings per share, net asset per share of the lastest year and the latest accounting period

Applicable  Not applicable

Other information as the Company considers necessary to be disclosed or demanded by the securities regulatory authority for disclosing.

Applicable  Not applicable

Explanation on changes in aspect of total shares, shareholders structures as well as structure of assets and liability of the Company

Applicable  Not applicable

## 2. Change of shares with limited sales condition

Applicable  Not applicable

In Shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Guangdong Communication Group Co.,Ltd	409,977,151			409,977,151	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Guangdong Expressway Co., Ltd	19,582,228			19,582,228	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown

Guangdong Province Traffic Development Co., Ltd,	2,130,510			2,130,510	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Foshan Shiwan Investment Consulting Company	1,406,250			1,406,250	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Xinhui Fuhua Economic Trade Development Co., Ltd.	1,352,812			1,352,812	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Xinhui Communication Development Corporation	914,062			914,062	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Shunde Longjiang Suxi Decorative Furniture Company	369,139			369,139	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Shunde Communication Development Corporation	237,147			237,147	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Foshan Shiwan District Zhangcha town Hankou Economic Union	220,800			220,800	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Foshan Nanhai District Luochun Development Corporation	216,274			216,274	The shareholders have not relieved the restrictions yet after the restricted shares held by the shareholders has expired.	Unknown
Other	4,078,953	786,574		3,292,379	Did not handle the lifting of restrictions on the sale of such reasons.	Unknown
Total	440,485,326	786,574	0	439,698,752	--	--

## II. Securities issue and listing

1.Previous security offering in latest three years at period-end

Applicable      Not applicable

2.Changes of total shares and shareholders structure as well as explanation on changes of assets and liability structure

Applicable      Not applicable

3.Existing internal staff shares

Applicable      Not applicable

## III. Shareholders and actual controller

### 1.Number of shareholders of the Company and share-holding

In shares

Total number of common shareholders at the end of thereporting period	81,529	Total shareholders at the end of the month from the date of disclosing the annual report	80,828	The total number of preferred shareholders voting rights restored at period-end (if any)(See Notes 8)	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report(if any)(See Notes 8)	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nuture of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number os share pledged/frozen	
							State of share	Amount
Guangdong Communication Group Co.,Ltd	State-owned legal person	40.84%	513,356,893	0	409,977,151	103,379,742		
Feng Wuchu	Domestic natural person shares	1.56%	19,659,309	19,659,309	0	19,659,309		
Guangdong Expressway Co., Ltd	State-owned legal person	1.56%	19,582,228	0	19,582,228	0		
Haerbin Hali Industrial Co., Ltd.	Domestic non State-owned Legal person	1.18%	14,850,682	-1,095,140	0	14,850,682		

Xinyue Co., Ltd.	Foreign legal person	1.05%	13,201,086	0	0	0		
Guangdong Yuecai Trust Investment CO., Ltd.	State-owned legal person	0.97%	12,174,345	0	0	12,174,345		
Bank of Communications –Everbright Baode State-owned enterprises reform theme equity securities investment fund	Domestic non State-owned Legal person	0.61%	7,700,000	7,700,000	0	7,700,000		
Li Zhuo	Domestic natural person shares	0.61%	7,626,688	931,191	0	7,626,688		
Bank of China—Huatai Bairui Positive Growth Mixed Securities Investment Fund	Domestic non State-owned Legal person	0.41%	5,212,095	-6,640,951	0	5,212,095		
China Securities Finance Co., Ltd.	Domestic non State-owned Legal person	0.33%	4,144,500	4,144,500	0	4,144,500		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Expressway Co., Ltd. and Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.							
Shareholding of top 10 shareholders of unrestricted shares								
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type						
		Share type	Quantity					
Guangdong Communication Group Co.,Ltd	103,379,742	RMB Common shares	103,379,742					
Feng Wuchu	19,659,309	RMB Common shares	19,659,309					
Haerbin Hali Industrial Co., Ltd.	14,850,682	RMB Common shares	14,850,682					

Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086
Guangdong Yuecai Trust Investment CO., Ltd.	14,850,682	RMB Common shares	14,850,682
Bank of Communications –Everbright Baode State-owned enterprises reform theme equity securities investment fund	7,700,000	RMB Common shares	7,700,000
Li Zhuo	7,626,688	RMB Common shares	7,626,688
Bank of China –Huatai Bairui Positive Growth Mixed Securities Investment Fund	5,212,095	RMB Common shares	5,212,095
China Securities Finance Co., Ltd.	4,144,500	RMB Common shares	4,144,500
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,490,900	Foreign shares placed in domestic exchange	3,490,900
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.		
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	Harbin Hali Industry Co., Ltd. holds 14,849,774 A shares of the Company through stock account with credit transaction and guarantee and holds 908 A shares through ordinary stock account. hold 14,850,682 shares of the Company's stock totally; Li Zhuo holds 5,070,707 A shares of the Company through stock account with credit transaction and guarantee and holds 2,555,981 A shares through ordinary stock account, hold 7,626,688 shares of the Company's stock totally.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

## 2. Controlling shareholder

Nature of Controlling Shareholders: Local state holding

Type of Controlling Shareholders: Legal person

Name of the Controlling shareholder	Legal representative/ Leader	Date of incorporation	Organization code	Principal business activities
Guangdong Communication Group Co., Ltd.	Li Jing	August 23, 2000	723838552	Equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses (if the above mentioned business scope requires licenses to operate, then operation licenses are required)
Equity in other domestic and foreign listed companies held by the controlling shareholder by means of control and mutual shareholding in the reporting period	Guangdong Communication Group Co., Ltd. holds 34.06% equity of Guangdong Nanyue Logistics Co., Ltd., a company listing H shares.			

Changes of controlling shareholder in reporting period

Applicable  Not applicable

No changes of controlling shareholder for the Company in reporting period.

## 3. Information about the controlling shareholder of the Company

Actual controller nature: Local state owned assets management

Actual controller type: Legal person

Name of the actual controller	Legal representative /Leader	Date of incorporation	Organization code	Principal business activities



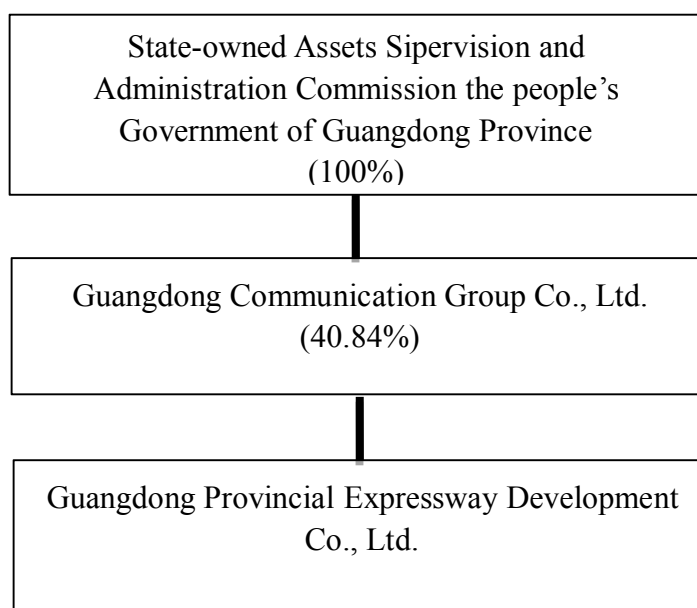
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government	Ly Yesheng	June 26, 2004	Not learn	As an ad hoc body directly under the Guangdong Provincial People's Government, commissioned by the provincial government to fulfill the State-owned asset investor, regulatory enterprises to implement the rights, obligations and responsibilities, pipe asset control and people management.
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	As an ad hoc body directly under the Guangdong Provincial People's Government, commissioned by the provincial government to fulfill the State-owned asset investor, regulatory enterprises to implement the rights, obligations and responsibilities, pipe asset control and people management.			

Changes of controlling shareholder in reporting period

Applicable  Not applicable

No changes of controlling shareholder for the Company in reporting period

Block Diagram of the ownership and control relations between the company and the actual controller



The actual controller controls the company by means of trust or managing the assets in other way

Applicable  Not applicable

#### 4.Particulars about other legal person shareholders with over 10% shareheld

Applicable  Not applicable

#### 5.Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring Party and Other Commitment Subjects

Applicable  Not applicable

## VII. Situation of the Preferred Shares

Applicable    Not applicable

The Company had no preferred shares in the reporting period.

## VIII. Information about Directors, Supervisors and Senior Executives

### I. Change in shares held by directors, supervisors and senior executives

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase/decrease	Shares held at the year-egin(share)
Zhu Zhanliang	Board Chairman	In office	Male	51	April 16, 2013	April 16, 2016					
Wang Chunhua	Director,General Manager	In office	Male	51	October 19, 2015	April 16, 2016					
Wang Ping	Director ,Chief Engineer	In office	Female	51	April 21, 2014	April 16, 2016	3,500				3,500
Fang Zhi	Director, CFO	In office	Male	52	December 30,2015;CFO starts from: May 27,2015	April 16,2016					
Zheng Renfa	Director	In office	Male	46	April 21, 2014	April 16,2016					
Ye Yongcheng	Director	In office	Male	58	April 16, 2013	April 16, 2016					
Chen Yanqing	Director	In office	Female	51	April 16, 2013	April 16, 2016					
Tang Qingquan	Independent director	In office	Male	55	April 16, 2013	April 16, 2016					
Wang Pu	Independent director	In office	Male	47	April 16,2013	June 29,2015					
Feng Ke	Independent director	In office	Male	44	April 16,2013	June 29,2015					
Xiao Duan	Independent director	In office	Female	57	April 16, 2013	April 16, 2016					
Ling Ping	Chairman of the Supervisory Committee	In office	Female	52	March 23,2015	April 16,2016					

Yang Xiaohua	Supervisor	In office	Female	37	April 16, 2013	March 6, 2015					
Wu Guangze	Supervisor	In office	Male	48	March 23, 2016	April 16, 2016					
Li Mei	Supervisor	In office	Female	46	April 16, 2013	April 16, 2016	123,205				123,205
Chen Wenmian	Deputy General Manager	In office	Male	37	April 16, 2013	April 16, 2016					
Yun Wujun	Chief Accountant	In office	Male	60	April 16, 2013	April 16, 2016	20,043				20,043
Peng Xiaofang	head of the internal audit	In office	Female	53	April 16, 2013	April 16, 2016					
He Bing	Chief Counselor	In office	Female	48	April 16, 2013	April 16, 2016					
Zuo Jiang	Secretary to the Board	In office	Female	43	April 16, 2013; deputy general manager start from: October 19, 2015	April 16, 2016					
Xiao Laijiu	Director, General Manager	Dimission	Male	51	April 16, 2013	October 19, 2015	8,455				8,455
You Xiacong	Chairman of the Supervisory Committee	Dimission	Male	48	April 16, 2013	March 6, 2015					
Zou Huiming	Supervisor	Dimission	Male	51	April 16, 2013	March 6, 2015					
Tu Huiling	Supervisor	Dimission	Female	55	April 16, 2013		56,887				56,887
Yun Wujun	Chief Accountant	Dimission	Male	61	April 16, 2013	May 27, 2015	20,043				20,043
Total	--	--	--	--	--	--	232,133	0	0	0	232,133

## II. Change in shares held by directors, supervisors and senior executives

Name	Positions	Types	Date	Reason
Xiao Laijiu	Director, General Manager	Resigned from the board, the dismissal of general manager	October 19,2015	Job Transfer
Yun Wujun	Chief Accountant	Dismissal	May 27,2015	Retired
You Xiacong	Chairman of the Supervisory Committee	Left as serve term expired	March 6, 2015	Job Transfer
Zou Huiming	Supervisor	Left as serve term expired	March 6, 2015	Job Transfer

## III. Posts holding

Work Experience in the past five years of Directors, supervisors and senior Executives in Current office

Mr. Zhu Zhanliang, Now serves as Director of the Company, Master Degree, Senior Engineer, Senior Economist, Enterprise Legal Counselor, From December 2005 to March 2011, he serves as Minister of the Management Department in Guangdong Communication Group Co. Ltd.. From April 2011 to March 6, 2014, he serves as Minister of the Legal Affair Department of the Company. Since March 7, 2014, He serves as secretary of the Party committee of the Company, Since April 21, 2014, He serves as Board Chairman of the Company.

Mr. Wang Chunhua, He serves as Director and General Manager of the Company, Master Degree, senior engineer and senior economic engineer, since September 2006, he served as Deputy General Manager of the Company. Since October 2015, He served as General director of the Company.

Ms. Wang Ping, She serves as Director and Chief Engineer of the Company, bachelor's degree, professor of Engineering, National registered cost engineer, Senior Economist. From February 2001 to April 2012, she served as Minister of Infrastructure Management Department. From April 2012, she served as chief engineer of the Company, Since April 21, 2014, She serves as Director of the Company.

Mr. Fang Zhi, serves as director of the company, chief accountant, master degree, senior accountant. In July 1986, he participate in the work of the former Xiangtan Municipal Audit Bureau Gongjiao audit cadre department, Guangdong Province Material Corporation audit cadre, Guangzhou Economic and Technological Development Zone International Trust and investment company plans to financial department deputy manager, Xinyue Co., Ltd. accountant of the finance department, manager, Guangdong Province Transportation Group Co., Ltd., deputy director of the financial settlement center, Guangdong traffic Group Finance Company Limited Deputy General Manager, may 2015 transferred to the company appointed chief accountant. He serves as the directors of the company starts from December 30, 2015.

Mr. Zheng Renfa, He serves as Director, Master Degree, Senior economic engineer. From December 2005 to January 2013, He serves as Deputy Minister of Investment Management Department of Guangdong Communication Group, Since January 2013, He serves Minister of Investment Management Department of Guangdong Communication Group, Since April 21, 2014, He serves as Director of the Company.

Mr. Ye Yongcheng, He serves as Director of the Company, Master's degree, senior engineer of the Road and Bridge Group. In July 1980, he participated in work, used to be a manager of Guangdong Province Pingyuan road work area, sub-divisional inspector of Guangdong Province Pingyuan Road branch, the Deputy Secretary of Highway Administration in Guangdong Province, Meizhou City, general manager of Xinyue Co. Ltd. Since June 2012, He served as general manager of Guangdong Expressway Co., Ltd.

Ms.Chen Yanqing, Now serves as director of the Company, MBA, economist, since October 2008, she serves as Deputy general manager of Guangdong Finance Trust and Investment Co., Ltd.

Mr.Tang Qingquan , an independent director of the Company, a (non-practicing) Chinese certified public accountant. an accounting professor and doctoral tutor of Management School of Zhongshan University, he has served in Accounting Department of Management School of Zhongshan University since June 2002. He serves as Independent Direocor of Shenzhen Xiangjiang Holding Co., Ltd and Guangzhou Jinyi Media Co., Ltd.

Mr. Feng Ke, an independent director of the Company, doctor's degree of economics. He is the deputy director and researcher of Economic Research Institute of Peking University. He is the director of Real Estate Finance Center, tutor of postgraduate students and postdoctoral students, principal of postdoctoral working station, and editor of *New Economy* magazine. He was the former assistant of general manager, member of investment policy committee, and marketing director of Golden Eagle Asset Management Co., Ltd., general manager of Beijing Branch and Shanghai Branch, part-time professor of Beijing Institute of Technology, tutor of postgraduate students of Social Sciences Academy of Guangdong Province, deputy director of Youth Economy Society of Beijing University, and independent director of Tande Co., Ltd. Currently, he is an independent director of Tianjin Guangyu Development Co., Ltd, Asia Asset of Hong Kong Exchanges Co., Ltd., and consultant of Mopark Corporation.

Mr. Wang Pu, an independent director of the Company, has been the first MBA of Peking University, National Model Worker , initiator of Beida Zongheng Management Consultant and chief expert. Now he is the Vice president of the China Professional Managers Association, used to be the commissioner of All-China Federation of Youth, vice chairman of Central Committee of the Communist Youth League Chinese Young Entrepreneurs' Association of Central Committee of the Communist Youth League, and part time professor of management institute of several famous universities such as Central University of Finance & Economics and University of International Business and Economics, and independent director of HW Technology Co., Ltd., China National Chemical Engineering Co., Ltd., Integrated Electronic Systems LAB Co., Ltd. and independent director of the Company.

Ms.Xiao Duan an independent director of the Company, Doctor of Economics, the Jinan University Associate Professor of Finance and research supervisor. She used to be a researcher at the Beijing Institute of Market Economy, executive member of the council of Guangdong shares Economic Research Association, a member of the Taiwan Economic Research Institution. She has been engaged in the economic, financial, teaching and research for a long time. She was familiar with capital markets, venture capital, corporate finance and mergers and acquisitions. She is also the independent director of Guangdong Tianhe Agricultural materials Co., Ltd.

Ms.Ling Ping, he has served as chairman of the supervisory committee of the Company,bachelor degree, Senior Accountant, Senior Economist, February 1996-January 2015, worked in Guangdong Provincial Highway Construction Company, served as account, audit, deputy manager of audit Department, minister of the Audit Department, Since January 2015, Worked at Guangdong Communication Group Co., Ltd., Currently serve as

Chairman of the exterior supervisory committee.

Ms. Yang Xiaohua, the supervisor of the Company, Bachelor's degree, Accountant, she serves as Deputy Manager of Enterprise Dept. of Guangdong Nanyue Logistics Co., Ltd.. Since October 2008, she served as assigning full-time supervisor of Guangdong Communication Group Co., Ltd.

Mr. Wu Guangze, the supervisor of the Company,,bachelor' s , MBA, Engineer, June 2011-December 2014, in Guangdong Hualu Transportation Technology Co., Ltd., served as party secretary of the Discipline Committee, the union president, director; December 2014 - present, in current company, serve as Vice secretary of Communist Party, Secretary of Discipline Inspection Commission and Chairman of the Labor Union.

Ms Li Mei, the supervisor of the Company, vice-Chairman of the Labor Union, member of Discipline Inspection Committee, College degree and political engineer. She has worked at the Company since 1998,used to served the Minister of Comprehensive Affairs of the company .

Ms Tu Huiling, the supervisor of the Company, Master's degree, economist and senior political engineer. She has worked at the company since 1992,she served as vice chairman of labor union of the company.

Mr. Chen Wenmian, Deputy general manager, bachelor's degree, participated in work from July 2000. He used to be account manager in corporate banking Dept. of Miaoqianzhijie branch of Commercial Bank of China, Deputy Chief in personal banking Dept., office staff in National Committee for Investment and Development Provincial Planning and Development, senior staff, deputy officer and senior officer. Since January 2012, he served as the party committee member and assistant general manager of the company.

Ms Zuo Jiang, serves as Secretary to the Board, Manager of securities Dept. of the Company, master's degree in finance, senior economic engineer, she has worked at the Company since 1994 and served as manager of Securities Dept. of the company since October 1999 and served as the current position since March 2006.Since October 2015, She served as Deputy General Manager of the Company.

Ms. Peng Xiaofang , Internal audit director, Minister of ministry of supervision of audit, bachelor's degree, senior accountant. Since April 2008, she served as Minister of Audit supervision Department of the Company. Since March 2012, she served as head of the internal audit of the Company.

Ms. He Bing , general counsel, master's degree in law, enterprise legal adviser, from August 2005 to July 2012, she served as Deputy chief economic engineer of the Company, Since July 2012, she served as Chief legal adviser of the Company.

Office taking in shareholder companies

Applicable      Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Zheng Renfa	Guangdong Communication Group	Minister of Investment Management Dept.	January 1, 2013		Yes

Ye Yongcheng	Guangdong Expressway Co., Ltd	Board chairman, Secretary of Party committee,	April 1, 2013		Yes
Chen Yanqing	Guangdong Yuecai Trust Investment Co., Ltd.	Deputy General Manager	October 1, 2008		Yes
Ling Ping	Guangdong Communication Group Co., Ltd.	Dispatched chairman of the supervisory committee	January 1, 2015		Yes
Yang Xiaohua	Guangdong Communication Group Co., Ltd.	Full-time field supervisors	October 1, 2008		Yes

## Offices taken in other organizations

√ Applicable    □ Not applicable

Name of the persons in office	Name of other organizations	Titles engaged in the other organizations	Starting date of office term	Expiry date of office term	Does he/she receive remuneration or allowance from other organization
Feng Ke	School of economic of Beijing University	The associate professor of finance			Yes
Feng Ke	Tiandiyuan Co., Ltd	Independent director			Yes
Feng Ke	Tianjing Guangyu Development Co., Ltd.	Independent director			Yes
Feng Ke	Asia Asset of Hong Kong Exchanges Co., Ltd (Non Listed Company)	Independent director			Yes
Feng Ke	J&J Assets (Non Listed Company)	Independent director			Yes
Wang Pu	Beida Zongheng Management Consulting Group	Founder , chief expert			Yes
Wang Pu	China Software and Technology Services Co., Ltd	Independent director			Yes
Wang Pu	China Chemical Engineering Co., Ltd	Independent director			Yes
Tang Qingquan	School of Business Sun YAT-SEN University	Professor of Accounting			Yes
Tang Qingquan	Shenzhen Xiangjiang Co., Ltd.	Independent director			Yes
Tang Qingquan	Guangzhou Jinyi Film & television Co., Ltd.	Independent director			Yes
Xiao Duan	The financial department of the school of economics of Jinan University	Associate professor, Master's supervisor			Yes
Xiao Duan	Guangdong Tianhe Agricultural materials Co., Ltd.	Independent director			Yes



Punishments to the current and leaving board directors, supervisors and senior managers during the report period by securities regulators in the recent three years

Applicable      Not applicable

#### IV. Remuneration to directors, supervisors and senior executives

Decision-making procedures, basis for determination and actual payment of the remuneration to directors, supervisors and senior executives.

The remuneration of members of the seventh board of directors and supervisory committee was examined and determined at the shareholders' general meeting in 2012. The remuneration of the senior executives is determined by the assets operation responsibility system in that year

Independent directors of the company allowance in accordance with the standards approved by the general meeting of shareholders of Directors, 5000 yuan per person per month(IncludingTax) . the company's directors and senior executives in according to their functions in the company, by the company wage system access to labour remuneration, access to employee benefits, and no longer offer other additional remuneration and benefits

Remuneration to directors, supervisors and senior executives in the reporting period

In RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Zhu Zhanliang	Board Chairman	Male	51	In Office	54.51	No
Wang Chunhua	Director , Deputy General manage	Male	51	In Office	47	No
Fang Zhi	Director, Chief Accountant	Male	52	In Office	16.45	No
Wang Ping	Director, Chief Engineer	Female	51	In Office	42.69	No
Zhen Renfa	Director	Male	46	In Office	6	Yes
Ye Yongcheng	Director	Male	58	In Office	6	Yes
Chen Yanqing	Director	Female	51	In Office	6	Yes
Tang Qingquan	Independent director	Male	55	In Office	6	No
Feng Ke	Independent director	Male	44	In Office	6	No
Wang Pu	Independent Director	Male	47	In Office	6	No
Xiao Duan	Independent director	Female	57	In Office	6	No
Ling Ping	Chairman of the Supervisory Committee	Male	52	In Office	4.5	Yes

Yang Xiaohua	Supervisor	Female	37	In Office	6	Yes
Wu Guangze	Supervisor	Male	48	In Office	28.31	No
Li Mei	Supervisor	Female	46	In Office	40.47	No
Chen Wenmian	Deputy General Manager	Male	37	In Office	44.74	No
Zuo Jiang	Deputy Genral Manager, Secretary to the Board	Female	43	In Office	41.8	No
Peng Xiaofang	head of the internal audit	Female	53	In Office	39.57	No
He Bing	Chief legal adviser	Female	48	In Office	40.82	No
Xiao Laijiu	Director, Genral Manager	Male	51	Dimission	41.91	No
You Xiaochong	Chairman of the Supervisory Committee	Male	48	Dimission	1.5	Yes
Zou Huiming	Supervisor	Male	51	Dimission	14.35	No
Yun Wujun	Chief Accountant	Male	61	Dimission	26.7	No
Tu Huiling	Supervisor	Female	55	Dimission	23.07	No
Total	--	--	--	--	556.39	--

Incentive equity to directors, supervisors or/and senior executives in the reporting period

Applicable  Not applicable

## V. Particulars about employees.

### 1.Number of staff, professional structure and educational background

Number of in-service staff of the parent company(person)	109
Number of in-service staff of the main subsidiaries(person)	1,270
The total number of the in-service staff(person)	1,379
The total number of staff receiving remuneration in the current period(person)	1,436
Professional	
Category	Number of persons ( person )
Management personnel	329
Toll collectors	797

Road service personnel	83
Logistical personnel	170
Total	1,379
Education	
Category	Number of persons ( person )
Holders of master's degree or above	25
Graduates of regular university	250
Graduates of junior colleges	617
Other	487
Total	1,379

## 2. Remuneration policies

According to the company's overall development plan, to further establish and improve a variety of human resource management system, strengthen the macro salary management, to maintain the level of salary market competitiveness. Advocate salary and performance related, and constantly improve the performance appraisal mechanism, personal performance appraisal approach, staff promotion system, to develop both incentive and restrictive salary performance policy. Think highly of the establishment and perfection of welfare system, in accordance with the relevant provisions of the state on time and in full for the full pay pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, housing provident fund and other statutory benefits, comply with the provisions on working hours, rest and vacations, the establishment of supplementary medical insurance, enterprise annuity and welfare system.

## 3. Training plan

N/A

## 4. Outsourcing situation

Applicable      No Applicable

## IX. Administrative structure

### I. General situation

The Company strictly followed the requirement of laws and regulations in <company law>,< the Securities Law>,< Code of Corporate Governance for Listed Companies in China>, <Stock Listing Rules> etc. and kept on improving corporate governance structures, improving normative operation level. Company had stipulated rules such as <articles of association>, rules of procedures in three meetings, working guide of special committee in board of directors, working guide of general manager etc. and internal control system basically covering all operating management such as company financial management, investment management, information disclosure, related transaction, external guarantee, fund raising etc. All rules are well implemented.

In the report period, strictly following the relevant provisions of “Company Law” and “Regulations”, the shareholder’s meeting of our bank effectively performed the functions. The board of directors is to be responsible for the shareholder’s meeting, to take the ultimate responsibility for the bank’s operation and management and to convene a meeting as well as performing the function and power according to legal procedure. In line with the attitude which is responsible for all shareholders and keeping in close contact and communication with the board of directors and the management, the board of supervisors carries out the assessment work on duty exercising for the board of directors and the board of supervisors, effectively performing functions and obligations of supervision.

Does there exist any difference in compliance with the corporate governance, the PRC Company Law and the relevant provisions of CSRC,

Yes     No

There exist no difference in compliance with the corporate governance, the PRC Company Law and the relevant provisions of CSRC.

### II. Independence and Completeness in business, personnel, assets, organization and finance

#### 1. Independent business

The Company is mainly engaged in the toll collection and maintenance of Guangfo Expressway and Fokai Expressway. Meanwhile, it has invested in or holds Shenzhen Huiyan Expressway Co., Ltd., Guangdong Maozhan Expressway Co., Ltd., Guanghui Expressway Co., Ltd., Jingzhu Expressway Guangzhu Section Co., Ltd., Zhongjiang Expressway Co., Ltd., Zhaoqing Yuezhao Highway Co., Ltd., Ganzhou Gankang Expressway Co., Ltd., Ganzhou Kangda Expressway Co., Ltd. Guangdong Guangle Expressway Co., Ltd. and Guangdong Expressway Technology Investment Co., Ltd. The Company has outstanding main operation, independent and complete business and the ability of independent operation. All business decisions of the Company were made independently, being completely separated from the shareholder with actual control. Related transactions were carried out in light of the principle of fair transaction, which did not harm the interests of the Company and other shareholders of the Company. The content of related transactions was fully, timely and accurately disclosed, which did not have negative influence on the Company.

#### 2. Complete assets

The relationship of the Company's property right is clear. The assets injected by shareholders in the Company are independent and complete and have clear property right. All capital was paid up and relevant formalities of property right change were settled.

### 3. Independent personnel

As for personnel relationship, the general manager, deputy general managers, the secretary to the board of directors and financial controller of the Company were full-time employees and received salary from the Company, who did not concurrently hold positions at the parent company.

All directors and supervisors of the Company were elected through legal procedure. The general manager, deputy general managers, chief accountant, chief economic engineer and chief engineer were directly appointed by the board of directors. Other managerial personnel of all levels were directly appointed by the general manager. The Company owns independent power of personnel appointment and removal.

### 4. Independent finance

The Company, including subsidiaries established independent accounting department, independent accounting system and regulations on financial management.

The Company independently opened bank account and did not deposit funds in the accounts of the finance company or settlement center of the majority shareholder. The Company independently paid tax. The Company's financial decisions were independently made. The majority shareholder did not interfere with the use of funds by listed companies.

### 5. Independent organization

The board of directors, the supervisory committee and other internal organs of the Company operated independently. Its organs are complete and independent.

## III. Horizontal Competitions

Applicable     Not applicable

## IV. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

### 1. Annual General Meeting

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
The First provisional shareholders' General meeting in 2015	Provisional shareholders' General meeting	44.53%	March 23,2015	March 24,2015	Announcement of Resolutions of the First provisional shareholders' general meeting. (2015-008) www.cninfo.com.cn
2014 Shareholders' general meeting	Annual Shareholders' General Meeting	44.76%	April 16,2015	April 17,2015	Announcement of Resolutions of the shareholders' general meeting in 2014(2015-019) www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2015	Provisional shareholders' General meeting	50.90%	September 14,2015	September 15,2015	Announcement of Resolutions of the Second provisional shareholders' general meeting. (2015-053) www.cninfo.com.cn
The Third provisional	Provisional	45.06%	December	January 4,2016	Announcement of Resolutions of the

shareholders' General meeting in 2015	shareholders' General meeting		30,2015		Third provisional shareholders' general meeting. (2015-070) www.cninfo.com.cn
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2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable      Not applicable

## V. Responsibility performance of independent directors in report period

1. The attending of independent directors to board meetings and shareholders' general meeting

The attending of independent directors						
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)
Wang Pu	12	1	11	0	0	No
Feng Ke	12	1	11	0	0	No
Tang Qingquan	12	1	11	0	0	No
Xiao Duan	12	1	11	0	0	No
Number of general meetings attended by independent directors as non-voting delegates						4

Notes to failure to personally attend Board Meetings Successively Twice

2. Objection of independent directors on some relevant issues

Yes      No

Independent directors proposed no objection against the relevant matters in the reporting period.

3. Other notes to duty performance of independent directors

Has an independent director's advice to the Company been accepted

Yes      No

Explanation on acceptance of or failure to accept an independent director's advice to the Company.

Independent directors seriously exercise the rights conferred by law, keep abreast of the company's production and management information, concerned about the company's comprehensive development, actively attend relevant meetings held by the company in 2014, published an independent and objective advice on relevant matters for consideration by the Board of Directors of the Company. Faithfully perform their duties, give full play to the independent role of the independent directors, to safeguard the interests of the company as a whole, and to safeguard the legitimate rights and interests of all shareholders, especially minority shareholders. The advices on business development and corporate governance given by independent directors can be adopted.

**VI. Duty Performance of Special Committees under the Board of Directors in the Reporting Period**

1. The board of directors has an audit committee composed of three directors. i.e., Mr. Tang Qingquan , Mr. Feng Ke and Mr. Xiao Laijiu. The particulars of the work of the audit committee in the report period are as follows:

According to the Rules of Procedure of Audit Committee of the Board of Directors and Working Regulations of Audit Committee of the Board of Directors on Annual Report and the work requirements of CSRC and Shenzhen Stock Exchange on annual report for 2014, the audit committee carried out a series of work for the annual audit of the Company for 2014, including deciding the working schedule for the audit of financial report for the report year after consultation with the certified public accountants in charge, reviewing the financial report prepared by the Company and forming written opinions, issuing the Urging Letter for Audit to certified public accountants and requiring certified public accountants to carry out overall work plan for audit and submit relevant progress report to the audit committee, reviewing the financial report for 2014 submitted by the Finance Dept. of the Company (on which the certified public accountants in charge of annual audit issued standard unqualified opinions) and giving written auditing opinions.

2. The board of directors has a remuneration committee composed of three directors, i.e., Mr. Wang Pu, Mr. Xiao Duan and Ms Chen Yanqing. The particulars of the work of the remuneration committee in the report period are as follows:

According to the Company's Regulations on Performance Appraisal and Remuneration Management of Senior Executives, the remuneration and appraisal committee audited the remuneration disclosed by the Company's directors, supervisors and senior executives for 2014 and expressed auditing opinions and examined and adopted the remuneration scheme and appraisal scheme for senior executives of the Company for 2013.

3. In the report period, The board of directors has a strategy committee composed of five directors. i.e., Mr. Zhu Zhanliang, Mr. Wang Pu, Ms. Xiao Duan, Mr. Tang Qingquan and Mr. Xiao Laijiu .

Strategy Committee will strengthen the company's strategic direction, strategic planning, research, and supervise the implementation of corporate strategies, provide timely advice to the Board decisions on strategic development.

**VII. Work of the supervisory Committee**

Did the supervisory Committee find any risk existing in performing the supervision activities in the reporting period

Yes     No

The supervisory Committee has no objection against any matters under supervision in the reporting period

**VIII. Assessment and incentive Mechanism for Senior executives**

The Company implemented position responsibility to every senior management, and made clear regulations on job standards, appraisal standards. The senior management staff shall report to worker representatives and accept comments. If not qualified in successively 2 years, they will be demoted or dismissed.

**IX. Internal Control**

I. Specific situations on major defects of internal control discovered during report period

Yes     No

II. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	March 29, 2016
Disclosure index of appraisal report on internal control	www.cninfo.com.cn

The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	100.00%	
Standards of Defects Evaluation		
Type	Financial Report	Non-financial Report
Standard	<p>The following situations (including but not limited to) shall be deemed as “material deficiencies” in the internal control of the financial report.</p> <p>(1) There are major frauds made by the directors, or supervisors, or senior management personnel in the company’s management activities;</p> <p>(2) There are material misstatements in the current financial report but the internal control failed to find the misstatements during its operation;</p> <p>(3) The supervisions made by the company's audit committee and the internal audit organization on the internal control are invalid;</p> <p>(4) The control environment is invalid;</p> <p>(5) The material deficiencies found and reported to the management but are not corrected within a reasonable time;</p> <p>(6) There is an administrative punishment from the securities regulatory institution due to accounting errors.</p> <p>The following situations (including but not limited to) shall be deemed as “significant deficiencies” in the internal control of the financial report and there are intense signs for the situations becoming “material deficiencies”:</p> <p>(1) Frauds made by staff in key positions;</p> <p>(2) The supervisory function on compliance is invalid, and the violations of regulations may have a significant impact on the reliability of the financial report;</p> <p>(3) The significant deficiencies reported to the</p>	<p>Material deficiencies: serious violations and being sentenced to heavy fines or need taking criminal responsibility; utterly disregard the rules of law, illegal behaviors in the operation and management are particularly severe and the circumstance is very bad, which leads to the suspension or cessation to the company's daily operation and management activities, and leads to the audit report with a disclaimer of opinion or a negative opinion issued by the CPA; the negative news spread all over the country, which caused severe damage to the company’s reputation; resulted in decease of a number of workers or citizens, or resulted in damages that are unable to recover to workers or citizens; reached the circumstance(grade II) of major environmental event. Significant deficiencies: illegal and being punished; disregard the requirements of the company’s management system and the relevant rules of law, there are illegal acts of using the authority to seek illegal interests in the work, which significantly affect the efficiency and the result of daily operation and management activities and lead to the audit report with qualified opinion issued by the CPA; the negative news spread in a region, which caused the large-extent damage to the company’s reputation; resulted in decease of a worker or a citizen, or resulted in damages that need long time to recover to workers or citizens; reached the circumstance(grade III) of big environmental event.</p> <p>General deficiencies: minor violations; the</p>



	<p>management but are not corrected within a reasonable period.</p> <p>The following situations (including but not limited to) shall be deemed as “general deficiencies” in the internal control of the financial report.</p> <p>(1) Frauds made by staff in non key positions, or business operators execute the implementation procedures not strictly conforming to the company’s policy but resulted in no significant impact on the reliability of the financial report.</p> <p>(2)The supervisory function on compliance is invalid, and the violations of regulations may not have a significant impact on the reliability of the financial report;</p> <p>(3)</p> <p>The general deficiencies reported to the management but are not corrected within a reasonable period.</p>	<p>awareness of management under in compliance with laws and regulations is weak, lacking of business and management knowledge, and there are phenomena such as being slack in performing management duties, being passive and poorly execute the institution in the work, which shall affect the efficiency and the result of daily operation and management activities and lead to small effects to the company’s management goal; the negative news spread within the company, which caused the little-extent damage to the company’s reputation; shortly affected the health of the workers or citizens and the workers or citizens can be recovered in a short time; reached the circumstance(grade IV) of general environmental event.</p>
Standards of Quantitation	<p>Material deficiencies: potential misstatement <math>\geq 1\%</math> of the total amount of the owner’s equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner’s equity or RMB 100 million <math>\leq</math> potential misstatement <math>&lt; 1\%</math> of the total amount of the owner’s equity or RMB 200 million; general deficiencies: potential misstatement <math>&lt; 0.5\%</math> of the total amount of the owner’s equity or RMB 100 million</p>	<p>Material deficiencies: potential misstatement <math>\geq 1\%</math> of the total amount of the owner’s equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner’s equity or RMB 100 million <math>\leq</math> potential misstatement <math>&lt; 1\%</math> of the total amount of the owner’s equity or RMB 200 million; general deficiencies: potential misstatement <math>&lt; 0.5\%</math> of the total amount of the owner’s equity or RMB 100 million</p>
Number of major defects in financial reporting (a)		0
Number of major defects in non financial reporting (a)		0
Number of important defects in financial reporting (a)		0
Number of important defects in non financial reporting (a)		0

**X. Internal Control audit report**√ Applicable  Not applicable

Review opinions in the internal control audit report	
In our opinion, Guangdong Expressway has maintained effective financial report internal control in all material aspects according to the basic standards for Enterprise internal control and relevant regulations ended December 31, 2015.	
Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	March 29, 2016
Index of audit report of internal control (full-text)	www.cninfo.com.cn
Internal audit report's opinion	Unqualified audit opinion
Non-financial reporting the existence of significant deficiencies	No

Has the CPAs issued a qualified auditor's report of internal control .

 Yes  No

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors

 Yes  No

## X. Financial Report

### I. Audit report

Type of audit opinion	Standard Unqualified Audit Opinion
Date for signing the auditor's report	March 28, 2016
Name of audit firm	Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd. (Special General Partnership)
Name	Wang Shaohua, Yao Jing

### Auditors' Report

To all shareholders of Guangdong Provincial Expressway Development Co., Ltd.:

We audited accompanying financial statements of Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "the Company"), including Consolidation and parent Company balance sheet on December 31, 2015, Consolidation and parent Company income statement, Consolidation and parent Company cash flow statement for the year 2015 and Consolidation and parent Company statement of change in shareholders' equity and the notes to financial statements.

#### (I) Responsibilities of the management concerning the financial statements

The Management is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Accounting Standard for Business Enterprises and China Accounting System For Business Enterprises. These responsibilities include: (i) designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (ii) selecting and applying appropriate accounting policies; (iii) and making accounting estimates that are reasonable in the circumstances.

#### (II) Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion.

(III). Auditing opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises.

## II. Financial statements

Currency unit for the statements in the notes to these financial statements:RMB

### 1. Consolidated balance sheet

Prepared by: Guangdong Provincial Expressway Development Co., Ltd.

December 31, 2015

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	986,737,635.38	561,800,403.72
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable	48,147,335.85	23,621,958.13
Prepayments	1,914,808.89	963,349.67
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	16,436,699.69	28,245,949.17
Repurchasing of financial assets		
Inventories	800,998.80	
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		40,632,376.52
Total of current assets	1,054,037,478.61	655,264,037.21

Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	1,796,056,064.29	1,946,619,228.45
Expired investment in possess		
Long-term receivable		
Long term share equity investment	2,635,251,969.72	2,706,081,363.32
Property investment	3,684,184.48	4,148,397.88
Fixed assets	6,591,106,343.61	7,176,766,024.73
Construction in progress	17,125,070.14	2,974,467.60
Engineering material	1,549,556.00	1,549,556.00
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	4,099,611.48	5,051,049.34
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	3,576,970.11	5,006,154.74
Differed income tax asset	104,286.87	8,869,234.60
Other non-current asset	1,176,432.55	1,176,432.55
Total of non-current assets	11,053,730,489.25	11,858,241,909.21
Total of assets	12,107,767,967.86	12,513,505,946.42
Current liabilities		
Short-term loans		150,000,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable	154,217,021.14	150,799,208.60
Advance payment	4,709,312.20	4,868,022.79
Selling of repurchased financial assets		

Fees and commissions receivable		
Employees' wage payable	3,105,804.37	2,808,275.72
Tax payable	37,412,104.25	11,575,093.74
Interest payable	22,079,344.97	24,473,342.31
Dividend payable	11,681,423.74	11,148,088.30
Other account payable	186,766,854.50	369,325,097.99
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	1,309,080,000.00	400,480,000.00
Other current liability		
Total of current liability	1,729,051,865.17	1,125,477,129.45
Non-current liabilities:		
Long-term loan	4,081,760,000.00	4,393,840,000.00
Bond payable		997,000,000.00
Including: preferred stock		
Sustainable debt		
Long-term payable	52,022,210.11	2,022,210.11
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	116,526,766.79	124,150,064.67
Other non-current liabilities		
Total non-current liabilities	4,250,308,976.90	5,517,012,274.78
Total of liability	5,979,360,842.07	6,642,489,404.23
Owners' equity		
Share capital	1,257,117,748.00	1,257,117,748.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Capital reserves	1,534,772,601.74	1,534,771,223.07
Less: Shares in stock		
Other comprehensive income	479,920,085.76	630,483,249.92
Special reserves		
Surplus reserves	279,797,987.31	253,056,237.77
Common risk provision		
Undistributed profit	1,657,681,399.78	1,340,748,017.33
Total of owner's equity belong to the parent company	5,209,289,822.59	5,016,176,476.09
Minority shareholders' equity	919,117,303.20	854,840,066.10
Total of owners' equity	6,128,407,125.79	5,871,016,542.19
Total of liabilities and owners' equity	12,107,767,967.86	12,513,505,946.42

Legal Representative:Zhu Zhanliang

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Liu Xiaomei

## 2.Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	822,286,507.11	332,632,828.69
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable		
Prepayments	1,994,822.56	1,250,000.00
Interest receivable	137,958.34	387,936.10
Dividend receivable		
Other account receivable	2,256,822.99	2,536,246.24
Inventories		



Assets held for sales		
Non-current asset due in 1 year		
Other current asset		170,603,625.00
Total of current assets	826,676,111.00	507,410,636.03
Non-current assets:		
Disposable financial asset	1,796,056,064.29	1,946,619,228.45
Expired investment in possess		
Long-term receivable		
Long term share equity investment	5,053,688,539.24	5,108,422,809.68
Property investment	3,432,046.23	3,896,259.63
Fixed assets	3,734,470.83	5,463,902.97
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,056,003.37	1,007,811.70
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	3,261,555.68	4,955,719.12
Differed income tax asset		
Other non-current asset	75,000,000.00	78,000,000.00
Total of non-current assets	6,936,228,679.64	7,148,365,731.55
Total of assets	7,762,904,790.64	7,655,776,367.58
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable		
Advance payment		
Employees' wage payable	1,022,391.27	955,391.47

Tax payable	4,915,239.62	1,640,343.15
Interest payable	17,625,272.46	17,902,360.98
Dividend payable	11,681,423.74	11,148,088.30
Other account payable	6,378,723.77	3,342,843.69
Liabilities held for sales		
Non-current liability due in 1 year	997,000,000.00	
Other current liability	309,154,118.44	249,803,653.80
Total of current liability	1,347,777,169.30	284,792,681.39
Non-current liabilities:		
Long-term loan	1,500,000,000.00	1,500,000,000.00
Bond payable		997,000,000.00
Including: preferred stock		
Sustainable debt		
Long-term payable	52,022,210.11	2,022,210.11
Employees' wage payable		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	1,552,022,210.11	2,499,022,210.11
Total of liability	2,899,799,379.41	2,783,814,891.50
Owners' equity		
Share capital	1,257,117,748.00	1,257,117,748.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,534,920,742.49	1,534,919,363.82
Less: Shares in stock		
Other comprehensive income	479,920,085.76	630,483,249.92
Special reserves		
Surplus reserves	279,797,987.31	253,056,237.77
Undistributed profit	1,311,348,847.67	1,196,384,876.57
Total of owners' equity	4,863,105,411.23	4,871,961,476.08

Total of liabilities and owners' equity	7,762,904,790.64	7,655,776,367.58
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## 3.Consolidated Income statement

In RMB

Item	Report period	Same period of the previous year
I. Income from the key business	1,545,498,589.11	1,455,054,983.70
Incl: Business income	1,545,498,589.11	1,455,054,983.70
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,430,796,069.77	1,462,489,187.28
Incl: Business cost	867,986,027.55	848,547,244.47
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	54,438,413.95	52,884,774.49
Sales expense		
Administrative expense	166,209,446.96	167,805,309.46
Financial expenses	342,004,056.37	401,972,752.87
Asset impairment loss	158,124.94	-8,720,894.01
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	505,392,075.50	419,963,723.25
Incl: investment gains from affiliates	435,543,369.59	374,852,598.76
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	620,094,594.84	412,529,519.67
Add : Non-operational income	28,448,162.03	10,696,374.75
Including: Income from disposal of non-current assets	3,578.00	3,751,673.75

Less: Non business expenses	6,126,824.34	11,236,078.96
Incl: Loss from disposal of non-current assets	3,041,722.04	3,602,575.90
IV.Total profit(“-”for loss)	642,415,932.53	411,989,815.46
Less: Income tax expenses	102,985,897.54	53,140,304.88
V. Net profit	539,430,034.99	358,849,510.58
Net profit attributable to the owners of parent company	469,386,906.79	318,754,807.85
Minority shareholders' equity	70,043,128.20	40,094,702.73
VI. Other comprehensive income	-150,563,164.16	522,265,975.68
Net of profit of other comprehensive income attributable to owners of the parent company.	-150,563,164.16	522,265,975.68
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-150,563,164.16	522,265,975.68
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-150,563,164.16	522,265,975.68
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		

Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	388,866,870.83	881,115,486.26
Total comprehensive income attributable to the owner of the parent company	318,823,742.63	841,020,783.53
Total comprehensive income attributable minority shareholders	70,043,128.20	40,094,702.73
VIII. Earnings per share		
(I) Basic earnings per share	0.37	0.25
(II) Diluted earnings per share	0.37	0.25

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

Legal Representative: Zhu Zhanliang

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Liu Xiaomei

#### 4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	17,259,744.96	38,226,359.03
Incl: Business cost	464,213.40	464,213.40
Business tax and surcharge	1,017,390.83	2,337,596.13
Sales expense		
Administrative expense	87,133,240.32	80,702,135.14
Financial expenses	160,822,480.70	183,477,144.43
Asset impairment loss		-445,529.50
Add: Gains from change of fair value ("-" for loss)		
Investment gain ("-" for loss)	499,544,231.95	421,678,016.13
Incl: investment gains from affiliates	436,624,090.84	376,566,891.64
II. Operational profit ("-" for loss)	267,366,651.66	193,368,815.56
Add: Non-operational income	175,192.03	37,574.60
Including: Income from disposal		

of non-current assets		
Less: Non business expenses	124,348.25	351,800.00
Incl: Loss from disposal of non-current assets	122,652.44	351,800.00
III. Total profit (“-”for loss)	267,417,495.44	193,054,590.16
Less: Income tax expenses		
IV. Net profit (“-”for net loss)	267,417,495.44	193,054,590.16
V. Net of profit of other comprehensive income	-150,563,164.16	522,265,975.68
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1. Re-measurement of defined benefit plans of changes in net debt or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
( II )		
Other comprehensive income that will be reclassified into profit or loss.	-150,563,164.16	522,265,975.68
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Gains and losses from changes in fair value available for sale financial assets	-150,563,164.16	522,265,975.68
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		
VI. Total comprehensive income	116,854,331.28	715,320,565.84
VII. Earnings per share:		
(I) Basic earnings per share		

(II) Diluted earnings per share		
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## 5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services		
Net increase of customer deposits and capital kept for brother company	1,513,035,761.18	1,449,260,204.91
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned		
Other cash received from business operation	66,881,214.31	57,203,521.78
Sub-total of cash inflow	1,579,916,975.49	1,506,463,726.69
Cash paid for purchasing of merchandise and services	178,149,928.54	176,249,231.57
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee		

and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	217,286,836.16	225,265,894.32
Taxes paid	139,262,525.10	72,816,246.08
Other cash paid for business activities	48,224,394.50	64,890,607.93
Sub-total of cash outflow from business activities	582,923,684.30	539,221,979.90
Cash flow generated by business operation, net	996,993,291.19	967,241,746.79
II. Cash flow generated by investing		
Cash received from investment retrieving	79,790,549.00	
Cash received as investment gains	537,034,545.10	193,985,633.34
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	19,236.01	4,163,975.87
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	20,000,000.00	8,652,012.00
Sub-total of cash inflow due to investment activities	636,844,330.11	206,801,621.21
Cash paid for construction of fixed assets, intangible assets and other long-term assets	97,152,722.60	234,514,570.92
Cash paid as investment		55,995,231.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	97,152,722.60	290,509,801.92
Net cash flow generated by investment	539,691,607.51	-83,708,180.71
III. Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		



Cash received as loans	50,000,000.00	335,000,000.00
Cash received from bond placing		
Other financing –related ash received	1,378.67	12,507.50
Sub-total of cash inflow from financing activities	50,001,378.67	335,012,507.50
Cash to repay debts	675,480,000.00	1,118,485,000.00
Cash paid as dividend, profit, or interests	479,597,707.56	511,451,389.15
Incl: Dividend and profit paid by subsidiaries to minor shareholders	5,765,891.10	24,591,472.01
Other cash paid for financing activities	6,171,000.00	3,000,000.00
Sub-total of cash outflow due to financing activities	1,161,248,707.56	1,632,936,389.15
Net cash flow generated by financing	-1,111,247,328.89	-1,297,923,881.65
IV. Influence of exchange rate alternation on cash and cash equivalents	-500,338.15	-277,966.53
V.Net increase of cash and cash equivalents	424,937,231.66	-414,668,282.10
Add: balance of cash and cash equivalents at the beginning of term	561,800,403.72	976,468,685.82
VI ..Balance of cash and cash equivalents at the end of term	986,737,635.38	561,800,403.72

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	8,427,703.28	7,218,877.08
Tax returned		
Other cash received from business operation	75,642,062.47	33,835,283.02
Sub-total of cash inflow	84,069,765.75	41,054,160.10
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	46,591,029.83	49,722,027.43

Taxes paid	1,197,864.49	3,162,157.36
Other cash paid for business activities	37,419,882.44	102,667,132.31
Sub-total of cash outflow from business activities	85,208,776.76	155,551,317.10
Cash flow generated by business operation, net	-1,139,011.01	-114,497,157.00
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving	40,549,909.00	
Cash received as investment gains	554,332,218.39	267,760,049.38
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,425.00	4,500.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	142,082,019.44	1,034,359,286.47
Sub-total of cash inflow due to investment activities	736,965,571.83	1,302,123,835.85
Cash paid for construction of fixed assets, intangible assets and other long-term assets	624,472.63	1,871,580.63
Cash paid as investment		55,995,231.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		505,000,000.00
Sub-total of cash outflow due to investment activities	624,472.63	562,866,811.63
Net cash flow generated by investment	736,341,099.20	739,257,024.22
<b>III. Cash flow generated by financing</b>		
Cash received as investment		
Cash received as loans	50,000,000.00	
Cash received from bond placing		
Other financing –related ash received	1,378.67	12,507.50
Sub-total of cash inflow from financing activities	50,001,378.67	12,507.50
Cash to repay debts		800,000,000.00

Cash paid as dividend, profit, or interests	288,878,450.29	271,035,755.09
Other cash paid for financing activities	6,171,000.00	3,000,000.00
Sub-total of cash outflow due to financing activities	295,049,450.29	1,074,035,755.09
Net cash flow generated by financing	-245,048,071.62	-1,074,023,247.59
IV. Influence of exchange rate alternation on cash and cash equivalents	-500,338.15	-277,966.53
V. Net increase of cash and cash equivalents	489,653,678.42	-449,541,346.90
Add: balance of cash and cash equivalents at the beginning of term	332,632,828.69	782,174,175.59
VI .Balance of cash and cash equivalents at the end of term	822,286,507.11	332,632,828.69

## 7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	1,257,117,748.00				1,534,771,223.07		630,483,249.92		253,056,237.77		1,340,748,017.33	854,840,066.10	5,871,016,542.19
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	1,257,117,748.00				1,534,771,223.07		630,483,249.92		253,056,237.77		1,340,748,017.33	854,840,066.10	5,871,016,542.19
III. Changed in the current year					1,378.67		-150,563,164.16		26,741,749.54		316,933,382.45	64,277,237.10	257,390,583.60

(1) Total comprehensive income							-150,563,164.16				469,386,906.79	70,043,128.20	388,866,870.83
(II) Investment or decreasing of capital by owners													
1. Ordinary Shares invested by hareholders													
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other													
(III) Profit allotment									26,741,749.54		-152,453,524.34	-5,765,891.10	-131,477,665.90
1. Providing of surplus reserves									26,741,749.54		-26,741,749.54		
2. Providing of common risk provisions													
3. Allotment to the owners (or											-125,711,774.80	-5,765,891.10	-131,477,665.90

shareholders)													
4. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other					1,378.67								1,378.67
IV. Balance at the end of this term	1,257,117,748.00				1,534,772,601.74	479,920,085.76		279,797,987.31		1,657,681,399.78	919,117,303.20		6,128,407,125.79

Amount in last year

In RMB

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	1,257,117,748.00				1,534,758,715.57		108,217,274.24		233,750,778.75		1,104,154,555.90	814,745,363.37	5,052,744,435.83
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	1,257,117,748.00				1,534,758,715.57		108,217,274.24		233,750,778.75		1,104,154,555.90	814,745,363.37	5,052,744,435.83
III. Changed in the current year					12,507.50		522,265,975.68		19,305,459.02		236,593,461.43	40,094,702.73	818,272,106.36
(I) Total comprehensive income							522,265,975.68				318,754,807.85	40,094,702.73	881,115,486.26
(II) Investment or					12,507.50								12,507.50

decreasing of capital by owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Allotment to the owners (or shareholders)													
4. Other					12,507.50								12,507.50
(IV) Internal transferring of owners' equity									19,305,459.02		-82,161,346.42		-62,855,887.40
1. Capitalizing of capital reserves (or to capital shares)									19,305,459.02		-19,305,459.02		
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.											-62,855,887.40		-62,855,887.40
4. Other													
(VI) Special reserves													
1. Provided this year													
2. Used this term													
(VII) Other													



IV. Balance at the end of this term													
(V) Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other													
IV. Balance at the end of this term	1,257,117,748.00				1,534,771,223.07	630,483,249.92		253,056,237.77		1,340,748,017.33	854,840,066.10	5,871,016,542.19	

## 8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrusment			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Attributable profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	1,257,117,748.00				1,534,919,363.82		630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08
Add: Change of accounting policy											
Correcting of previous errors											

Other											
II. Balance at the beginning of current year	1,257,117,748.00				1,534,919,363.82	630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08	
III. Changed in the current year					1,378.67	-150,563,164.16		26,741,749.54	114,963,971.10	-8,856,064.85	
(I) Total comprehensive income						-150,563,164.16			267,417,495.44	116,854,331.28	
(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by hareholders											
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit allotment								26,741,749.54	-152,453,524.34	-125,711,774.80	
1. Providing of surplus reserves								26,741,749.54	-26,741,749.54		
2. Allotment to the owners (or shareholders)									-125,711,774.80	-125,711,774.80	
3. Other											
(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											

4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other					1,378.67						1,378.67
IV. Balance at the end of this term	1,257,117,748.00				1,534,920,742.49		479,920,085.76		279,797,987.31	1,311,348,847.67	4,863,105,411.23

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Attributable profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	1,257,117,748.00				1,534,906,856.32		108,217,274.24		233,750,778.75	1,085,491,632.83	4,219,484,290.14
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	1,257,117,748.00				1,534,906,856.32		108,217,274.24		233,750,778.75	1,085,491,632.83	4,219,484,290.14
III. Changed in the current year					12,507.50		522,265,975.68		19,305,459.02	110,893,243.74	652,477,185.94

(I) Total comprehensive income							522,265,975.68			193,054,590.16	715,320,565.84
(II) Investment or decreasing of capital by owners						12,507.50					12,507.50
1. Ordinary Shares invested by hareholders											
2. Holders of other equity instruments invested capital											
3.Amount of shares paid and accounted as owners' equity											
4. Other						12,507.50					12,507.50
(III) Profit allotment									19,305,459.02	-82,161,346.42	-62,855,887.40
1.Providing of surplus reserves									19,305,459.02	-19,305,459.02	
2. Allotment to the owners (or shareholders)										-62,855,887.40	-62,855,887.40
3. Other											
(IV)Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											

(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	1,257,117,748.00				1,534,919,363.82		630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08

### III. Company Profile

#### (1). History

The Company was established in February 1993, which was originally named as Guangdong Fokai Expressway Co., Ltd. On June 30, 1993, it was renamed as Guangdong Provincial Expressway Development Co., Ltd. after reorganization pursuant to the approval of the Office of Joint Examination Group of Experimental Units of Share Holding System with YLSB (1993)No. 68 document. The share capital structure after reorganization is as follows:

Composition of state-owned shares: The appraised net value of state-owned assets of Guangdong Jiujiang Bridge Co. and Guangfo Expressway Co., Ltd. as of January 31, 1993 confirmed by Guangdong State-owned Asset Management Dept., i.e., RMB 418.2136 million, was converted into 155.025 million shares. Guangdong Expressway Co. invested cash of RMB 115 million to subscribe for 35.9375 million shares. Other legal persons invested cash of RMB 286.992 million to subscribe for 89.685 million shares. Staff of the Company invested RMB 87.008 million to subscribe for 27.19 million shares. The total is RMB 307.8375.

2. Pursuant to the approval of Guangdong Economic System Reform Committee and Guangdong Securities Regulatory Commission with YTG (1996) No. 67 document, part of the shareholders of non-state-owned legal person shares transferred 20 million non-state-owned legal person shares to Malaysia Yibao Engineering Co., Ltd. in June 1996.

3. Pursuant to the approval of Securities Commission under the State Council with WF (1996) No. 24 approval document and that of Guangdong Economic System Reform Committee with YTG (1996) No. 68 document, the Company issued 135 million domestically listed foreign investment shares (B shares) to overseas investors at the price of HKD 3.54 (equivalent to RMB 3.8) with the par value of each share being RMB 1 during June to July 1996.

4. Pursuant to the reply of the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China with (1996) WJMZYHZ No. 606 document, the Company was approved to be a foreign-invested joint stock company limited.

5. The Company distributed dividends and capitalized capital common reserve for the year 1996 in the following manner: The Company paid 1.7 bonus shares for each 10 shares and capitalized capital common reserve on 3.3-for-10 basis.

6. Pursuant to the approval of China Securities Regulatory Committee (CSRC) with ZJFZ (1997) No. 486 and No. 487 document, the Company issued 100 million public shares (A shares) at the price of RMB 5.41 in term of "payable in full on application, pro-rate placing and subject to refund" with the par value of each share being RMB 1 in January 1998.

7. In accordance with the Resolutions of the 1999 Shareholders' General Meeting of the Company and pursuant to the approval of Guangzhou Securities Regulatory Office under CSRC with GZZJH (2000) No. 99 and that of CSRC with ZJGSZ (2000) No. 98, the Company offered 3 Rights for every 10 shares of 764.256249 million shares at the price of RMB 11 per Right. 73,822,250 ordinary shares were actually placed to all

8. Pursuant to the reply of the General Office of the People's Government of Guangdong Province with YBH (2000) No. 574 document, the state-owned shares were transferred to Guangdong Communication Group Co., Ltd. (Group Co.) for holding and management without compensation.

9. Pursuant to the approval of Shenzhen Stock Exchange, 53.0205 million staff shares of the Company (132,722 shares held by directors, supervisors and senior executives are temporarily frozen) were listed on February 5, 2001. As of December 31, 2015, the quantity of the shares subject to sale restriction held by senior executives is 143,524.

10. In accordance with the resolutions of 2000 annual shareholders' general meeting, the Company capitalized capital common reserve into 419,039,249 shares on 5-for-10 basis with the total share capital as of the end of 2000,

i.e., 838,078,499 shares as base. The date of stock right registration was May 21, 2001. The ex-right date was May 22, 2001.

11. On March 8, 2004, As approved by China Securities Regulatory Commission by document Zheng-Jian-Gong-Si-Zi [2003]No.3, the 45,000,000 non-negotiable foreign shares were placed in Shenzhen Stock

12. On December 21, 2005, the Company's plan for share holding structure reform was voted through at the shareholders' meeting concerning A shares. On January 26 2006, The Ministry of Commerce of PRC issued "The approval on share converting of Guangdong Provincial Expressway Development Co., Ltd." to approve the share equity relocation and transformation. On October 9 2006, according to the "Circular about implementing of share equity relocation and relative trading" issued by Shenzhen Stock Exchange, the abbreviation ID of the Company's A shares was restored from "G-Expressway" "Expressway A".

## (2) Organization structure and the actual controller of the Company

As of June 30, 2014, Registration capital :RMB1,257,117,748, Legal representative: Zhu Zhanliang, Registration place: No.85, Baiyun Road, Guangzhou, Headquarters Office: 45-46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe District, Guangzhou. The company has set up: Investment Development Dept, Security Affairs Department, Management Department, Financial Management Department, Base construction Department, Audit and Supervise Department, Affairs Department, Personnel Department, Party Work Department, Law affairs Department, Project Office and Labour union etc.

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Li Jing. Date of establishment: June 23, 2000. As of December 31, 2014, Registered capital: RMB 26.8 billion. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; The value-added telecom business.

## (3) The company's main business and share Holding company

The company operated the construction of the highway construction, grading roads, bridges; Management fees and maintenance of roads, bridges, and car rescue, maintenance, cleaning, concurrently with the company's business supporting motor transport, warehousing operations.

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway, investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Jingzhu Expressway Guangzhou Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd., Ganzhou Kangda Expressway, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd. and Guangdong Guangle Expressway Co., Ltd.

## 4. Scope of consolidated financial statements

The company's 2015 annual consolidated subsidiaries of total 3 companies, the scope of consolidated financial statements did not change compared with the previous period, Refer to Notes VI, Notes of financial statements, Change of consolidation scope and Notes VII, Notes of financial statements, Equity in other entities for more details.

## 5. Approval of the financial statements reported

The financial statements for 2015 have been authorized for issuance by the Board of Directors of the Group on March 28, 2016.

#### **IV. Basis for the preparation of financial statements**

##### 1.Preparation basis

The company prepares the financial statements on the basis of a continuous operation, the actual transactions, “Accounting Standards for Enterprises – Basic Standards”, other accounting standards & related regulations. Furthermore, all the materials of financial statements of the company meet the relevant disclosure requirements of financial statements and notes on the “Editing and Reporting Rules Regarding Information Disclosure for Companies Publicly Issuing Securities No. 15 – General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

##### 2.Continuation

There will be no such events or situations in the 12 months from the end of the reporting period that will cause material doubts as to the continuation capability of the Company.

#### **V. Important accounting policies and estimations**

Indication of specific accounting policies and estimations:

N/A

##### 1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of corporate accounting standards. They truly and completely reflect the financial situations, operating results, equity changes and cash flow, and other relevant information of the company.

##### 2.Fiscal Year

The Company adopts the Gregorian calendar year commencing on January 1 and ending on December 31 as the fiscal year.

##### 3.Operating cycle

An operating cycle for the Company is 12 months, which is also the classification criteria for the liquidity of its assets and liabilities.

##### 4.Standard currency for bookkeeping

The Company takes RMB as the standard currency for bookkeeping.

(5) Accountings for Business Combinations under the Same Control & Business Combinations not under the Same Control

##### 1.Business Combinations under the Same Control

The assets and liabilities acquired by the company in the business combination shall be measured as per the obtained book value of owner’s equity of the combined party in the consolidated financial statements.As for the balance between the carrying amount of the net assets obtained by the combining party & the carrying amount of the consideration paid by it (or the total par value of the shares issued), the additional paid-in capital shall be



adjusted. If the additional paid-in capital is not sufficient to be offset, the retained earnings shall be adjusted.

The direct costs for the business combination of the company, including the expenses for audit, assessment and legal services, shall be recorded into the profits & losses at the current period.

The handling fees, commissions & other expenses for the issuance of equity securities for the business combination shall be credited against the surplus of equity securities; if the surplus is not sufficient, the retained earnings shall be offset.

Where the accounting policies adopted by the combined parties are different from those adopted by the company, the company shall adjust them on the combining date according to the accounting policy it adopts, and shall, pursuant to the Accounting Standards for Enterprises, recognize them on the basis of such adjustments.

## 2. Business Combinations not under the Same Control

The assets paid as the consideration for the business combination & the liabilities assumed on the acquisition date shall be measured in accordance with the fair value. The difference between the fair value & its carrying amount shall be recorded into the profits & losses at the current period.

The company will distribute the combination costs on the acquisition date.

The company shall recognize the positive balance between the combination costs & the fair value of the identifiable net assets it obtains from the acquire as Goodwill while it shall record the negative balance between the combination costs & the fair value of the identifiable net assets it obtains from the acquire into the profits & losses of the current period.

As for the assets other than intangible assets acquired from the acquire in a business combination (not limited to the assets which have been recognized by the acquire), if the economic benefits brought by them are likely to flow into the enterprise and their fair values can be measured reliably, they shall be separately recognized and measured in light of their fair values. As for any intangible asset acquired in a combination, if its fair value can be measured reliably, it shall be separately recognized as an intangible asset and shall be measured in light of its fair value. As for the liabilities other than contingent liabilities acquired from the acquire, if the performances of the relevant obligations are likely to result in any out-flow of economic benefits from the enterprise, and their fair values can be measured reliably, they shall be separately recognized and measured in light of their fair values. As for the contingent liabilities of the acquire obtained in a combination, if their fair values can be measured reliably, they shall be separately recognized as liabilities and shall be measured in light of their fair values.

## 6. Methods for Preparing the Consolidated Financial Statements

The scope of the consolidated financial statements will be recognized on the basis of controlling. All the subsidiaries will be included into the consolidated financial statements.

The accounting policies & accounting periods adopted by all the subsidiaries that have been included into the scope of the consolidated financial statements should be consistent with those adopted by the company. If the accounting policies & accounting periods adopted by the subsidiaries are different from those adopted by the company, the company shall make necessary adjustments according to the accounting policies & accounting periods it adopts when preparing the consolidated financial statements.

After adjusting the long-term equity investments on its subsidiaries according to the equity method, the company shall prepare the consolidated financial statements based on the financial statements of the company & its subsidiaries, and other related documents.

The influences of the internal transactions between the company & its subsidiaries, and its subsidiaries themselves on the consolidated balance sheet, consolidated profit statement, consolidated cash flow statement & consolidated statement of changes in owner's equity will be counteracted at the preparation of the consolidated financial statements.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority shareholders' interest and presented as "minority interest" in the consolidated balance sheet within owners' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interest is presented in the consolidated income statement below the "net profit" line item as "minority interest". In the consolidated financial statements, when the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount should be still allocated against minority interest.

In the report period, If the subsidiary is added through the business combination under the same control, the beginning balance of the consolidated balance sheet shall be adjusted. The incomes, expenses & profits of the subsidiary incurred from the beginning of the current period to the end of the reporting period shall be included

into the consolidated profit statement. The cash flow from the beginning of the current period to the end of the reporting period shall be included into the consolidated cash flow statement.

For purchase of minority interests held by the minority shareholders of a subsidiary, when preparing the consolidated financial statements, the difference between the long-term equity investment newly gained by buying minority interests and the portion of net assets consistently calculated from the acquisition date (or the consolidation date) pursuant to newly added shareholding percentage entitled by the subsidiary should be adjusted to the owners' equity (the capital reserve). If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

In the report period, If the company disposes its subsidiary, the incomes, expenses & profits incurred from the beginning of the subsidiary to the disposal date shall be included into the consolidated profit statement. The cash flow from the beginning of the subsidiary to the disposal date shall be included into the consolidated cash flow statement.

#### 7. Joint venture arrangements classification and Co-operation accounting treatment

(1) A joint arrangement refers to an arrangement jointly controlled by two participants or above., the joint venture arrangements include co-operation and joint ventures.

(2) When the joint venture company for joint operations, confirm the following items and share common business interests related to:

- (1) Confirm individual assets and common assets held based on shareholdings;
- (2) Confirm individual liabilities and shared liabilities held based on shareholdings;
- (3) Confirm the income from the sales revenue of co-operate business output
- (4) Confirm the income from the sales of the co-operate business output based on shareholdings;
- (5) Confirm the individual expenditure and co-operate business cost based on shareholdings.

(3) When a company is a joint ventures, joint venture investment will be recognized as long-term equity investments and long-term equity investments are accounted for in accordance with the method of the Notes to Financial Statements.

#### 8. Recognition Standard of Cash & Cash Equivalents

The company recognizes its cash in vault & the deposits that are ready for payment at any time as cash when preparing the cash flow statement. which are featured with short term (expire within 3 months since purchased), high liquidity, easy to convert to know cash, low in risk of value change, could be recognized as cash equivalents. Equity investment are not recognized as cash equivalents.

#### 9. Foreign Currency Transaction

- (1) Foreign Currency Transaction

For the company with non-functional currency business, the middle rate of the market exchange rate published by People's Bank of China on the date of occurrence of business are recorded as the functional currency, and the balances of foreign currency shall be adjusted by the end of the month according to the middle rate of the market exchange rate published by People's Bank of China at the end of period. The differences between the recording currency amount converted by the exchange rate at the end of period and the carrying currency amount are as "Finance Costs – Exchange Gains and Losses" and recorded into the current profits or losses. The exchange gains and losses related to borrowings on the fixed assets shall be made treatment according to the principles of borrowing costs capitalization.

- (2) Conversion of Foreign Financial statement

If overseas subsidiaries, cooperative enterprises, joint ventures, branches of the company adopt the different

functional recording currency and record the overseas business of the company into the financial statements through the consolidated statements and the accounting by the equity method, the overseas financial statements shall be translated as the recording functional currency. Before the translation, the company shall adjust the accounting period and policy of overseas business in order to make the consistent adjustment, and translate the overseas financial statements according to the financial statements of the preparation of corresponding currency after the accounting policy and period adjusted and as per the following methods:

- ① For the assets and liabilities in the balance sheet, the spot exchange rate on the balance sheet date is adopted as the translation exchange rate. For the owner's equity, the spot exchange rate on the transaction date is adopted as the translation exchange rate, with the exception of "undistributed profits".
- ② The incomes and expenses in the income statement shall be translated at the spot exchange rate or the approximate exchange rate on the transaction date.
- ③ The translation gap of financial statement of foreign currency shall be listed under the owner's equity in the consolidated balance sheet in the preparation of the consolidated financial statements.

## 10. Financial tools

### 1. Categories of financial Tools

The Company divides the financial assets into four categories: financial assets measured at fair value and their variations are recognized as current gain/loss, including trade financial assets or financial liabilities and recognized directly as financial assets measured at fair value and their variations are recognized as current gain/loss; Investment hold till expiration; loans and account receivable; saleable financial assets. The company divides the financial liabilities into two categories: financial liabilities measured at fair value and their variations are recognized as current gain/loss; other financial liabilities.

### 2. Recognition and measurement of financial tools

#### (1) Financial assets and liabilities measured at fair value and their variations are recognized as current gain/loss

The fair value (after deducting of announced but not distributed cash dividend or due but not obtained bond interests) is recognized as initial amount when obtained.

Interests or cash dividends during the period of holding are recognized as investment gains. The fair value will be adjusted and accounted as current gain/loss.

When disposed, the differences between fair value and initial amount are recognized as investment gains, and thus adjust the gain/loss of fair value.

#### (2) Investment hold till expiration

The fair value (after deducting of due but not obtained bond interests) plus the related trade expenses is recognized as initial amount when obtained.

Interest gains will be calculated at amortizing of costs and actual interest rate (the face rate is adopted when the difference between the actual rate and face rate is minor) during the period of holding, and accounted as investment gains. Actual rate is recognized when obtained, and is not changed in the predictable holding period or applicable shorter period.

When disposed, the difference between the obtained price and book value is accounted as investment gains.

If the company sells or reclassifies large-amount due investments before the expired date (large amount refers to comparing with the amount before the selling or reclassifying the investments), the company will reclassify the rest of the investments as financial assets for sale, and in the current accounting period or within two complete accounting years, no financial assets will be classified as holding due assets, except for the following situations: the sale date or reclassification date is close to the expired date of the investment (such as three months before the expired), and the change of interest rate has no significant influence on the fair value of the investment; after all the initial principal is mostly recovered according to periodic payments or repay in advance regulated in the contract, the rest part will be sold or reclassified; the sale and reclassification is caused by the independent events which are uncontrollable and unexpected and will not happen any more.

#### (3) Account receivable

The receivable debts of selling goods or providing services, and the credits of other company hold by the company not including the debt which has price in active market, including accounts receivable, notes receivable, prepaid accounts, other receivables, long-term receivables, etc. The contract or agreement price charging from purchaser should be taken as the initial confirmation amount; if it has the nature of financing, it should be confirmed according its current value.

When retrieved or disposed of, the difference between the actual received amount and the book value is accounted as current gain/loss.

#### (4) Saleable financial assets

The fair value (after deducting of announced but not distributed cash dividend or due but not obtained bond interests) plus the related trade expenses is recognized as initial amount when obtained.

Interest or cash dividend occurred during the period of holding is recognized as investment gains. Change of fair value is accounted as capital reserves (other capital reserves) at the end of term.

When disposed, the difference between the obtained price and book value is accounted as investment gains. Meanwhile, the corresponding part of accumulated change of fair value accounted as owners' equity is transferred into investment gain/loss.

#### (5) Other financial liabilities

Other financial liabilities are recognized initially at the sum of fair value and related trade expenses. Successive measurement will be on the basis of amortized costs.

### 3. Recognition and measurement basis of financial asset transposition

When financial asset transposition occurred, the recognition of this particular financial asset is terminated if almost all risks and rewards attached to the asset have been transferred to the acceptor. If retain all the risks and rewards of ownership of financial assets, the financial assets can be confirmed.

When determine whether the transfer of financial assets meet the conditions of confirmation of the above financial assets, the principle of substance being more important than form should be adopted. The transfer of financial assets can be divided into overall transfer and part transfer of financial assets. If the transfer of financial assets meet the conditions of terminating confirmation, the following the difference of the two amounts will be included in the current profit and loss:

(1) Book value of the financial asset to be transposed;

(2) The sum of price received due to the transposition, and the accumulation of change in fair value originally accounted as owners' equity (when the asset to be transposed is saleable financial asset).

If part transfer of financial assets meet the conditions of terminating confirmation, the book value of the transferred financial assts, the difference between the confirmed part and the unconfirmed part (in this case, the service assets retained should be deemed as the part of unconfirmed financial assets), should be amortized in accordance with their relative fair value, and the difference between the following two amount should be included current profit and loss:

① Book value of the confirmed part;

② All fair values of financial assets and financial liabilities are recognized with reference to the price in the active market.

If the transfer of financial assets does not meet the conditions of terminating confirmation, the financial assets should be confirmed again, the prices received will recognized as financial liabilities.

### 4. The conditions to stopping the financial liabilities

The obligation of financial liabilities are already cancelled which should be stopped confirming the financial liability or the part of it. Our company could stop confirming the currently financial liability and begin to confirm the newly financial liability if the loaner made an agreement that they would assume the new way of financial liability which replace the current one, and make sure the newly financial liability is totally different from the old one in contract with our company.

Stop admitting the financial liability or a part of it, and at mean time we could admit the newly financial liability which is in new insertions of contract as the newly financial liability if the current financial liability has been revised.

Stop admitting the balance of value of financial liability and consideration (Including the roll-out of non-cash

assets or financial liabilities) which could be consider as current profits and losses.

Stop and continue admitting a part of value, and distribute the value of financial liability, if our company repurchased the part of financial liability. And the balance of value of which distributed to the part of stopping admitting and paid (Including the roll-out of non-cash assets or financial liabilities) which could be consider as current profits and losses.

#### 5. Recognition basis of financial assets and financial liabilities

All fair values of financial assets and financial liabilities are recognized with reference to the price in the active market (Using valuation technique, etc) .

#### 6. Impairment provision for financial assets

##### ① Impairment provision for financial assets for sale:

If the fair value of financial assets for sale greatly drops at the end of the period, or after considering all the relevant factors and expecting decrease trend is non-temporary, the impairment should be confirmed, and the accumulative loss formed by the decrease of fair value of owner's equity originally included should be transferred out altogether and confirmed as impairment loss.

##### ② Holding the impairment provision of expired investments:

The measurement of holding the impairment provision of expired investment will be according to the method of the measurement of impairment provision for receivables.

#### 11. Accounts Receivable

##### (1) Accounts receivable with material specific amount and specific provisioned bad debt preparation.

Judgment criteria or amount standard of material specific amount or amount criterial:	The accounts receivable whose single amount is over RMB 1 million & accounts for over 10% of the accounts receivable amount.
Provision method with material specific amount and provision of specific bad debt preparation:	Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period.

##### (2) The accounts receivable of bad debt provisions made by credit risk Group

Name	Method for recognition of impairment allowances
The accounts receivable whose single amount is over RMB 1 million & accounts for over 10% of the accounts receivable amount. the accounts receivable under 5 years of age which are not significant without any business connections any more.	The adopting aging analysis method

In the Groups, adopting aging analysis method to withdraw bad debt provision

Applicable  Not applicable

Aging	Rate for receivables(%)	Rate for other receivables(%)
Within 1 year (Included 1 year)	0.00%	0.00%

1—2 years	10.00%	10.00%
2—3 years	30.00%	30.00%
3—4 years	50.00%	50.00%
4—5 years	90.00%	90.00%
Over 5 years	100.00%	100.00%

Accounts on percentage basis in group:

applicable  not applicable

Accounts on other basis in group:

applicable  not applicable

(3) Account receivable with non-material specific amount but specific bad debt preparation

Reason of individually withdrawing bad debt provision	The accounts receivable under 5 years of age which are not significant without any business connections any more.
Witharawal method for boad debt provision	Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period.

## 12. Inventory

1. Inventories class: The company's stocks can be classified as: raw materials, inventory goods, low-value consumables & other materials, etc.

2. Valuation method of inventory issued :The company calculates the prices of its inventories according to the weighted averages method or the first-in first-out method.

3. Recognition Basis of Inventories' Net Realizable Values and Counting & Drawing Method of Obsolete Inventory Reserves:After taking stock at the end of the period,

4. Inventory System:Adopts the Perpetual Inventory System

## 13. Divided as assets held for sale

In the presence of the following conditions are satisfied when non-current assets or a part of the company is classified as held for sale:

(1) The components should be immediately sold under the current condition only according to the usual terms of the parts sold.

(2) The enterprise has made resolution for the disposal of the components, the approval of shareholders' meeting or relevant authority agency if the shareholder's approval is requested by the rules.

(3) The enterprise has signed the irrevocable transfer agreement with the transferee.

(4) The transfer shall be completed within one year.

For the non-current assets held for sale (excluding the financial assets and the deferred income tax assets), the less amount after the book value and fair value respectively minus the disposal costs shall be presented as Divided as assets held for sale assets. If the amount of the fair value minus the disposal costs is less than that of the original book value, the assets impairment loss shall be recognized.

#### 14. Long-term equity investment

##### (1) The Classification of Long-term Equity Investments

The long-term equity investments of the company should include the investments in the subsidiaries and the investments in cooperative enterprises and joint ventures.

##### (2) The Recognition of Investment Cost

① For the business combination under common control and the combining party paying in cash, transferring non-monetary assets, bearing debts or issuing the equity securities as the consideration, the initial investment cost shall be recognized according to the shares of the book value in the consolidated financial statement of the ultimate controlling party that acquired by the combined party on the combination date. The capital reserves shall be adjusted for the difference between the initial investment cost of long-term equity investment and the book value of the paid cash, the transferred non-monetary assets and the borne debts. The retained earnings shall be adjusted if the capital reserves are insufficient to offset.

For the long-term equity investment after the business combination under common control realized step-by-step through multiple transactions, the shares of the book value of the owner's equity of the combined party shall be as the initial investment cost in the individual financial statements and the consolidated financial statements as per the shareholding proportion. The capital reserves shall be adjusted for the balance between the sums of the book value of the equity investment of the combined party held on the combination date and the new investment cost increased on the combination date minus the initial investment cost of long-term equity investment. The retained earnings shall be adjusted if the capital reserves are insufficient to offset.

② For the business combination under non-common control, the initial investment cost shall be recognized according to the fair value of the merger consideration paid on the purchase date. For the long-term equity investment after the business combination under non-common control realized step-by-step through multiple transactions, the relevant accounting treatment should be respectively conducted for the individual financial statement and the consolidated financial statements: 1) In the individual financial statements, the sum of the book value of equity investment from the purchased party held before the purchase date and the new investment cost at the purchase date shall be as the initial investment cost of the investment. Other comprehensive incomes related to the equity of the purchased party held before the purchase date shall be transferred into the current investment incomes in the disposal of the investment. 2) In the consolidated financial statements, the equity of the purchased party held before the purchase date should be measured again according to the fair value of the equity on the purchase date, and the gap of the fair value and the book value should be recorded into the current investment incomes. Other comprehensive incomes related to the equity of the purchased party held before the purchase date shall be transferred into the current investment incomes on the purchase date.

③ With the exception of the business combination:

The long-term equity investment acquired by the payment in cash should be as the investment cost as per the actual purchase payment. The investment costs include fees, taxes and other necessary expenses directly related to the achieved long-term equity investment.

The long-term equity investment acquired by the issuance of equity securities should be as the investment cost as per the fair value of the issued equity securities.

The long-term equity investment acquired by the non-monetary assets exchange (the exchange with the commercial substance) should be as the investment cost as per the fair value of the investment and the payable taxes.

For the long-term equity investment acquired by the debt reorganization, the creditors shall recognize the fair value of the enjoyed shares as the investment of the debtors.

### (3) Subsequent Measurement and Recognition Method of Profit and Loss

The cost method shall be adopted to account the long-term equity investment controlled by the invested party and the equity method shall be adopted to account the long-term equity investment with joint control or significant influence.

### (4) Recognition Criteria for the Invested Party with Joint Control or Significant Influence

The joint control on the economic activity appointed as per the contract shall exist when the major finance and the operating decision related to the economic activity are agreed by the invested party sharing the control right, which shall be regarded as the joint control on the invested party implemented by other parties. The decision power to participate in the finance and operating decision on the enterprise, but without control or joint control with other parties to formulate these policies, shall be regarded as the significant influence on the invested party implemented by the investment enterprise.

### (5) Impairment Test Method and Withdrawing Method

For the impairment test method and the withdrawing method of the long-term equity investment, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

## 15. Entrusted Loans

The entrusted loans shall be made bookkeeping according to the actually entrusted loan amount. The receivable interests shall be withdrawn according to the interest rate stated in the entrusted loans.

For the impairment test method and the impairment provision withdrawing method of the entrusted loans, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

## 16. Investment Real Estates

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

The term “Investment real estates” refers to the real estates held for generating rent and/or capital appreciation, including the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation & the right to use any building which has already been rented.



The company shall make a measurement to the investment real estate through the cost pattern. The company shall adopt the same depreciation policy as its fixed assets for the investment real estates measured by the cost pattern-buildings for renting & the same amortization policy as its intangible assets for the right to use any land for renting.

For the impairment test method and the impairment provision withdrawing method of the Investment Real Estates, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

## 17.Fixed assets

### (1) Confirmation conditions of fixed assets

Fixed assets refer to physical assets owned for purpose of production, service providing, leasing or management, and operation with service life of more than one year. Fixed assets are recognized when all of the following conditions are satisfied: Financial benefits attached to the fixed asset is possibly inflowing to the Company;(2) The cost of the fixed asset can be reliable measured.

### (2) Depreciation method

Type	Depreciation method	Expected useful life(Year)	Residual rate (%)	Annual depreciation rate(%)
Guangfo Expressway	Working flow basis	28 years	0%	Working flow basis
Fokai Expressway	Working flow basis	30 years	0%	Working flow basis
Highway and Bridge	The straight-line method	20-30 years	3%-10%	3%-4.85%
Machine Equipment	The straight-line method	10 years	3%-10%	9%-9.7%
Transportation Equipment	The straight-line method	5-8 years	3%-10%	11.25%-19.4%
Electric Equipment and other	The straight-line method	5-15 years	3%-10%	6 %-19.4%

Provision for depreciation of highways and bridges is made with work amount method. Estimated net residual value rate is zero. Estimated useful life is determined according to the period of operation right in respect of charge collection. The concrete calculation method is as follows: The amount of provision for depreciation per standard vehicle traffic volume is to be calculated based on the estimated total standard vehicle traffic volume within expected useful life of highways and bridges and the original value or book value of highways and Bridges. Then provision for depreciation is made according to the actual standard vehicle traffic volume in each fiscal period.

The company regularly rechecks the estimate total standard vehicle traffic volume within the remaining operation period of highways and bridges. When there is big difference between actual standard vehicle traffic volume and estimated standard vehicle traffic volume, the Company will re-estimate future total standard vehicle traffic volume and adjust the provision for depreciation per standard vehicle traffic volume to ensure that the book value of relevant highways and bridges will be completely amortized within useful life.

The company adopts the straight line method for the depreciation of fixed assets except highways & bridges, and recognizes the depreciation rate according to the fixed asset group, expected useful life & the expected net salvage value rate.

### (3) Test Method for Fixed Asset Impairment and Counting & Drawing Method for Fixed Asset Impairment Reserves

For the impairment test method and the impairment provision withdrawing method of the Fixed assets, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

## 18. Construction-in process

1. Calculation of Construction-in-process: The constructions in process are classified & accounted according to the established projects.

### 2. Standard & Time Point for Carrying Constructions in Process Forward to Fixed Assets

All the expenditures that bring the construction in process to the expected condition for use shall be the credit value of the fixed asset. If the fixed asset construction in process has already reached the expected condition for use, but hasn't been made the final account; it shall be carried forward to a fixed asset according to its estimated value based on the budget, cost or actual cost of the construction starting from the date when it reaches the expected condition for use, and the fixed asset shall be depreciated according to the company's depreciation policy for fixed assets. After the final account has been made, the original provisional estimated value shall be adjusted according to the actual cost, but the depreciation which has originally been counted & drawn shall not be adjusted.

### 3. Test Method for Construction-in-Process Impairment and Counting & Drawing Method

For the impairment test method and the impairment provision withdrawing method of the Construction-in process, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

## 19. Loan expenses

### 1. Recognition principles for capitalizing of loan expenses

Borrowing expenses occurred to the Company that can be accounted as purchasing or production of asset satisfying the conditions of capitalizing, are capitalized and accounted as cost of related asset. Other borrowing expenses are recognized as expenses according to the occurred amount, and accounted into gain/loss of current term.

The assets meeting capital conditions refer to the fixed assets, investment real estates and inventories which are constructed or produced in a long time to reach the predicted use or sale state.

When a loan expense satisfies all of the following conditions, it is capitalized:

1. Expenditures on assets have taken place, asset expenditures include the assets used to construct or produce the assets which meet the capitalization conditions, and expend by cash or transferring non-cash assets or bearing interest debt;
2. Loan costs have taken place;
3. The construction or production activities to make assets to reach the intended use or sale of state have begun.

## 2. Duration of capitalization of Loan costs

The capitalization period refers to the period from starting capitalization of loan costs to the stop of capitalization, the period of the break of capitalization of Loan costs is not included.

When the construction or production meets the intended use or sale of state of capitalization conditions, the Loan costs should stop capitalization.

When the construction or production meets the conditions of capitalization and can be used individually, the capitalization of the loan costs of the assets should be stopped.

Where each part of a asset under acquisition and construction or production is completed separately and is ready for use or sale during the continuing construction of other parts, but it can not be used or sold until the asset is entirely completed, the capitalization of the borrowing costs shall be ceased when the asset is completed entirely.

## 3. Capitalization Suspension Period

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. If the interruption is a necessary step for making the qualified asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recorded into the profits & losses at the current period, till the acquisition and construction or production of the asset restarts.

## 4. Calculation of the amount of capitalization of Loan costs

Interest expense due to specialized Loan and its auxiliary expenses shall be capitalized before the asset which satisfies the capitalizing conditions reaches its useable or saleable status.

Interest amount of common Loan to be capitalized equals to accumulated asset expense less weighted average of specialized loan part of asset expense multiplies capitalizing rate of common Loan occupied. Capitalizing rate is determined according to weighted average interest of common Loan.

If the Loan has discount or premium, the discount or premium amount should be determined according to actual interests in each accounting period. The interest amount should be adjusted in each period.

## 20. Intangible assets

### (1) Pricing method, useful life and impairment test

#### 1. The valuation methods of intangible assets

(1) The initial measurement is conducted according to the actual cost when the intangible assets are acquired

The cost of the purchased intangible assets includes its buying price, relevant tax and the othe expenses that are directly attributed to this assets meeting its predetermined objective and other expenses that occur. The buying price of intangible assets is over the deferred payment under normal credit conditions, which has the nature of financing materially, the cost of intangible assets is determined on the basis of the present value of its buying price.

We acquire the mortgaged intangible assets from debtors through debt restructuring and determine the entry value on the basis of the fair value of the intangible assets, we have the balance between the book value of debt restructuring and the fair value of intangible assets used for mortgage charged to the current profit and loss.

The entry value of the non-monetary assets exchanged into by the non-monetary assets are determined on the basis of the fair value of the assets exchanged out if the exchange of non-monetary assets has commercial nature and the assets exchanged into or out can be reliably measured, unless there is authentic evidence indicating that

the fair value of assets exchanged into are more reliable; if the non-monetary assets that cannot meet the above prerequisite use the book value of the assets exchanged out and relevant taxes payable as the cost of the non-monetary assets, the profit and loss is not confirmed.

The entry value of the intangible assets acquired by the absorption merger under the control of one company is determined by the book value of the merged party; the entry value of the intangible assets acquired by the absorption merger that is not under the control of one company is determined by the fair value.

The cost of the intangible assets developed internally includes the materials consumed in developing the assets, cost of service, registration fees, other patent used in developing, amortization of concession and interest charges meeting the capitalization conditions and other direct costs that occur before the intangible assets meeting the predetermined objective.

## (2) Subsequent measurement

The Company analyses and makes judgment of its serviceable life when acquiring the intangible assets.

The intangible assets that have limited serviceable life are amortized by the straight-line method during the period when the assets can bring about economic interests; The intangible assets are deemed as uncertain serviceable life and are not amortized if it is impossible to expect the period when the assets could bring about economic interests.

At the end of period, the Group shall check the service life and amortization method of intangible assets with finite service life, if there is any change, it shall be regarded as a change of the accounting estimates. Besides, the Group shall check the service life of intangible assets without certain service life, if there is any evidence showing that the period of intangible assets to bring the economic benefits to the enterprise can be prospected, it shall be estimated the service life and amortized in accordance with the amortization policies for intangible assets with finite service life.

## (3) Provision for the depreciation of value of the intangible assets

For the impairment test method and the impairment provision withdrawing method of the Intangible assets, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

## 21. Impairment of Long-term assets

### (1) Scope

The assets Impairment main includes long-term equity investment, investment property (the investment property measured by the fair value excluded), fixed assets, projects under construction, engineering material, intangible assets (the capitalized development expenditure included), asset group, combination of asset group, business reputation, etc..

### (2) Recognition of Possible Impairment Assets

The company makes judgment of the assets if there exists the possible impairment at the balance sheet date. The intangible assets with indefinite goodwill and service life due to the combination of enterprise, shall be conducted the impairment test every year regardless of the impairment. The impairment may occurs for the assets if there is the following status:

- ① The market price of assets fall sharply in the current period, and the decline is obviously beyond that estimated due to the passage of time or normal use.
- ② The significant changes in the economy, technology or legal environment operated by the company and the assets market in the current or the near future adversely affect the company.
- ③ The improvement of the market interest rates or other market investment returns in the current period, influence the company to calculate assets estimating the discount rate of the present value of future cash flow and

result in the sharp drop of the recoverable amount of the assets.

- ④ There is evidence that shows the assets have become obsolete or the entities have been damaged.
- ⑤ The assets have been or will be idle, terminated the use or planned to dispose in advance.
- ⑥ The evidence in the internal report of the company shows that the economic performance of assets has been less than or lower than the expected, such as the net cash flow created by assets or the achieved operating profit (or loss) is far below (or above) the estimated amount.
- ⑦ Other evidences indicate the impairment of assets may have occurred.

### (3) Measurement of the Recoverable Amount of the Assets

The recoverable amount shall be estimated if there exists the impairment for the assets. The recoverable amount should be recognized according to the higher one between the net amount of the fair value minus the disposal costs and the present value of the cash flow of assets expected in the future.

### (4) Determination of Asset Impairment Loss

The measurement results of the recoverable amount show that the book value of assets shall be reduced to the recoverable amount and the reduced amount shall be recognized as the impairment loss of assets and recorded into the current profits and losses, and the impairment provisions of the relevant assets are withdrawn if the recoverable amount of the assets is less than the book value. After the recognition of the assets impairment loss, the depreciation or amortization costs of the impairment assets should be made adjustment accordingly in the future period in order to make the assets to systematically amortize the book value of the assets after adjusted within the remaining service life (the estimated residual value deducted). The impairment loss of assets after recognized shouldn't be reversed in the future accounting period.

### (5) Recognition and Impairment Treatment of Assets Group

If there is the impairment for one asset, the company shall estimate the recoverable amount based on the individual asset. If it is difficult for the company to estimate the recoverable amount of the individual asset, the recoverable amount of asset group shall be recognized on the basis of the asset group which the asset is belong to. The recognition of the asset group should be made on the basis of the main cash inflow generated by the assets group that if is independent to the cash inflow of other assets or assets group.

The corresponding impairment loss shall be recognized if the recoverable amount of the assets group or the assets group combination is less the book value (the book value of the assets group or the assets group combination should include the amortization quota relevant to corporate assets and goodwill for the assets group or the assets group combination amortized by the corporate assets and the goodwill). The book value of goodwill in the amortized assets group or assets group combination shall be firstly offset for the impairment losses, and the book value of other assets shall be offset in proportion according to the proportion of the book value of other assets in the assets group or the assets group combination, with the exception of the goodwill.

### (6) The Goodwill Impairment

The company has conducted the impairment test at least every year for the goodwill established by the business combination. The book value of the goodwill generated by the combination shall be amortized into the related asset group from the purchase date. If difficult to amortize into the relevant asset group, the book value shall be amortized into the relevant asset group combination. The relevant asset group or asset group combination refers to that benefitting from the synergistic effect of the business combination and is not more than the report portion recognized by the company.

When the relevant asset group or the asset group combination including the goodwill are conducted the impairment test, the impairment test should be firstly conducted for the asset group without the goodwill or the

asset group combination, the recoverable amount shall be calculated and the corresponding impairment loss shall be recognized by comparison with the relevant book value if there exists the impairment for the asset group relevant to the goodwill or the asset group combination. Then the impairment test should be conducted for the asset group with the goodwill or the asset group combination, the impairment loss of the goodwill shall be recognized and made the treatment according to the provisions of the asset group impairment stated in the notes if the recoverable amount of the relevant asset group or the asset group combination is less than the book value by comparison of the book value of these relevant asset group or the asset group combination (including the book value of the goodwill amortized) with the recoverable amount.

## 22. Long-term amortizable expenses

Long-term prepaid expenses refer to that enterprises have already spent, and amortization periods of all expenses are more than one year (excluding 1 year), they should be amortized in the regulated years.

## 23. Remuneration

### (1) The scope of the employee remuneration

Remuneration refers to all kinds of rewards or compensation that the Company gives to get in return for the services its employees provide or employment termination. It includes short-term compensation, post-employment benefits, demission benefits and other long-term employee benefits. Enterprises to provide employees spouse, child welfare, dependents, survivors and other beneficiaries of deceased employees, etc., also belong to payroll.

During the company's accounting staff to provide services, the actual wages, bonuses, allowances and subsidies, welfare, medical insurance, work injury insurance and maternity insurance and other social insurance, housing fund confirmed, labor union funds, employee education funds and as a liability profit or loss or costs related assets. If the debt is expected to provide services after the end of the annual reporting period in which an employee can not be fully paid within twelve months, and the financial impact is material, the amount will be discounted liabilities measured after.

### (2) Accounting methods for post-employment benefits

Post-employment benefits refer to the compensation and benefits that the Company gives to get in return for employees' services for their retirement or employment termination, excluding short-term compensation and demission benefits. It falls into two categories, defined contribution plans and defined benefit plans.

① The defined contribution plan: the company shall no longer bear the further obligation to pay severance benefit plans after the company deposits the fixed costs to the independent funds. The basic pension insurance and the unemployment insurance shall be recognized as the liability according to the payable amount accounted by the defined contribution plans and recorded onto the current profits and losses or the relevant asset costs during the accounting period of the services provided by the staffs.

② The defined benefit plan: the severance benefit plans with the exception of the defined contribution plans.

### (3) Accounting Treatment Method of Demission Welfare

The Company offers compensation to terminate employment with its employees before it expires or encourage them to accept lay-off. Such compensation is demission benefits and counted in current profit and loss. The employee compensation liabilities generated by the demission welfare shall be recognized on the early date and recorded into the current profits and losses: (1) when the company can't withdraw the demission welfare provided due to the rundown suggestion or the termination of labor relations plans. (2) when the enterprise recognizes the

costs or the expenses related to the reorganization of demission welfare payment.

The economic compensation before the official retirement date shall be belong to the demission welfare when the implementation of the internal retirement plan for workers. During the period from the termination of service date to the normal retirement date, the paid internal retirement payroll and social insurance charges shall be once recorded into the current profits and losses. The economic compensation after the official retirement date (such as the normal retirement pension) should be handled according to the welfares after the demission.

#### 24. Estimated liabilities

The company should recognize the related obligation as a provision for liability when the obligation meets the following conditions:

- (1) That obligation is a present obligation of the enterprise;
- (2) It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation;
- (3) A reliable estimate can be made of the amount of the obligation. On the balance sheet date, an enterprise shall take into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies to measure the estimated liabilities in accordance with the best estimate of the necessary expenses for the performance of the current obligation.

When all or some of the expenses necessary for the liquidation of an estimated liabilities of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. Besides, the amount recognized for the reimbursement should not exceed the book value of the estimated liabilities

#### 25. Bond payable

When the company is issuing bonds, the total price issued should be included in the “Payable bonds” subject.

The difference between bond issuance total amount and the total amount of bond face value should be worked as bond premium or discount and be amortized within the bond period according to actual interest rate and vertical line method, and be treated according to borrowing costs described below.

#### 26. Revenues

The company’s incomes mainly include the toll service revenues and the services provision.

- (1) The recognition principle of the toll service revenues is that the toll revenues refer to the charges of operating the toll roads and shall be recognized in the actual charge.
- (2) The recognition principle of the services provision is as follows:

The labor services started and completed within the same fiscal year shall be recognized as the revenues when the labor services finished. If the labor services started and completed in the different fiscal year and under the reliable estimation of the provided services transaction results, the company shall recognize the relevant service incomes according to the completion percentage method at the balance sheet date. The results of the transaction can be estimated reliably when the following requirements are all met: (1) total revenues and total labor costs can be measured reliably. (2) the economic benefits relevant to the transaction will flow into the enterprise. (3) the competition degree of the labor services can be reliably determined.

#### 27. Other Comprehensive Incomes

Other comprehensive incomes refer to the profits and losses unrecognized in the current profits and losses according to other provisions of accounting standards. There are two reports:

(1) Other comprehensive incomes that unable to be reclassified into the profits and losses in the future accounting period, mainly including the changes caused by the net liabilities and the net assets of the defined benefit plan that re-measured and the shares of other comprehensive incomes that accounted and unable to be reclassified into the profits and losses for the invested party in the future accounting period according to the equity method.

(2) Other comprehensive incomes that reclassified into the profits and losses in the future accounting period when the requirements are met, the shares of other comprehensive incomes that accounted and reclassified into the profits and losses for the invested party in the future accounting period according to the equity method when the requirements are met, the profits or losses caused by the fair value changes of the sellable financial assets, the profits or losses generated by the sellable financial assets reclassified for the held-to-maturity investment, the effective hedging portion of the profits and losses issued by the cash flow hedging instruments, and the translation differences of foreign financial statements.

## 28. Governmental subsidy

### (1) Basis and accounting methods for assets related government subsidies

The purchasing of the fixed assets, intangible assets and other long-term assets related to government subsidies are confirmed as deferred revenue, the revenue is in installments charged to the non-operating earnings in accordance with the serviceable life of assets built or purchased.

Government subsidies mean that the Company free of charge acquires the monetary assets and the non-monetary assets. Government subsidies can be classified into capital-related government subsidies and earnings-related one.

### (2) Judgment basis and accounting treatment of government subsidies related to profits

The earning-related government subsidies that are used to compensate the relevant expenses or loss are confirmed as deferred earnings when the subsidies are acquired, the deferred earnings are charged to the current non-operating earnings; When the subsidies are used to compensate the relevant expenses or loss that occurred, the subsidies are directly charged to the current non-operating earnings.

## 29. Deferred income tax assets and deferred income tax liabilities

The company is likely to determine the deferred income tax assets produced from deductible temporary differences with the limit of offsetting the taxable income of temporary difference.

The Company confirms the temporary differences of the taxable that is not paid in the current and prior periods as the deferred income tax liabilities. However, the goodwill, the transactions formed from non-business merger and those will affect either accounting profit or the temporary differences of the taxable income when the transactions occur are not included in the deferred income tax liabilities.

## 30. Accounting Methods of Income tax

The company's income tax is accounted in Balance sheet liability approach.

The company recognizes the sum of current income tax and deferred tax as the income tax expenses(or income) in the income statement on the basis of calculating and determining the income tax of the current period(namely the current taxes payable) and the deferred tax (the deferred tax expenses or income ), but excluding the effects of the business combination and the income taxes related to the transactions or events directly recorded in the owner's rights and interests.



## 31. Change of main accounting policies and estimations

## (1) Change of main accounting policies

Applicable Not applicable

## (2) Change of main accounting estimates

Applicable Not applicable

**VI. Taxation**

## 1. Major category of taxes and tax rates

Tax category	Tax basis	Tax rate
Business tax	Toll income, Rent income and Labour income	3%、5%
City maintenance and construction tax	The actual payment of turnover tax	7%、5%
Enterprise income tax	Taxable income	25%
Education surcharges	The actual payment of turnover tax	3%
Local Education surcharges	The actual payment of turnover tax	2%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate

## 2. Preferential tax and approving documents

N/A

**VII. Notes to the major items of consolidated financial statement**

## 1. Monetary Capital

In RMB

Items	Amount in year-end	Amount in year-begin
Cash	137,771.71	77,312.85
Bank deposit	985,861,577.06	561,106,598.75
Other	738,286.61	616,492.12
Total	986,737,635.38	561,800,403.72

Other Explanation

## 2. Account receivable

## 1. Classification account receivables.

In RMB

Type	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value Proportion n(%)	Book Balance		Bad debt provision		Book value
	Amount	Proportion n(%)	Amount	Proportion n(%)		Amount	Proportion n(%)	Amount	Proportion (%)	
Account receivable with single major amount and withdrawal bad debt provision for single item	35,542,855.63	73.48%			35,542,855.63	19,134,624.86	80.65%			19,134,624.86
Account receivable withdrawal bad debt provision by group of credit risk characteristics	12,829,998.21	26.52%	225,517.99	1.76%	12,604,480.22	4,589,784.94	19.35%	102,451.67	2.23%	4,487,333.27
Total	48,372,853.84	100.00%	225,517.99	0.47%	48,147,335.85	23,724,409.80	100.00%	102,451.67	0.43%	23,621,958.13

Receivable accounts with large amount individually and bad debt provisions were provided

√ Applicable □ Not applicable

In RMB

Receivable accounts (Unit)	Amount in year-end			
	Receivable accounts	Bad debt provision	Proportion	Reason
Guangdong Union Electronic Services Co., Ltd.	35,542,855.63			
Total	35,542,855.63		--	--

Account receivable on which bad debt provisions are provided on age basis in the group

√ Applicable □ Not applicable

In RMB

Aging	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year	11,877,151.67		

Subtotal within 1 year	11,877,151.67		
1-2 years	532,679.87	53,267.99	10.00%
2-3 years	189,166.67	56,750.00	30.00%
3-4 years	231,000.00	115,500.00	50.00%
Total	12,829,998.21	225,517.99	1.76%

Notes of the basis of recognizing the group:

Refer to "Notes 3 the financial statements of the important accounting policies and accounting estimates No. 11 Recognition and withdrawal method of bad debts.

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable  Not applicable

In the groups, accounts receivable adopting other methods to accrue bad debt provision::

N/A

(2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB123,066.32; recovery or payback for bad debts Amount is RMB0.00.

Where the current bad debts back or recover significant amounts:

In RMB

Name	Back or withdraw money	Recovery methods
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(3) The current accounts receivable write-offs situation

In RMB

Items	Amount written off
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Account receivables actually written-off during the reporting period:

In RMB

Name	Nature of account receivables	Amount written off	Reason for write-off	Verification procedures	Arising from related transactions (Y/N)
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Explanation for write-off of account receivables:

(4) The ending balance of other receivables owed by the imputation of the top five parties

Name	Amount	Aging	Proportion(%)	Bad debt
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				provision
Guangdong Union Electronic Services Co., Ltd.	35,542,855.63	Within 1 year	73.47	
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	2,804,149.75	Within 1 year	5.80	
Guangdong Guanghui Expressway Co., Ltd.	2,247,992.00	Within 1 year	4.65	
Guangdong Xinyue Communication Investment Co., Ltd.	1,272,653.03	Within 1 year	2.63	
Guangdong Feida Communication Engineering Co., Ltd.	840,000.00	Within 1 year	1.74	
Total	42,707,650.41		88.29	

(5) Account receivable which terminate the recognition owing to the transfer of the financial assets

N/A

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of

accounts receivable

N/A

Other Explanation

### 3. Prepayments

(1) Age analysis

In RMB

Age	Balance in year-end		Balance in year-begin	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,745,070.89	91.14%	710,531.67	73.76%
Over 3 years	169,738.00	8.86%	252,818.00	26.24%
Total	1,914,808.89	--	963,349.67	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time:

N/A

(2) Top 5 of the closing balance of the prepayment collected according to the prepayment target

Name	Amount	Time	Proportion(%)
Guangdong Litong Real estate Investment Co., Ltd.	735,092.00	Within 1 year	38.40

China Ping An insurance and property insurance company Guangdong branch	528,875.00	Within 1 year	27.62
Dongguan Yongyao Optoelectricity Technology Co., Ltd.	212,000.00	Within 1 year	11.07
Guangzhou Maritime Court	169,738.00	Over 5 years	8.86
Zhaoqing Yuezhao Highway Co., Ltd.	131,250.00	Within 1 year	6.85
Total	1,776,955.00		92.80

Other Explanation

#### 4. Other accounts receivable

##### (1) Other accounts receivable disclosed by category

In RMB

Type	Balance in year-end					Balance in year-begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	53,351,565.01	74.64%	53,351,565.01	100.00%		53,351,565.01	64.08%	53,351,565.01	100.00%	
Other Account receivable withdrawal bad debt provision by group of credit risk characteristics	18,130,330.11	25.36%	1,693,630.42	9.34%	16,436,699.69	29,904,520.97	35.92%	1,658,571.80	5.55%	28,245,949.17
<b>Total</b>	<b>71,481,895.12</b>	<b>100.00%</b>	<b>55,045,195.43</b>	<b>77.01%</b>	<b>16,436,699.69</b>	<b>83,256,085.98</b>	<b>100.00%</b>	<b>55,010,136.81</b>	<b>66.07%</b>	<b>28,245,949.17</b>

Other receivable accounts with large amount and were provided had debt provisions individually at end of period.

√ Applicable □ Not applicable

In RMB

Other receivable (Unit)	Balance in year-end			
	Other receivable	Bad debt provision	Proportion	Reason
Kunlun Securities Co., Ltd.	49,343,885.10	49,343,885.10	100.00%	The parent company once paid RMB 33,683,774.79 into Kunlun Securities Co., Ltd, Guangdong Expressway technology investment Co., Ltd once paid RMB 18,000,000.00 into Kunlun Securities Co., Ltd. Qinghai Province Xining City's intermediate people's court made a adjudication under law declared that Kunlun Securities Co., Ltd went bankrupt and repaid debt in November 11, 2006. On March 2007, The Company and Guangdong Expressway Technology Investment Co., Ltd had switched the money that paid into Kunlun Securities Co., Ltd to other account receivable, and follow the careful principle to doubtful debts provision. The RMB 710,349.92 Credit was Recovered in 2008, and the provision for bad debt is deducted, The RMB977,527.77 credit was recovered in 2011, and the provision for had debt is deducted. The RMB 652,012.00 Credit was recovered in 2014, and the provision for had debt is deducted.
Beijing Gelin Enze Organic Fertilizer Co., Ltd.	4,007,679.91	4,007,679.91	100.00%	Guangdong Expressway technology investment Co., Ltd should charge Beijing Gelin Enze Organic Fertilizer Co., Ltd. for RMB12,220,079.91. Eight millions of it was entrusted loan, three million was temporary borrowing RMB 12,400.00 is the commission loan interest, the rest of it was advance money for another, Beijing Gelin Enze Organic Fertilizer Co., Ltd's operating status was had and had already ceased producing, Accordingly, the controlling subsidiary of the company Guangdong Expressway Investment Co., Ltd. accounted full provision for Bad debt RMB 12,220,079.91 provision.  The company in 2014 recovered arrears of RMB 8,000,000.00, rushed back to the provision for bad debts and write off uncollected interest entrusted loans according to the settlement agreement of RMB 212,400.00.
Total	53,351,565.01	53,351,565.01	--	--

Other receivable accounts in Group on which bad debt provisions were provided on age analyze basis:

Applicable  Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Subtotal within 1 year	11,096,966.86		
1-2 years	350,586.20	35,058.62	10.00%
Over 5 years	1,658,571.80	1,658,571.80	100.00%
Total	13,106,124.86	1,693,630.42	12.92%

Notes of the basis of recognizing the group:

Refer to "Notes 3 the financial statements of the important accounting policies and accounting estimates No. 11 Recognition and withdrawal method of bad debts.

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable  Not applicable

In the groups, other accounts receivable adopting other methods to accrue bad debt provision:

Applicable  Not applicable

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	Reason
Guangdong Litong Real estate Investment Co., Ltd.	1,435,856.00			Rease deposit
Beijing Shibang Weilishi Property Management Services Co., Ltd.	393,331.00			Deposit
Guangdong Guanghui Expressway Co., Ltd.	826,982.00			Guarantees fund, deposit
Foshan Nanhai Labor & social Security Bureau	449,682.00			Land deposit, recoverable
Zhaoqing Yuezhaoh Highway Co., Ltd.	447,849.00			Guarantees fund, deposit
Guangdong Guanyue Luqiao Co., Ltd.	364,594.20			Quality guarantees fund
Zhaoqing Guanghe Expressway Co., Ltd.	163,620.63			Quality guarantees fund
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	165,169.25			Quality guarantees fund
Guangshen Zhu Expressway Co., Ltd.	121,280.00			Guarantee fund
Jingzhu Expressway Guangzhu Section Co., Ltd.	97,643.90			Guarantee fund
Guangdong Highway Construction Co., Ltd.	76,563.00			Guarantee fund
Chengdu Shuguang Fibre-optical Network Co., Ltd.	59,758.09			Quality guarantees fund

Guangdong Guangzhu West Line Expressway Co., Ltd.	47,639.00			Guarantee fund
Guangdong Boda Expressway Co., Ltd.	45,480.00			Guarantee fund
Guangdong Maozhan Expressway Co., Ltd.	40,100.00			Quality guarantees fund
Guangdong Expressway Co., Ltd.	39,654.00			Guarantee fund
Guangdong Feida Communication Engineering Co., Ltd.	34,849.25			Quality guarantees fund
Guangdong Kaiyang Expressway Co., Ltd.	33,300.00			Quality guarantees fund
Guangdong Weishi Highway Engineering Co., Ltd.	58,126.63			Quality guarantees fund
Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	20,466.00			Quality guarantees fund
Guangdong Jiangzhong Expressway Co., Ltd.	19,708.00			Quality guarantees fund
Guangdong Humen Bridge Co., Ltd.	16,676.00			Guarantee fund
Guangdong Dingrong Information Technology Co., Ltd.	10,950.00			Quality guarantees fund
Foshan Chezhigang Auto Leasing Co., Ltd.	10,000.00			Deposit
Guangzhou Chengcheng Auto Leasing Service Co., Ltd.	10,000.00			Deposit
Guangdong Zhonglin Electrical Installation Engineering Co., Ltd.	8,820.00			Quality guarantees fund
Guangdong Jingzhu Expressway Guangzhu North Co., Ltd.	6,064.00			Guarantee fund
Deposit	5,700.00			Deposit
Guangdong West Coastal Expressway Xinhui Section Co., Ltd.	3,790.00			Quality guarantees fund
Guangdong Road & Highway Construction Development Co., Ltd.	3,762.70			Quality guarantees fund
Guangdong Yueyun Communication Co., Ltd.	3,032.00			Quality guarantees fund
Guangdong Xinyue Communication Investment Co., Ltd.	2,158.60			Quality guarantees fund
Shanxi Sihe Communication Engineering Co., Ltd.	1,600.00			Quality guarantees fund
Total	5,024,205.25			

## (2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB 35,058.62; recovery or payback for bad debts Amount is RMB 0.00.

Where the current bad debts back or recover significant amounts:



In RMB

Name	Back or withdraw money	Recovery methods
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## (3) The actual write-off other accounts receivable

In RMB

Items	Amount
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## Of which the significant write-off other accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions
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## Notes of write-off other accounts receivable:

N/A

## (4) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Securities trading settlement funds balance	49,343,885.10	49,343,885.10
Guarantee deposit	5,024,205.25	13,641,347.40
Current account of gelin enze	4,007,679.91	4,007,679.91
Pretty cash	2,405,100.00	3,675,100.00
Advertising and service fee	1,978,678.79	5,850,744.67
Other	8,722,346.07	6,737,328.90
Total	71,481,895.12	83,256,085.98

## (5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
Kunlun Securities	Securities trading set	49,343,885.10	Over 5 years	69.02%	49,343,885.10

Co.,Ltd	tlement funds				
Beijing Gelin Enze	Current account of related party	4,007,679.91	Over 5 years	5.61%	4,007,679.91
Guangdong Expressway Co., Ltd.	Current account	2,625,463.63	Within 1 year	3.67%	
Pretty cash	Pretty cash	2,070,000.00	Within 1 year	2.90%	
Guangdong Xinlu Advertising Co.,Ltd.	Advertising and service fee	1,227,244.26	Within 1 year	1.72%	
Total	--	59,274,272.90	--	82.92%	53,351,565.01

## (6) Accounts receivable involved with government subsidies

In RMB

Name	Project of government subsidies	Closing balance	Closing age	Estimated received time amount and basis
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N/A

## (7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

N/A

## (8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

N/A

Other explanation

## 5.Inventory

## (1) Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Book value	Book Balance	Provision for bad debts	Book value
Engineering construction	800,998.80		800,998.80			
Total	800,998.80		800,998.80			

## (2) Inventory falling price reserves

In RMB

Items	Year-beginning balance	Increase at this period		Decrease at this period		Year-end balance
		Withdrawing	Other	Turn or turn off	Other	
N/A						

N/A

## 6. Other current assets

In RMB

Items	Amount in year-end	Amount in year- begin
National debt reverse repurchase balance		40,603,625.00
To offset the input tax		28,751.52
Total		40,632,376.52

Other explanation

## 7. Available-for-sale financial assets

## (1) List of available-for-sale financial assets

In RMB

Items	Amount in year-end			Amount in year- begin		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Available-for-sale equity instruments	1,832,849,264.29	36,793,200.00	1,796,056,064.29	1,983,412,428.45	36,793,200.00	1,946,619,228.45
Measured by fair value	997,480,962.56		997,480,962.56	1,148,044,126.72		1,148,044,126.72
Measured by cost	835,368,301.73	36,793,200.00	798,575,101.73	835,368,301.73	36,793,200.00	798,575,101.73
Total	1,832,849,264.29	36,793,200.00	1,796,056,064.29	1,983,412,428.45	36,793,200.00	1,946,619,228.45

## (2) Available-for-sale financial assets measured by fair value at the period-end

In RMB

Type	Available-for-sale financial instrument	Available-for-sale Debt instruments		Total
Cost of the equity instruments/amortized cost of the liabilities instruments		517,560,876.80		517,560,876.80
Fair value		997,480,962.56		997,480,962.56

Changed amount of the fair value accumulatively included in other comprehensive income		479,920,085.76		479,920,085.76
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## (3) Available-for-sale financial assets measured by cost at the period-end

In RMB

Investee	Book balance			Impairment provision				Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-begin	Decrease		Period-begin	Decrease	Decrease	Period-end		
Guangdong Rodio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00		50,000,000.00					3.11%	1,010,837.95
Kunlun Securities Co., Ltd.	30,000,000.00		30,000,000.00	30,000,000.00			30,000,000.00	5.74%	
Huaxia Securities Co., Ltd.	5,400,000.00		5,400,000.00	5,400,000.00			5,400,000.00	0.27%	
Huazheng Assets Management Co. Ltd.	1,620,000.00		1,620,000.00	1,393,200.00			1,393,200.00	0.54%	
Guangdong Guangle Expressway Co., Ltd.	748,348,301.73		748,348,301.73					9.00%	
<b>Total</b>	<b>835,368,301.73</b>		<b>835,368,301.73</b>	<b>36,793,200.00</b>			<b>36,793,200.00</b>	<b>--</b>	<b>1,010,837.95</b>

## (4) Changes of the impairment of the available-for-sale financial assets during the reporting period

In RMB

Type	Available-for-sale Equity instruments	Available-for-sale Debt instruments		Total
Balance of the withdrawn impairment at the period-begin	36,793,200.00			36,793,200.00

Balance of the withdrawn impairment at the period-end	36,793,200.00			36,793,200.00
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## 8. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Add investment			Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
<b>I. Joint venture</b>											
Guangdong Guanghui Expressway Co., Ltd.	1,193,172 ,139.09			236,226,4 52.58			359,483,6 21.28			1,069,91 4,970.39	
Zhaoqing Yuezhao Highway Co., Ltd.	273,153,3 45.90			39,171,94 1.01			38,048,04 0.00			274,277, 246.91	
Beijing Gelin Enze											
Subtotal	1,466,325 ,484.99			275,398,3 93.59			397,531,6 61.28			1,344,19 2,217.30	
<b>2. Affiliated Company</b>											
Shenzhen Huiyan Expressway	160,888,0 58.33			48,728,74 4.73			76,556,70 0.00			133,060,1 03.06	
Jingzhu Expressway	312,905,0 40.79			72,032,35 1.04						384,937,3 91.83	

way											
Guangzhu											
Guangdong											
Jiangzhong Expressway	173,582,080.68			8,104,887.43			6,270,000.00			175,416,968.11	
Ganzhou Kangda Expressway	164,592,503.05			23,190,986.46						187,783,489.51	
Ganzhou Gankang Expressway	207,626,577.95			6,139,341.33			9,000,000.00			204,765,919.28	
Guangdong Yueke Technology Petty Loan Co., Ltd.	204,066,494.37			3,029,386.26			2,000,000.00			205,095,880.63	
Asian Kitchen & Bath City Co., Ltd.	16,095,123.16		15,014,401.91	-1,080,721.25							
Total	1,239,755,878.33		15,014,401.91	160,144,976.00			93,826,700.00			1,291,059,752.42	
Total	2,706,081,363.32		15,014,401.91	435,543,369.59			491,358,361.28			2,635,251,969.72	

Other explanation

## 9. Investment property

## (1) Investment property adopted the cost measurement mode

√ Applicable □ Not applicable

In RMB

Items	Houses and buildings	Land use right	Construction in progress	Total
I.Original value				

1. Opening balance	12,664,698.25			12,664,698.25
2. Increased amount of the period				
(1) Outsourcing				
(2) Inventory, Fixed assets and Construction project into				
(3) Enterprise consolidation				
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance	12,664,698.25			12,664,698.25
II. Accumulated depreciation accumulated amortization				
1. Opening balance	8,516,300.37			8,516,300.37
2. Increased amount of the period	464,213.40			464,213.40
(1) Withdrawal or amortization	464,213.40			464,213.40
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance	8,980,513.77			8,980,513.77

III. Impairment provision				
1. Opening balance				
2. Increased amount of the period				
(1) Withdrawal or				
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance				
IV. Book value				
1. Closing book value	3,684,184.48			3,684,184.48
2. Opening book	4,148,397.88			4,148,397.88

## (2) Investment property adopted fair value measurement mode

Applicable  Not applicable

## (3) Details of investment property failed to accomplish certification of property

In RMB

Items	Book value	Reason
Transportation and other ancillary facilities	2,030,492.34	Transportation and other ancillary facilities, Not accreditation

Other explanation

## 10. Fixed assets

## (1) List of fixed assets

In RMB

Items	Guangfo Expressway	Fokai Expressway	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total



I.Original price							
1.Opening balance	1,460,270,190.66	8,547,420,760.60	268,889,649.54	110,841,443.58	53,899,687.28	399,842,531.12	10,841,164,262.78
2.Increased amount of the period		14,423,320.45			466,131.70	8,728,551.95	23,618,004.10
(1) Purchase					466,131.70	6,357,672.39	6,823,804.09
(2) Transfer of project under construction		14,423,320.45				2,370,879.56	16,794,200.01
(3) Increased of Enterprise consolidation							
3.Decreased amount of the period					2,782,074.00	61,583,304.99	64,365,378.99
(1) Disposal or scrap					2,782,074.00	61,583,304.99	64,365,378.99
4.Closing balance	1,460,270,190.66	8,561,844,081.05	268,889,649.54	110,841,443.58	51,583,744.98	346,987,778.08	10,800,416,887.89
II. Accumulated depreciation							
1.Opening balance	1,120,872,662.99	2,146,782,932.11	122,921,217.02	26,346,554.54	36,824,762.98	210,650,108.41	3,664,398,238.05
2.Increased amount of the period	149,842,676.73	396,800,010.71	15,292,695.34	9,966,764.70	3,682,311.80	30,606,181.89	606,190,641.17
(1)Withdrawal	149,842,676.73	396,800,010.71	15,292,695.34	9,966,764.70	3,682,311.80	30,606,181.89	606,190,641.17
3.Decreased amount of the period					2,503,866.60	58,774,468.34	61,278,334.94

(1) Disposal or scrap					2,503,866.60	58,774,468.34	61,278,334.94
4. Closing balance	1,270,715,339.72	2,543,582,942.82	138,213,912.36	36,313,319.24	38,003,208.18	182,481,821.96	4,209,310,544.28
III. Impairment provision							
1. Opening balance							
2. Increased amount of the period							
(1) Withdrawal							
3. Decreased amount of the period							
(1) Disposal or scrap							
4. Closing balance							
IV. Book value							
1. Closing book value	189,554,850.94	6,018,261,138.23	130,675,737.18	74,528,124.34	13,580,536.80	164,505,956.12	6,591,106,343.61
2. Opening book value	339,397,527.67	6,400,637,828.49	145,968,432.52	84,494,889.04	17,074,924.30	189,192,422.71	7,176,766,024.73

## (2) Details of fixed assets failed to accomplish certification of property

In RMB

Items	Book value	Reason
Transportation and other ancillary facilities	98,673,590.86	Transportation and other ancillary facilities, Not accreditation

Other explanation:

## 11. Project under construction

## (1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book Net value	Book balance	Provision for devaluation	Book Net value
Odd project	17,125,070.14		17,125,070.14	2,974,467.60		2,974,467.60
Total a	17,125,070.14		17,125,070.14	2,974,467.60		2,974,467.60

## (2) Changes of significant construction in progress

In RMB

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end	Proportion(%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization of interest ratio (%)	Source of funds
period between Xiebian to Sanbao extension project	400,240.91		14,423,320.45	14,423,320.45			120.15%	100.00	413,852,444.90			Financial organ loan
Odd project		2,974,467.60	16,521,482.10	2,370,879.56		17,125,070.14						Other
Total	400,240.91	2,974,467.60	30,944,802.55	16,794,200.01		17,125,070.14	--	--	413,852,444.90			--

## 12. Engineering material

In RMB

Items	Balance in year-end	Balance in year-begin
Signpost	1,549,556.00	1,549,556.00
Total	1,549,556.00	1,549,556.00

Other explanation:

## 14. Intangible assets

## (1) List of intangible assets

In RMB

Items	Land use right	Patent right	Non-patent right	Software	Total
I. Original price					
1. Opening balance	1,311,658.00			8,918,094.77	10,229,752.77
2. Increased amount of the period				1,014,340.00	1,014,340.00
(1) Purchase				1,014,340.00	1,014,340.00
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,311,658.00			9,932,434.77	11,244,092.77
II. Accumulated amortization					
1. Opening balance	920,683.30			4,258,020.13	5,178,703.43
2. Increased amount of the period	151,345.20			1,814,432.66	1,965,777.86
(1) Withdrawal	151,345.20			1,814,432.66	1,965,777.86
3. Decreased amount of the period					

(1) Disposal					
4.Closing balance	1,072,028.50			6,072,452.79	7,144,481.29
III. Impairment provision					
1. Opening balance					
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Closing book value	239,629.50			3,859,981.98	4,099,611.48
2. Opening book value	390,974.70			4,660,074.64	5,051,049.34

The intangible assets by the end of the formation of the company's internal R & D accounted for 0.00% of the proportion of the balance of intangible assets

#### 14. Long-term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Renovation fee	4,955,719.12	7,088.22	1,701,251.66		3,261,555.68
Property Insurance	50,435.62	333,968.22	68,989.41		315,414.43
Total	5,006,154.74	341,056.44	1,770,241.07		3,576,970.11

Other explanation:

#### 15. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets had not been off-set

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deductible loss			35,476,938.38	8,869,234.60
Timing difference between accumulated depreciation	417,147.47	104,286.87		
Total	417,147.47	104,286.87	35,476,938.38	8,869,234.60

## (2) Deferred income tax liabilities had not been off-set

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Timing difference between accumulated depreciation	466,107,067.16	116,526,766.79	496,600,258.67	124,150,064.67
Total	466,107,067.16	116,526,766.79	496,600,258.67	124,150,064.67

## (3) Deferred income tax assets and liabilities are presented as net amount after neutralization

In RMB

Items	Deferred Income Tax Assets or Liabilities at the End of Report Period	Temporarily Deductible or Taxable Difference at the End of Report Period	Deferred Income Tax Assets or Liabilities at the Beginning of Report Period	Temporarily Deductible or Taxable Difference at the Beginning of Report Period
Deferred income tax assets		104,286.87		8,869,234.60
Deferred income tax Liabilities		116,526,766.79		124,150,064.67

## (4) Details of the un-recognized deferred income tax assets

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible temporary difference	92,063,913.42	91,905,788.48
Deductible loss	946,097,353.21	835,614,811.02
Total	1,038,161,266.63	927,520,599.50

(5) Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2015		87,468,340.85	
2016	139,203,475.18	141,073,439.77	
2017	218,742,081.93	222,416,075.93	
2018	159,669,821.53	160,626,365.98	
2019	227,905,241.66	224,030,588.49	
2020	200,576,732.91		
Total	946,097,353.21	835,614,811.02	--

Other explanation :

#### 16. Other Non-current assets

In RMB

Items	Balance in year-end	Balance in year-begin
Prepaid land occupation tax	1,176,432.55	1,176,432.55
Total	1,176,432.55	1,176,432.55

Other explanation :

#### 17. Short-term loans

(1) Category of short-term loans

Items	Balance in year-end	Balance in year-begin
<b>Short-term loans</b>		150,000,000.00
Total		150,000,000.00

Notes of short-term loans category:

#### 18. Account payable

(1) List of Account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year (Including 1 year)	112,890,428.41	122,813,113.61
1-2 year (Including 2 years)	27,317,832.40	4,519,689.44

2-3 year (Including 3 years)	581,687.85	6,786,964.00
Over 3 years	13,427,072.48	16,679,441.55
Total	154,217,021.14	150,799,208.60

## (2) Notes of the accounts payable aging over one year

In RMB

Items	Balance in year-end	Unpaid reason
Guangdong Changda Highway Engineering Co., Ltd.	8,993,525.00	Unsettled
Guangdong Expressway Co., Ltd.	8,746,491.18	Unsettled
Dongguan Leyu Optoelectronic Technology Co., Ltd.	3,340,240.00	Unsettled
Guangdong Guanghui Expressway Co., Ltd.	3,091,798.85	Unsettled
Guangdong Jingtong Highway Engineering Construction Co., Ltd.	2,149,189.00	Unsettled
Guangdong Guanyue Luqiao Co., Ltd.	2,050,148.00	Unsettled
Total	28,371,392.03	--

Other explanation :

## 19. Advance from customers

## (1) List of advance from customers

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year (Including 1 year)	1,042,644.04	868,021.39
1-2 years (Including 2 years)		
2-3 years (Including 3 years)		
Over 3 years	3,666,668.16	4,000,001.40
Total	4,709,312.20	4,868,022.79

## (2) Significant advance from customers aging over one year

In RMB

Items	Closing balance	Unpaid/Uncarry over reason
Guangdong Province Telecommunications	3,666,668.16	Communication channels rent



Engineering Management Center		
Total	3,666,668.16	--

## 20. Payable Employee wage

## (1) Payable Employee wage

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
I. Short-term compensation	2,807,989.72	200,057,486.21	199,759,671.56	3,105,804.37
II. Post-employment benefits - defined contribution plans	286.00	19,307,440.91	19,307,726.91	
III. Dismiss welfare		109,982.48	109,982.48	
Total	2,808,275.72	219,474,909.60	219,177,380.95	3,105,804.37

## (2) Short-term compensation

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
1. Wages, bonuses, allowances and subsidies	465,063.49	131,031,896.88	131,031,896.88	465,063.49
2. Employee welfare	299,000.00	21,676,775.93	21,975,775.93	
3. Social insurance premiums	27,118.50	10,014,409.64	10,041,528.14	
Including : Medical insurance		6,797,508.13	6,797,508.13	
Work injury insurance		353,824.93	353,824.93	
Maternity insurance	27,118.50	794,390.37	821,508.87	
Supplementary medical insurance		2,068,686.21	2,068,686.21	
4. Public reserves for housing	39.74	24,726,394.26	24,726,434.00	
5. Union funds and staff education fee	2,016,767.99	5,534,196.76	4,910,223.87	2,640,740.88
Other		7,073,812.74	7,073,812.74	

Total	2,807,989.72	200,057,486.21	199,759,671.56	3,105,804.37
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## (3) List of drawing scheme

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums		12,281,353.01	12,281,353.01	
2. Unemployment insurance	286.00	708,288.73	708,574.73	
3. Enterprise annuity payment		6,317,799.17	6,317,799.17	
Total	286.00	19,307,440.91	19,307,726.91	

Other explanation :

## 21. Tax Payable

In RMB

Items	Balance in year-end	Balance in year-begin
VAT	227,418.75	3,353.32
Business Tax	5,710,517.59	5,923,003.03
Enterprise Income tax	22,619,349.24	1,955,971.88
Individual Income tax	3,553,367.89	2,630,647.57
City Construction tax	347,361.67	358,216.82
Land use tax	461,277.88	57,923.88
Property tax	463,202.08	248,088.61
Education subjoin	159,211.64	164,600.65
Locality Education subjoin	96,105.49	98,472.27
Stamp tax	3,698,872.87	5,582.71
Defend expense	71,555.15	130,711.35
Cultural construction costs	3,864.00	-1,478.35
Total	37,412,104.25	11,575,093.74

Other explanation :

## 22..Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
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Pay the interest for long-term loans by installments.	7,179,067.36	9,298,064.66
Interest of company bonds	14,900,277.61	14,900,277.65
Payable interest for short-term borrowings		275,000.00
Total	22,079,344.97	24,473,342.31

Particulars of significant overdue unpaid interest:

In RMB

Unit	Overdue amount	Overdue reason
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Other explanation :

N/A

### 23. Dividends payable

In RMB

Items	Year-end balance	Year-Beginning balance
Common stock dividends	11,681,423.74	11,148,088.30
Total	11,681,423.74	11,148,088.30

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

Final dividend payable RMB11,123,522.34 for more than a year in unpaid dividends to shareholders over the year was mainly due to non-payment of shareholder dividends did not provide information on interest-bearing bank, did not share reform of shareholders to receive dividends or provide application to receive dividends the bank information is incorrect, resulting in failure to pay a dividend or refund.

### 24. Other accounts payable

#### (1) Other accounts payable listed by nature of the account

In RMB

Items	Year-end balance	Year-Beginning balance
Project fund/Quality guarantee fund	125,662,120.62	207,939,390.58
Shareholder loans		125,000,000.00
Deposit	1,925,464.15	1,887,499.15
Other	59,179,269.73	34,498,208.26
Total	186,766,854.50	369,325,097.99

#### (2) Other significant accounts payable with aging over one year

In RMB

Items	Closing balance	Unpaid/un-carry over reason
Guangdong Changda Engineering Co., Ltd	47,033,633.90	Project Quality guarantees/ Bid Guarantees/Deposit
Guangdong Guanyue luqiao Co., Ltd.	18,166,724.29	Project Quality guarantees/ Bid Guarantees/ Performance Guarantee
China Railway 12 Bureau Group Co., ltd.	11,969,868.00	Project Quality guarantees
Guangdong Jingtong Highway Engineering Construction Group Co., ltd.	5,354,399.26	Project Quality guarantees
Jilin Great wall Highway Bridge Construction Co., Ltd.	5,145,377.50	Project Quality guarantees
China Railway 23 Bureau Group Co., ltd.	3,874,450.00	Project Quality guarantees
Ziguang Jietong Technology Co., Ltd.	2,919,474.50	Project Quality guarantees/ Drawing deposit
Guangdong Nengda Grade Highway Maintenance Co., Ltd.	2,562,481.16	Project Quality guarantees/ Bid Guarantees/ Performance Guarantee
Total	97,026,408.61	--

Other explanation

## 25. Non-current liabilities due within 1 year

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	312,080,000.00	400,480,000.00
Bonds payable due within 1 year	997,000,000.00	
Total	1,309,080,000.00	400,480,000.00

Other explanation :

Long-term borrowing rate is due within one year benchmark lending rate over the same period or the same period the benchmark lending rate to fall 10%, the real interest rate bonds payable due within one year was 6.79%.

## 26. Long-term loan

### (1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Guaranteed loans	1,500,000,000.00	1,500,000,000.00
Credit loans	2,581,760,000.00	2,893,840,000.00
Total	4,081,760,000.00	4,393,840,000.00

Notes:

Other notes including interest rate range:

Borrowing rate for the same period in the benchmark lending rate or benchmark lending rate over the same period fall 10%.

## 27. Bonds payable

## (1) Bonds payable

In RMB

Items	Balance year-end	Year-beginning balance
11 Guangdong Expressway MINI		997,000,000.00
Total		997,000,000.00

(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)

In RMB

11 Guangdong Expressway MINI	100.00	2011-10-13	5 years	1,000,000,000.00	997,000,000.00	67,899,999.96	997,000,000.00		
Total	--	--	--	1,000,000,000.00	997,000,000.00	67,899,999.96	997,000,000.00		

## 28. Long term payroll payable

## (1) List of long term payroll payable

In RMB

Items	Balance in year-end	Balance in year-begin
Non-operating asset payable	2,022,210.11	2,022,210.11
Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	

Other explanation :

## 29. Stock capital

In RMB

	Balance	Increase/decrease this time (+, -)	Balance

	Year-beginning	Issuing of new share	Bonus shares	Transferred from reserves	Other	小计	year-end
Total of capital shares	1,257,117,748.00						1,257,117,748.00

Other explanation :

### 30. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	1,534,771,223.07			1,534,771,223.07
Other capital reserves		1,378.67		1,378.67
Total	1,534,771,223.07	1,378.67		1,534,772,601.74

Other notes, including changes and reason of change::

### 32. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less : Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
II. Later reclassified into profit and loss of other comprehensive income	630,483,249.92	-150,563,164.16			-150,563,164.16		479,920,085.76
Gains and losses from changes in fair value of available for sale financial assets	630,483,249.92	-150,563,164.16			-150,563,164.16		479,920,085.76
Total of other comprehensive income	630,483,249.92	-150,563,164.16			-150,563,164.16		479,920,085.76

Notes:

1. The initial balance and the ending balance refer to other comprehensive incomes in the balance sheet. The initial balance + other comprehensive incomes belong to the parent company after taxes = the ending balance. The occurrence amount in the period refers to other comprehensive incomes in the profit statement, and the occurrence amount before income tax in the period – Other comprehensive income recorded in the earlier stage and

transferred into the profits and losses in the current period – income taxes = other comprehensive incomes belong to the parent company after taxes + other comprehensive incomes belong to the minority shareholders after taxes.

2. The company's headquarters is the investment enterprise, the investment income after the non-taxable investment deducted can generate the tax losses and left to make up for the future years. Based on the prudence concept, the company will not recognize the deferred income tax assets relevant to the undistributed deficit. For the profits and losses gained from the disposal of the sellable financial assets in the future are estimated that can't offset the losses in the taxes, the company shall not pay the income taxes and considerate the influence on the income taxes caused by the sellable financial assets.

### 32. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	253,056,237.77	26,741,749.54		279,797,987.31
Total	253,056,237.77	26,741,749.54		279,797,987.31

Statement on surplus reserves. Please state the related resolutions of the Board on capitalizing of reserves, making up losses, and dividends:

The increase in the surplus reserves for the current period is caused by the legal surplus reserves withdrawn as per 10% of the net profits of the parent company in 2015.

### 33. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Retained profit at the beginning of current year	1,340,748,017.33	1,104,154,555.90
Add: Net profit attributable to the owners of parent company	1,340,748,017.33	1,104,154,555.90
Add : Net profit attributable to owners of the Company	469,386,906.79	318,754,807.85
Less: Withdrawing statutory surplus public reserve	26,741,749.54	19,305,459.02
Common stock dividend payable	125,711,774.80	62,855,887.40
Retained profit at the end of this term	1,657,681,399.78	1,340,748,017.33

As regards the details of adjusted the beginning undistributed profits

(1)As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

- (2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.
- (3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00.
- (4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00.
- (5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00.

## 34. Operation income and operation cost

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	1,523,429,005.05	860,031,772.83	1,431,382,351.15	833,875,192.85
Other operation	22,069,584.06	7,954,254.72	23,672,632.55	14,672,051.62
Total	1,545,498,589.11	867,986,027.55	1,455,054,983.70	848,547,244.47

## 35. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Business tax	47,610,094.15	46,072,165.54
Urban construction tax	3,343,021.43	3,232,363.38
Education surcharge	1,433,545.84	1,385,473.22
Defend expense	954,630.63	1,179,363.93
Locality Education surcharge	955,695.13	923,745.05
Culture Construction fee	111,309.82	74,612.85
Other	30,116.95	17,050.52
Total	54,438,413.95	52,884,774.49

Other explanation :

## 36. Management expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	112,972,595.21	119,443,781.17
Depreciation and Amortization	6,267,132.58	9,367,802.28



Low consumables amortization	280,356.30	843,440.16
Travel expenses	951,122.66	1,246,429.61
Office expenses	3,410,338.00	3,200,706.28
Leased expenses	11,348,721.14	11,738,845.17
The fee for hiring agenc	1,796,762.74	2,263,287.23
Consultation expenses	479,000.00	537,926.00
Directorate expenses	37,603.00	435,972.00
Expenses of taxation	7,458,440.48	3,304,239.83
Listing fee	1,925,892.80	450,740.00
Project expenses	7,463,400.00	1,515,266.10
Information cost and maintenance fee	1,178,924.80	1,468,521.94
Total	10,639,157.25	11,988,351.69
Total	166,209,446.96	167,805,309.46

Other explanation :

### 37. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	349,262,119.07	421,507,687.69
Deposit interest income (-)	-8,118,036.09	-20,092,868.28
Exchange Income and loss (Gain-)	499,486.96	277,886.92
Bank commission charge	360,486.43	280,046.54
Total	342,004,056.37	401,972,752.87

Other explanation :

### 38. Asset impairment loss

In RMB

Items	Amount of this period	Amount of last period
I. Bad debt loss	158,124.94	-8,720,894.01
Total	158,124.94	-8,720,894.01

Other explanation :

## 39. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	435,543,369.59	374,852,598.76
Investment income from the disposal of long-term equity investment	24,226,238.09	
Hold the investment income during from available-for-sale financial assets	44,768,257.53	42,119,862.10
Reverse repurchase treasury investment income	854,210.29	2,991,262.39
Total	505,392,075.50	419,963,723.25

Other explanation :

## 40. Non-Operation income

In RMB

Items	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	3,578.00	3,751,673.75	3,578.00
Including: Gains from disposal of fixed assets	3,578.00	3,751,673.75	3,578.00
Government Subsidy	480,000.00	150,000.00	480,000.00
Surplus profit			
Road property claim income	7,323,216.84	5,802,152.79	7,323,216.84
Other income	20,641,367.19	992,548.21	20,641,367.19
Total	28,448,162.03	10,696,374.75	28,448,162.03

- Government subsidy reckoned into current gains/losses

In RMB

Subsidy items	Issuing body	Issuing reason	Nature	Whether the impact of subsidies on the current profit and	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related

				loss				
Energy conservation and emission reduction demonstration project						130,000.00	150,000.00	Related to income
Special funds for energy saving and consumption reduction						230,000.00		Related to income
Guide for space safety management and application of Expressway Bridge						120,000.00		Related to income
Total	--	--	--	--	--	480,000.00	150,000.00	--

Other explanation :

#### 41. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Total of non-current asset Disposition loss	3,041,722.04	3,602,575.90	3,041,722.04
Incl: loss of fixed assets disposition	3,041,722.04	3,602,575.90	3,041,722.04
Expense of fine	47,525.84	23,444.82	47,525.84
Other	3,037,576.46	7,610,058.24	3,037,576.46
Total	6,126,824.34	11,236,078.96	6,126,824.34

Other explanation :

#### 42. Income tax expense

##### (1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	101,844,247.69	16,814,227.35
Deferred income tax expense	1,141,649.85	36,326,077.53
Total	102,985,897.54	53,140,304.88

##### (2) Adjustment process of accounting profit and income tax expense

In RMB

Items	Amount of current period

Total profits	642,415,932.53
Current income tax expense accounted by tax and relevant regulations	160,603,983.13
Influence of income tax before adjustment	4,454,839.42
Influence of non taxable income	-120,992,603.73
Impact of non-deductible costs, expenses and losses	11,241,307.98
Affect the use of deferred tax assets early unconfirmed deductible losses	-2,465,812.49
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	50,144,183.23
Income tax expense	102,985,897.54

Other explanation :

#### 43. Items of Cash flow statement

##### (1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Newwork received toll income	15,799,675.00	569,364.37
Interest income	8,118,036.09	20,092,868.28
Unit current account	42,963,503.22	36,541,289.13
Total	66,881,214.31	57,203,521.78

Notes :

##### (2) Other cash paid related to oprating activities

In RMB

Items	Amount of current period	Amount of previous period
Newwork received toll income		3,971,306.90
Management expense	32,494,578.69	35,748,636.18
Unit current account	15,729,815.81	25,170,664.85
Total	48,224,394.50	64,890,607.93

Notes :

##### (3) Other Cash received related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
-------	--------------------------	---------------------------

Jiujiang bridge to receive compensation	20,000,000.00	
Entrusted Loan recovered		8,000,000.00
Kunlun Securities Co., Ltd. liquidation allocations		652,012.00
<b>Total</b>	<b>20,000,000.00</b>	<b>8,652,012.00</b>

Notes :

## (4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Piecemeal dividend	1,378.67	
Net income of piecemeal sale of shares		12,507.50
<b>Total</b>	<b>1,378.67</b>	<b>12,507.50</b>

Notes:

## (5) Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
The medirm –term notes underwriting fee	3,000,000.00	3,000,000.00
Recombination fee	3,171,000.00	
<b>Total</b>	<b>6,171,000.00</b>	<b>3,000,000.00</b>

Notes :

## 44. Supplement Information for cash flow statement

## (1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
<b>Net profit</b>	<b>539,430,034.99</b>	<b>358,849,510.58</b>
Add: Impairment loss provision of assets	158,124.94	-8,720,894.01
Depreciation of fixed assets, oil and gas assets and consumable biological assets	606,630,043.61	575,056,443.96
Amortization of intangible assets	1,965,777.86	1,652,237.13

Amortization of Long-term deferred expenses	1,770,241.07	4,272,764.06
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	3,038,144.04	-149,097.85
Financial cost	349,761,606.03	421,785,574.61
Loss on investment	-505,392,075.50	-419,963,723.25
Decrease of deferred income tax assets	8,764,947.73	37,603,500.50
Increased of deferred income tax liabilities	-7,623,297.88	-1,277,422.97
Decrease of inventories	-800,998.80	
Decrease of operating receivables	-22,234,654.77	21,906,313.71
Increased of operating Payable	21,525,397.87	-23,773,459.68
Net cash flows arising from operating activities	996,993,291.19	967,241,746.79
II. Significant investment and financing activities that without cash flows:	--	--
3. Movement of cash and cash equivalents:	--	--
Ending balance of cash	986,737,635.38	561,800,403.72
Less: Beginning balance of cash equivalents	561,800,403.72	976,468,685.82
Net increase of cash and cash equivalents	424,937,231.66	-414,668,282.10

## (2) Composition of cash and cash equivalents

In RMB

Items	Amount of current period	Amount of previous period
I. Cash	986,737,635.38	561,800,403.72
Of which: Cash in stock	137,771.71	77,312.85
Bank savings could be used at any time	985,861,577.06	561,106,598.75
Other monetary capital could be used at any time	738,286.61	616,492.12
III. Balance of cash and cash equivalents at the period end	986,737,635.38	561,800,403.72

Other explanation :

**VIII. Equity in other entities**

## 1. Equity in subsidiary

## (1) The structure of the enterprise group

Name of the subsidiary	Main operating place	Registration place	Nature of business	Proportion of shareholding		Way of gaining
				Directly	Indirectly	
Guangdong Fokai Expressway Co., Ltd.	Foshan	Guangzhou	Expressway Management	75.00%		Under the same control business combination
Guangfo Expressway Co., Ltd.	Guangzhou	Guangzhou	Expressway Management	75.00%		Under the same control business combination
Guangdong Expressway Technology Investment Co., Ltd.	Guangzhou	Guangzhou	Investment in technical industries and provision of relevant	100.00%		Investment

Notes: holding proportion in subsidiary different from voting proportion:

N/A

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

N/A

Significant structure entities and controlling basis in the scope of combination:

N/A

Basis of determine whether the Company is the agent or the principal:

Other explanation:

## (2) Important Non-wholly-owned Subsidiary

In RMB

Name of Subsidiary	Shareholding Ratio of Minority Shareholders (%)	Profit or Loss Owned by the Minority Shareholders in the Current Period	Dividends Distributed to the Minority Shareholders in the Current Period	Equity Balance of the Minority Shareholders in the End of the Period
Fokai Expressway Co., Ltd.	25.00%	59,567,381.58		836,507,155.33
Guangfo Expressway Co., Ltd.	25.00%	10,475,746.62	5,765,891.10	82,610,147.87

Holding proportion of minority shareholder in subsidiary different from voting proportion:

N/A

Other explanation:

## (3) The main financial information of significant not wholly owned subsidiary

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Fokai Expressway Co., Ltd.	367,381,886.55	6,359,792,734.04	6,727,174,620.59	682,859,232.49	2,698,286,766.79	3,381,145,999.28	388,547,874.68	6,793,866,995.82	7,182,414,870.50	1,063,021,312.75	3,011,634,462.76	4,074,655,775.51
Guangfo Expressway Co., Ltd.	139,614,700.50	229,152,252.38	368,766,952.88	38,326,361.41	38,326,361.41	113,551,239.59	386,094,164.72	499,645,404.31	181,688,632.98	6,355,601.91	188,044,234.89	

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Fokai Expressway Co., Ltd.	1,149,868,147.35	238,269,526.32	238,269,526.32	866,519,898.31	1,083,503,237.16	131,229,548.71	131,229,548.71	823,149,962.61
Guangfo Expressway Co., Ltd.	361,707,563.06	41,902,986.44	41,902,986.44	192,385,810.39	341,832,249.23	29,149,262.21	29,149,262.21	185,857,891.72

Other explanation:

2. Equity in joint venture arrangement or associated enterprise

## (1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Guangdong Guanghui Expressway Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Expressway Management	30.00%		Equity method
Zhaoqing	Zhaoqing,	Zhaoqing,	Expressway	25.00%		Equity method



Yuezhao Highway Co., Ltd.	Guangdong	Guangdong	Management			
Shenzhen Huiyan Expressway Co., Ltd.	Shenzhen Guangdong	Shenzhen Guangdong	Expressway Management	33.33%		Equity method
Jingzhu Expressway Guanzhu	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	20.00%		Equity method
Guangdong Jiangzhong Expressway Co., Ltd.	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	15.00%		Equity method
Ganzhou kangda Expressway Co., Ltd.	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	30.00%		Equity method
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00%		Equity method

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

N/A

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

Guangdong, Jiangzhong Expressway Co., Ltd and Asian Kitchen & Bath City Co., Ltd.. holds 20% of the voting rights, but has the power to participate in making decisions on their financial and operating decisions, and therefore deemed to be able to exert significant influence over the investee.

## (2) Main financial information of significant joint venture

In RMB

	Year-end balance/ Amount of current period		Year-beginning balance/ Amount of previous period	
	Guangdong Guanghui Expressway Co., Ltd.	Zhaoqing Yuezhao Highway Co., Ltd.	Guangdong Guanghui Expressway Co., Ltd.	Zhaoqing Yuezhao Highway Co., Ltd.
Current assets	766,450,792.34	198,764,861.77	853,819,598.11	161,028,516.96
Including: Cash and cash	480,536,440.78	176,442,107.38	560,176,135.18	143,525,298.03

equivalent				
Non-current assets	4,560,378,796.63	1,899,012,860.07	4,818,629,336.12	1,972,706,369.16
Total assets	5,326,829,588.97	2,097,777,721.84	5,672,448,934.23	2,133,734,886.12
Current liabilities	817,431,700.70	304,439,107.94	883,377,158.97	259,091,187.54
Non-current liabilities	943,014,653.64	696,229,626.27	811,831,311.63	782,030,314.97
Total liabilities	1,760,446,354.34	1,000,668,734.21	1,695,208,470.60	1,041,121,502.51
Attributable to shareholders of the parent company	3,566,383,234.63	1,097,108,987.63	3,977,240,463.63	1,092,613,383.61
Share of net assets calculated by stake	1,069,914,970.39	274,277,246.91	1,193,172,139.09	273,153,345.90
Book value of equity investment in joint ventures	1,069,914,970.39	274,277,246.91	1,193,172,139.09	273,153,345.90
Operating income	1,724,652,359.29	533,009,051.43	1,531,074,957.59	505,549,471.91
Financial expenses	61,776,338.94	46,967,353.71	88,210,913.86	59,320,062.60
Income tax expenses	262,961,558.97	51,559,142.39	233,477,471.57	52,529,265.75
Net profit	787,421,508.59	156,687,764.02	697,346,058.54	157,718,418.13
Total comprehensive income	787,421,508.59	156,687,764.02	697,346,058.54	157,718,418.13
Dividends received from joint ventures this year	359,483,621.28	38,048,040.00		

Other explanation :

## (3) Main financial information of significant associated enterprise

In RMB

	Year-end balance/ Amount of current period						Year-beginning balance/ Amount of previous period					
	Shenzhen Huiyan Expressway Co., Ltd.	Jingzhu Expressway Guanzhu	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd.	Shenzhen Huiyan Expressway Co., Ltd.	Jingzhu Expressway Guanzhu	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd.
Current assets	252,775,866.87	246,179,175.63	86,007,404.53	22,962,621.27	316,962,679.74	1,291,749,915.06	250,781,000.18	198,920,064.37	110,167,303.95	19,407,920.01	306,852,845.90	932,110,436.51
Non-current assets	184,281,067.28	3,709,072,840.05	2,121,939,802.89	1,593,039,071.93	1,537,143,806.20	40,623,208.62	229,468,527.79	3,367,963,818.61	2,261,632,507.08	1,510,947,126.50	1,616,491,879.42	95,637,640.96
Total assets	437,056,934.15	3,955,252,015.68	2,207,947,207.42	1,616,001,693.20	1,854,106,485.94	1,332,373,123.68	509,749,368.90	4,162,929,651.88	2,371,799,811.03	1,663,436,264.78	1,923,344,725.32	1,027,748,077.47
Current liabilities	37,679,784.93	112,647,420.15	330,000,753.38	67,580,844.11	128,345,735.31	14,955,461.26	26,677,726.27	179,662,563.77	294,335,939.80	31,252,072.00	192,345,332.26	7,415,605.62
Non-current Liabilities	196,840.04	1,917,917,636.40	708,500,000.00	922,475,884.05	1,043,207,686.35		407,467.63	2,418,741,884.16	920,250,000.00	1,083,542,515.93	1,038,910,799.87	
Total liabilities	37,876,624.97	2,030,565,056.55	1,038,500,753.38	990,056,728.16	1,171,553,421.66	14,955,461.26	27,085,193.90	2,598,404,447.93	1,214,585,939.80	1,114,794,587.93	1,231,256,132.13	7,415,605.62
Shareholders' equity attributable to shareholders of	399,180,309.18	1,924,686,959.13	1,169,446,454.04	625,944,965.04	682,553,064.28	1,025,479,403.13	482,664,175.00	1,564,525,203.95	1,157,213,871.23	548,641,676.85	692,088,593.19	1,020,332,471.85

the parent company													
Pro rata share of the net assets calculated	133,060,103.06	384,937,391.83	175,416,968.11	187,783,489.51	204,765,919.28	205,095,880.63	160,888,058.33	312,905,040.79	173,582,080.68	164,592,503.05	207,626,577.95	204,066,494.37	
-- Goodwill												241,995.07	
The book value of equity investments in joint ventures	133,060,103.06	384,937,391.83	175,416,968.11	187,783,489.51	204,765,919.28	205,095,880.63	160,888,058.33	312,905,040.79	173,582,080.68	164,592,503.05	207,626,577.95	204,066,494.37	
Business income	202,939,671.65	1,114,341,543.59	419,977,301.24	237,892,210.00	170,331,765.33	76,859,729.88	238,515,790.71	1,054,806,871.72	399,433,738.18	243,112,695.00	176,267,051.33	34,452,555.22	
Net profit	146,186,134.18	360,161,755.18	54,032,582.81	77,303,288.20	20,464,471.09	22,995,264.28	78,757,273.53	310,421,378.12	37,885,132.27	76,284,607.00	23,207,077.03	20,332,471.85	
Total comprehensive income	146,186,134.18	360,161,755.18	54,032,582.81	77,303,288.20	20,464,471.09	22,995,264.28	78,757,273.53	310,421,378.12	37,885,132.27	76,284,607.00	23,207,077.03	20,332,471.85	
Dividends received from associates during the year	76,556,700.00		6,270,000.00		9,000,000.00	2,000,000.00	60,000,000.00	68,290,318.11	750,000.00		3,000,000.00		

Other explanation :

Long-term equity investment company in Asian Kitchen & Bath City Co., Ltd.

has been disposed in the current period.

## (4) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Year-end balance/ Amount of current period	Year-beginning balance/ Amount of previous period
<b>Joint venture</b>	--	--
The total of following items according to the shareholding proportions	--	--
Associated enterprise	--	--
The total of following items according to the shareholding proportions	--	--

Other explanation :

Beijing Genlin Enze Organic Fertilizer Co.,Led. investment cost was RMB 6,614,483.90, for the 35% stake. long-term equity investment. has been disposed for the current period

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

N/A

## (6) The excess loss of joint venture or associated enterprise

In RMB

Name	The cumulative recognized losses in previous	The derecognized losses or the share of net profit in reporting period	The noncumulative unrecognized losses in reporting period

Other explanation :

Beijing Genlin Enze Organic Fertilizer Co.,Led. investment cost was RMB 6,614,483.90, for the 35% stake. long-term equity investment. has been disposed for the current period

## (7) The unrecognized commitment related to joint venture investment

N/A

## (8) Contingent liabilities related to joint venture or associated enterprise investment

N/A

**IX. Risks Related to Financial Instruments**

The major financial instruments of the company include monetary capital, accounts receivable and accounts payable. These financial instruments are primarily related to operating and financing. For the details of the financial instruments, please refer to the related projects in Notes 5. The risk relevant to these financial instruments and the risk management policy adopted by the company for reducing these risks are described as below:

## 1. Credit Risk

The credit risk means that the party of the financial instrument fails to perform the obligations, and the risk of the financial loss is caused for the other party. The company is mainly facing the customer credit risk due to the credit sale. In order to reduce the credit risk, the company only makes transactions with the recognized and reputable customers, and carries out the continuous monitoring of accounts receivable through monitoring the credit of the existing customers and the aging analysis, in order to ensure the company not facing the risk of bad debts and control the overall credit risk within the controllable range.

## 2. Interest Rate Risk

The interest rate risk refers to the fluctuation risk appearing for the fair value of financial instruments or future cash flows due to the changes in market interest rate. The interest rate risk faced by the company is mainly from the bank borrowings. Through the establishment of good relations between banks and enterprises, the company makes the reasonable design of credit range, credit variety and credit limit to guarantee the sufficient credit range of the banks and meet the financing demands. Shortening the duration of single borrowings and especially stating the prepayment terms is to reasonably reduce the risk of the interest rate fluctuations.

## 3. Foreign Exchange Risk

The foreign exchange risk refers to the fluctuation risk appearing for the fair value of financial instruments or future cash flows due to the changes in foreign exchange rate. The company matches the income and expenditure of foreign currency as far as possible in order to reduce the foreign exchange risk. During the reporting period, the company has little effect on the foreign exchange risk due to the short credit term of revenue and expenditure related to the foreign currency.

## 4. Liquidity Risk

The liquidity risk means that the risk of the shortage of funds occurs when the settlement obligations by the delivery of the cash or other financial assets are fulfilled by the company. The policy of the company is to ensure the sufficient cash for repaying the matured debts. The liquidity risk is under the centralized control of Finance department of the company, and Finance department shall guarantee the company having the sufficient funds to repay the debts under any reasonable forecast through monitoring the cash balance, the marketable securities available to be cash and the rolling forecast for the cash flow of the next six months.

## 5. Other Price Risk

The company holds the equity investment of other listed companies, and the management believes that these investments facing the market price risk is acceptable. For the equity investment of other listed companies held by the company, please refer to “Available-for-Sale Financial Assets in Article 8 of Consolidated Financial Statement in Notes 5 of Financial Statements”.

**X. The disclosure of the fair value**

## 1. Closing fair value of assets and liabilities calculated by fair value

In RMB

Items	Closing fair value			Total
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	
I. Consistent fair value measurement	--	--	--	--
2.Available for sale financial assets	997,480,962.56			997,480,962.56
(2) Equity instrument investment	997,480,962.56			997,480,962.56
Total of Consistent fair value measurement	997,480,962.56			997,480,962.56
II.Non-continuous measurement fair value	--	--	--	--

## 2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1.

As at the end of the period, the company holds shares 235,254,944 shares of China Everbright Bank

According to the closing price of December 31, 2015 of RMB 4.24, the final calculation of fair value was RMB997,480,962.56.

**XI.Related parties and related-party transactions**

## 1. Parent company information of the enterprise

Name	Registered address	Nature	Registered capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Guangdong communication Group Co., Ltd	No. 27, Baiyun Road, Yuexiu District, Guangzhou.	Equity management, traffic infrastructure construction and railway project operation	2,680,000.00	40.84%	43.61%

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Li Jing. Date of establishment: June 23, 2000. As of December 31, 2015, Registered capital: RMB 26.8 billion. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses

(if the above mentioned business scope requires licenses to operate, then operation licenses are required) .

The final control of the Company was State-owned Assets Supervision and Administration Commission, The People's Government of Guangdong Province.

Other explanation :

## 2.Subsidiaries of the Company

Subsidiaries of this enterprise, see Note VII the rights of other entity

## 3. Information on the joint ventures and associated enterprises of the Company

The details Notes VII of significant joint venture and associated enterprise of the Company

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or form balance due to related party transactions in previous period:

Name	<u>Relation with the Company</u>
------	----------------------------------

Other explanation :

### 4. Other Related parties

Name	Relation with the Company
Guangdong Changda highway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu communication Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu communication Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Communication Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinruan Computer Technology Co., Ltd	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shenshan West Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Luqiao Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yunwu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Taishan Coastal Expressway Co., Ltd	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuzhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinlu Advertising Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company



Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangshen Zhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Zhuhai section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Zhaoqing Guanghe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Xinhui Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Communication Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Meihe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Two Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Heyuan Helong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuegan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuedong Expressway Industry Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuejia Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinyue Asphalt Co., Ltd.	Fully owned subsidiary of the parent company
Asian Kitchen & Bath City Co., Ltd.	Original shares of the company

Other explanation :

## 5. List of related-party transactions

### (1) Information on acquisition of goods and reception of labor service

#### Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Guangdong Changda highway Co., Ltd.	Project fund	11,019,618.00			13,590,781.49
Guangdong Expressway Co., Ltd.	Expansion management fee	9,319,331.40			

Guangdong Hualu communication Technology Co., Ltd.	Project fund	2,297,758.00			1,407,195.40
Guangzhou Xinruan Computer Technology Co., Ltd.	Project fund	1,322,580.00			836,730.00
Guangdong Xinyue Communication Investment Co., Ltd.	Project fund	5,360,020.96			
Guangdong East Thinking Management Technology Development Co., Ltd.	Service	568,528.80			
Guangdong Expressway Co., Ltd.	Interest	3,604,166.67			416,666.67
Guangdong Xinyue Communication Investment Co., Ltd	Project fund	1,139,485.00			
Guangzhou Xinruan Computer Technology Co., Ltd.	Purchasing assets				5,771,846.00
Guangdong Xinyue Communication Investment Co., Ltd	Purchasing assets	2,434,148.61			3,639,312.14
Guangdong Hualu communication Technology Co., Ltd.	Purchasing assets				563,977.42
Guangdong Xinyue Communication Investment Co., Ltd	Purchasing assets				1,027,925.71

Guangzhou Xinruan Computer Technology Co., Ltd.	Purchasing assets				214,300.00
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchasing assets	470,000.00			

## Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
Guangdong Expressway Co., Ltd.	Project fund	4,149,300.00	4,394,400.00
Guangdong Guanghui Expressway Co., Ltd.	Project fund	2,929,569.48	186,729.00
Guangdong Xinyue Communication Investment Co., Ltd.	Project fund	1,753,039.88	
Jingzhu Expressway Guangzhu section Co., Ltd.	Project fund	658,040.04	
Guangshen Zhu Expressway Co., Ltd.	Project fund	518,290.58	
Guangdong Kaiyang Expressway Co., Ltd.	Project fund	288,771.50	457,571.43
Guangdong Highway Construction Co., Ltd.	Project fund	272,102.56	299,820.00
Guangdong West coastal Expressway Zhuhai section Co., Ltd.	Project fund	242,423.07	
Guangdong Shenshan West Expressway Co., Ltd.	Project fund	213,000.00	120,000.00
Guangdong Boda Expressway Co., Ltd.	Project fund	194,358.96	
Guangdong Guangle Expressway Co., Ltd.	Project fund	184,500.00	
Guangdong Yangmao Expressway Co., Ltd.	Project fund	180,000.00	120,000.00
Guangdong Jiangzhong Expressway Co., Ltd.	Project fund	168,444.44	
Guangdong Yunwu Expressway Co., Ltd.	Project fund	130,400.00	69,000.00
Guangdong Maozhan Expressway Co., Ltd.	Project fund	129,000.00	96,000.00
Guangdong Yuzhan Expressway Co., Ltd.	Project fund	102,000.00	
Zhaoqing Guanghe Expressway Co., Ltd.	Project fund	81,000.00	
Guangdong Taishan Coastal Expressway Co., Ltd.	Project fund	60,000.00	60,000.00
Guangdong West coastal Expressway Xinhui section Co., Ltd.	Project fund	48,893.16	
Zhaoqing Yuezhao Highway Co., Ltd.	Project fund	39,000.00	1,156,972.00
Guangdong Yueyun Communication Co., Ltd.	Project fund	25,914.53	

Yunfo Guangyun ExpresswayCo., Ltd.	Project fund	25,500.00	15,000.00
Asian Kitchen & Bath City Co., Ltd.	Labour service		2,440,958.00
Asian Kitchen & Bath City Co., Ltd.	Project fund		550,000.00
Guangdong Luqiao Construction Development Co., Ltd.	Project fund		95,128.21

Notes

## (2) Information of related lease

The Company was lessor:

In RMB

Name of lessee	Category of lease assets	The lease income confirmed in this year	The lease income confirmed in last year
Guangdong Xinlu Advertising Co., Ltd.	Advertising lease	2,293,108.00	2,202,670.83
Asian Kitchen & Bath City Co., Ltd.	Advertising lease	3,492,000.00	880,000.00

The company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Litong Property Investment Co., Ltd	Office space	8,681,088.00	8,401,056.00
Guangdong Guanghui Expressway Co., Ltd.	Advertising column lease	1,600,900.00	2,850,000.00
Guangdong Gaoda Property Development Co., Ltd.	Office space		530,900.75
Zhaoqing Yuezhao Highway Co., Ltd.	Advertising column lease	236,250.00	236,250.00

Notes

## (3) Related-party guarantee

The Company was Guarantor

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
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The Company was secured party

In RMB

Guarantor	Guarantee Amount	Starting date	Stop date	If completed or not
Guangdong Communication Group Co., Ltd.	1,500,000,000.00	September 25,2012	July 25,2021	No

Notes:

Controlling shareholder Guangdong Communication Group Co., Ltd. accepted Pacific Asset Management Co., Ltd. insurance debt investment plan to provide joint liability guarantee of principal and interest in full and unconditional irrevocable. The company held Fokai Expressway Co., Ltd. 75% stake in Guangdong Communication Group Co., Ltd. to provide a counter-guarantee.

#### (4) Inter-bank lending of capital of related parties

In RMB

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Guangdong Expressway Co., Ltd.	125,000,000.00	December 11, 2014	June 23, 2015	
Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	June 10,2015	June 10,2017	
Loaned				

#### (5) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
<b>Rewards for the key management personnel</b>	5,563,900.00	6,293,200.00

### 6. Receivables and payables of related parties

#### (1) Receivables

In RMB

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision

Account receivable	Guangdong Guanghui Expressway Co., Ltd.	2,247,992.00			
Account receivable	Guangdong Xinyue Communication Co., Ltd.	1,272,653.03			
Account receivable	Guangshen Zhu Expressway Co., Ltd.	545,760.00			
Account receivable	Jingzhu Expressway Guangzhu Section Co., Ltd.	274,320.10			
Account receivable	Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	251,694.00			
Account receivable	Guangdong Boda Expressway Co., Ltd.	204,660.00			
Account receivable	Guangdong Kaiyang Expressway Co., Ltd.	178,414.29		364,142.79	
Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	177,372.00			
Account receivable	Guangdong Expressway Co., Ltd.	117,500.00		117,500.00	
Account receivable	Guangdong West Coastal Expressway Xinhui section Co., Ltd.	50,610.00			
Account receivable	Guangdong Yueyun Communication Co., Ltd.	27,288.00			
Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.			815,580.00	
Account receivable	Guangdong Yunwu Expressway Co., Ltd.			69,000.00	
Prepayable account	Zhaoqing Yuezhao Highway Co., Ltd.	131,250.00		131,250.00	
Prepayable account	Guangdong Litong Property Investment Co., Ltd.	735,092.00			
Other Account receivable	Beijing Gelin Enze	4,007,679.91	4,007,679.91	4,007,679.91	4,007,679.91
Other Account receivable	Asian Kitchen & Bath City Co., Ltd.			3,320,958.00	
Other Account receivable	Guangdong Expressway Co., Ltd.	2,625,463.63		39,654.00	
Other Account receivable	Guangdong Litong Property Investment Co., Ltd.	1,435,856.00		1,485,856.00	
Other Account receivable	Guangdong Xinlu Advertising Co., Ltd.	1,227,244.26		1,105,350.72	
Other Account receivable	Guangdong Guanghui Expressway Co., Ltd.	847,048.98		668,034.00	
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	456,934.57		509,027.00	
Other Account receivable	Zhaoqing Guanghe Expressway Co., Ltd.	189,397.72			
Other Account receivable	Guangshen Zhu Expressway Co., Ltd.	134,794.38			
Other Account receivable	Jingzhu Expressway Guangzhu Section Co., Ltd.	97,661.39			
Other Account receivable	Guangdong Highway Construction Co., Ltd.	81,571.71		12,891.00	
Other Account receivable	Guangdong Kaiyang Expressway Co., Ltd.	74,950.95		167,260.07	
Other Account receivable	Guangdong Boda Expressway Co., Ltd.	45,605.48			
Other Account receivable	Guangdong Maozhao Expressway Co., Ltd.	41,208.46		83,003.27	
Other Account receivable	Guangdong Guangle Expressway Co., Ltd.	37,020.23			
Other Account receivable	Guangdong West Coastal Expressway Zhuhai section Co., Ltd.	20,466.00			

Other Account receivable	Guangdong Yangmao Expressway Co, Ltd.	20,251.86			
Other Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	19,842.06			
Other Account receivable	Guangdong luqiao Construction Development Co., Ltd.	14,801.32		9,327.70	
Other Account receivable	Yunfo Guangyun Expressway Co., Ltd.	5,252.64			
Other Account receivable	Guangdong Yunwu Expressway Co., Ltd.	4,697.95			
Other Account receivable	Guangdong West Coastal Expressway Xinhui section Co., Ltd.	3,790.00			
Other Account receivable	Guangdong Yueyun Communications Co., Ltd.	3,032.00			
Other Account receivable	Guangdong Yueyun Communications Investment Co., Ltd.	2,158.60		2,158.60	
Other Account receivable	Guangdong Meihe Expressway Co., Ltd.	1,164.09			
Other Account receivable	Guangdong Two Expressway Co., Ltd.	1,117.07			
Other Account receivable	Heyuan Helong Expressway Co., Ltd.	778.93			
Other Account receivable	Guangdong Yuegan Expressway Co., Ltd.	806.64			
Other Account receivable	Guangdong Yuedong Expressway Industry Development Co., Ltd.	664.16			
Other Account receivable	Guangdong Hehui Expressway Co., Ltd.	424.10			
Other Account receivable	Guangdong Shanfen Expressway Co., Ltd.	91.24			
Other Account receivable	Guangdong Yuzhan Expressway Co., Ltd.	75.23			
Other Account receivable	Guangdong Yueyang Expressway Co., Ltd.	11.75			
Other Account receivable	Guangdong Yuejia Expressway Co.,Ltd.	4.13			

## (2) Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Guangdong Expressway Co., Ltd	8,746,491.18	13,728,261.18
Account payable	Guangdong Guanghui Expressway Co., Ltd.	4,692,732.01	9,665,632.01
Account payable	Guangdong Changda highway Co., Ltd	8,993,525.00	8,993,525.00
Account payable	Guangdong Xinyue Communication Investment Co., Ltd.	3,284,062.53	981,094.28
Account payable	Guangdong Hualu communication Technology Co., Ltd.	375,636.00	598,676.96

Account payable	Guangzhou Xinruan Computer Technology Co., Ltd		577,238.60
Account payable	Guangdong East Thinking Management Technology Development Co., Ltd.	235,000.00	78,234.00
Account payable	Guangdong Maozhan Expressway Co., Ltd.	150,750.00	
Account payable	Zhaoqing Yuezhao Highway Co., Ltd.	19,500.00	
Interest payable	Guangdong Expressway Co., Ltd.		229,166.67
Interest payable	Ganzhou Gankang Expressway Co., Ltd.	89,578.19	
Other payable	Guangdong Expressway Co., Ltd.	62,596.67	127,265,564.22
Other payable	Guangdong Changda Highway Engineering Co., Ltd.	47,825,979.96	80,168,435.24
Other payable	Guangdong Highway Construction Co., Ltd.	1,876,132.24	
Other payable	Guangdong Xinyue Communication Investment Co., Ltd.	1,507,986.93	339,485.26
Other payable	Guangzhou Xinruan Computer Technology Co., Ltd	401,732.30	478,147.30
Other payable	Guangdong Hualu communication Technology Co., Ltd.	145,960.39	141,526.39
Other payable	Guangdong Lulutong Co., Ltd.	146,604.23	66,604.23
Other payable	Guangdong East Thinking Management Technology Development Co., Ltd.	44,000.00	
Other payable	Guangdong Xinlu Adverting Co., Ltd.	20,000.00	20,000.00
Other payable	Guangdong Guanghui Expressway Co., Ltd.	6,019.00	
Other payable	Jingzhu Expressway Guangzhu Section Co., Ltd.	2,637.00	
Other payable	Guangdong West Coastal Expressway Co., Ltd.	1,396.29	
Other payable	Guangdong Shenshan West Expressway Co., Ltd.	454.68	
Other payable	Guangdong Luqiao Construction Development Co., Ltd.	110.05	
Other payable	Guangdong Boda Expressway Co., Ltd.	19.41	
Other payable	Guangdong West Coastal Expressway Zhuhai section Co., Ltd.	3.51	
Long-term payable	Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	

## XII. Events after balance sheet date

### 1. Profit distribution

In RMB

Profit or dividend planed to allocate	188,567,662.20
Profits or dividends allocation was reviewed and approved	188,567,662.20



### XIII. Other significant events

#### 1. Segment information

The company's business for the Guangfo Expressway and the Fokai Expressway toll collection and maintenance work, the technology industry and provide investment advice, no other nature of the business, no reportable segment.

##### (1) Recognition basis and accounting policies of reportable segment

#### 2. Other important transactions and events have an impact on investors decision-making

(1) The toll collection period of Jiujiang Bridge of No. 325 National Highway owned by Jiujiang Bridge Branch of Guangdong Fokai Expressway Co., Ltd., a controlled subsidiary of the Company, which was approved by Ministry of Communications, is 30 years. Up to the present, the accumulative toll collection period is 25 years. According to the Notice of Relevant Matters Concerning Quickening Special Clearing of Toll Highways in Guangdong Province (Yue Jiao Ming Dian (2013) No. 56 Document), the rectification measure proposed for Jiujiang Bridge is "toll collection period shall be no more than 20 years". The result of rectification is "toll collection shall be cancelled due to the expiration of toll collection period." As required by this document, Jiujiang Bridge will stop toll collection from 24:00 of June 30, 2013. Jiujiang Bridge is a construction project in which an enterprise under provincial administration invested. As for relevant problems occurred after rectification, the Provincial State-owned Assets Commission shall coordinate in handling such problems according to the requirements of the document.

In view of the cancellation of tolls, the relevant assets on Jiujiang Bridge are neither owned or controlled by the company, nor brings any economic benefits to enterprise in future. According to the provision of Accounting Standards, the company has made disposal of the assets at the end of 2013, and the relevant losses have been recorded into the annual expenses outside of operation in 2013.

In May 2014, the company received Guangdong Provincial People's Government Office documents on the opinions of the compensation for cancellation fee of Jiujiang Bridge as follow. The loss to the company resulted from the early cancellation of Jiujiang Bridge toll fee will be compensated by Guangdong Communication Group. The provincial SASAC conjunction with relevant units will examine the compensation amount base on Provincial Legal Office; work with Provincial Department of Finance to make the compensation arrangements for provincial government to approve.

Approved by the Jiujiang Bridge early termination fee the amount of loss caused to 140,765,667.68 yuan, to be divided from 2015 included three years of state-owned capital management budget arrangements. In view of the recovery period is not yet clear, the company intends to recognized operating income when received.

Fokai Expressway Co., Ltd. had received in advance of Jiujiang Bridge cancellation fees compensate for the loss of funds RMB 20 million on August 7, 2015, the extra operating income the company has confirmed.

(2) June 15, 2007 early in the morning, The 325 Jiujiang Bridge collapsed on # 23 pier for —Nanguijii 0351 collision owned by the controlling subsidiary of the company Guangdong Fokai Expressway Company leads the collapse and the traffic jam of 200 meters long of the Jiujiang Bridge. On June 10, 2009, Jiujiang Bridge opened to traffic has been restored.

On June 19, 2007, The Ministry of Communications, the State Production Safety Supervision and

Administration Commission issued the JiaoAnWeiming File [2007] No. 8 "Notification on the Guangdong"6.15 "Jiujiang Bridge Collision Accident", initially determined the causes of the accident are: the incident ship suddenly met heavy fog on the way from Foshan Gaoming to Sunde, the captain neglected looking out, did not take proper measures and deviated from the main channel, touched the 325 National Road Jiujiang Bridge the non-navigation bridge pier and caused the collapsion of part of the Jiujiang bridge. The accident was an uN/Aateral responsibility of the ship.

On July 19,2007, Fokai Company applied preservation of property to Guangzhou Maritime Court.On August 22,2007, Fokai Company officially prosecuted to Guangzhou Maritime Court, asking Foshan South Sea Shipping Company Limited and Yang Xiong to undertake the compensation 25,587,684 yuan for the loss caused by collapsion of Jiujiang Bridge. On August 28, 2007, Guangzhou Maritime Court accepted the case. According to the (2007)-Canton Haifa No. 332 ruling book issued by Guangzhou Maritime Court, the proceeding of the case was suspended.

After the court accepted the case, the incident investigation team of Guangdong Provincial Government had not made the final report of Jiujiang Bridge accident. The Court, on November 5, 2007, decided to suspend the proceeding. In September 2008, Jiujiang Bridge accident investigation report was officially reported and resumed the proceedings. On December 5, 2008, Guangzhou Marine Court opened a court trial to proceeded the case. Currently, Guangzhou Haizhu prosecutorial office was intend to prosecute the accident captain Shi Guide, therefore, on January 5, 2009, Guangzhou Maritime Court ruled the suspension of the case. On September 17, 2013, the Guangzhou Maritime Court issued a notice of civil and eliminate the cause of suspension of proceedings, the court decided to resume the trial. On December 19, 2013, the Guangzhou Maritime Court opened a court session, has not yet made the first-instance judgment. On March 7, 2014 the Court made the first instance verdict: the defendant Foshan Nanhai Yuhang ship Services Co., Ltd. and Yang Xiong compensated the plaintiff Fokai Expressway Co., Ltd. toll revenue losses of RMB 19,357,500.96; the court dismissed the plaintiff other aspirations. The defendant appealed to the Higher People's Court of Guangdong Province, the Guangdong Provincial Higher People's Court ruled on June 5, 2014, the case discontinued proceedings.

(3)The 26th (Provisional)Meeting of the sixth board of directors of Guangdong Provincial Expressway Development Co., Ltd. was held of May 10, 2012. The meeting examined and adopted the proposal Concerning the Company's Accepting the insurance Bond Investment Plan of Pacific Asset Management Co., Ltd. The Company was approved to accept the insurance bond investment plan made by Pacific Asset Management Co., Ltd. The amount of proceeds to be raised is not more than RMB 1.5 billion . Floating interest rate plus guaranteed base interest rate applies as the interest rate. The Floaing interest rate shall not exceed the basic interest rate of RMB loan with a term of over five years on the day when the investment fund of the insureance company is transferred into the Company's account and the corresponding days of the future years, which shall be adjusted once each year. The guaranteed base interest rate is 5.6%. The concrete amount of raised proceeds shall be within maximum limit of investment fund filed with CIRC. The actual amount wholly transferred to the Company shall apply. The final interest rate is subject to investment Contract for Bond Investment Plan between Pacific and Guangdong Expressway Filed with CIRC. It was approved to authorize the management of the Company to implement the above-mentioned matters.

The Company was approved to provide counter guarantee to Guangdong Communication Group Co.,Ltd.with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it . as of December 31, 2014, the company has borrowed RMB 1.5 billion.

Co., Ltd. and Guangdong Provincial Highway Co(4)According to the Board of Directors considered and adopted

the "issue of shares and cash to buy assets and raise matching funds and Related Transaction Plan" and the company with the Guangdong Provincial Expressway nstruction Co., Ltd. signed the "issue of shares to buy assets of Agreement" and "agreement of paying cash to buy assets", The company intends through the issuance of A shares to purchase 25% stake of Fokai hold by Provincial Expressway, and Guangzhu 100% stake held by transportation construction company, purchase by cash of the Guangzhu East's debt held by the construction company. Moreover, The company intends to non-public offering of A shares to raise matching funds to Yadong Fuxing Yalian Investment Co., Ltd., Tibet Yingyue Investment Management Co.,Ltd. and Guangfa Securities Co., Ltd. To pay the transaction cash consideration, the transaction taxes and supplement working capital of listed companies, the amount of matching funds to be raised no more than RMB 1650 million, assets to be purchased no more than 100% of the transaction price. Not more than 100% of the transaction price assets to be purchased . Not more than 100% of the transaction price assets to be purchased .

On January 14, 2016, The Company received notification from CSRC, which after being deliberated by the 4th working conference for mergers and acquisitions of 2016 convened by Mergers and Acquisitions Deliberation Committee of CSRC, the issue of shares to buy assets and raise matching funds and related transaction of the Company has been conditionally adopted.

On February 5, 2016,the Company received the "Reply on Examining and Approving Guangdong Provincial Expressway Development Co., Ltd.'s Issue of Share to Buy Asset and Raise Matching Funds for Guangdong Provincial Highway Co., Ltd. "(CSRC Approval No.230 [2016]), the scheme of the Company's issue of share to buy asset and raise matching funds was examined and adopted by Merger and Reorganization Audit Committee for Listed Companies of CRSC.

Up to now, this reorganization hasn't been completed yet.

#### XIV..Notes s of main items in financial reports of parent company

##### 1.Other account receivable

###### (1) Other account receivable classified by category

In RMB

Classification	Year-end balance					Year-beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	32,084,893.35	89.12%	32,084,893.35	100.00%		32,084,893.35	88.44%	32,084,893.35	100.00%	

Other Account receivable withdrawalbad debt provision by group of credit risk characteristics	3,915,394.79	10.88%	1,658,571.80	42.36%	2,256,822.99	4,194,818.04	11.56%	1,658,571.80	39.54%	2,536,246.24
Total	36,000,288.14	100.00%	33,743,465.15	93.73%	2,256,822.99	36,279,711.39	100.00%	33,743,465.15	93.01%	2,536,246.24

- Other Receivable accounts with large amount individually and bad debt provisions were provided

√ Applicable □ Not applicable

In RMB

Other receivable (Unit)	Balance at year-end			
	Other receivable	Provision for bad debts	Proportion n%	Reason
Kunlun Securities Co., Ltd.	32,084,893.35	32,084,893.35	100.00%	For the balance amount of our company's security trading settlement funds RMB 33,683,774.79 deposited in Kunlun Securities Co., Ltd., The Xin'Ning Municipal intermediate People's Court of Qinghai Province had made the judgment in accordance with the law and declared on November 11, 2006. that Kunlun Securities Co., Ltd. was bankrupted for debt payment . In March of 2007, the liquidating group of Kunlun Securities preliminary judged the relationship between our company and Kunlun Securities Co., Ltd.is debtor creditor relationship . as Kunlun Securities Co., Ltd.was bankrupted for debt payment and it is in serious insolvency. Our company had moved the security trading settlement funds deposited in Kunlun Securities Co., Ltd, to other receivables account for reflection, we also have made full amount provision for had debts based on conservatism principle. The recovered debt amount in 2008 is RMB485,392.67 which had been offset from the provision for bad debts. The recovered debt amount in 2011 is RMB 667,959.27 which had been offset from the provision for bad, The recovered debt amount in 2014 is RMB 445,529.50 which had been offset from the provision for bad debts.debts.
Total	32,084,893.35	32,084,893.35	--	--

In the groups, other accounts receivable adopting aging analysis method to withdraw bad debt provision:

√ Applicable □ Not applicable

In RMB

Aging	Balance at year-end		
	Other receivable	Provision for bad debts	Proportion%
Subentry within 1 year			
Subtotal of within 1 year	427,635.99		
Over 5 years	1,658,571.80	1,658,571.80	100.00%
Total	2,086,207.79	1,658,571.80	79.50%

Notes:

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision:

□ Applicable √ Not applicable

In the groups, other accounts receivable adopting other methods to withdraw bad debt provision:

√ Applicable □ Not applicable

Name	Balance at year-end			
	Other receivable	Bad debt provision	Proportion (%)	Reason
Guangdong Litong Real estate Investment Co., Ltd.	1,435,856.00			Lease deposit
Beijing Shibang Weilishi Property Management Services Co., Ltd.	393,331.00			Deposit
Total	1,829,187.00			

## (2) Other receivables nature of fund classification information

In RMB

Nature	Book balance at year end	Book balance at year beginning
Securities trading settlement funds balance	32,084,893.35	32,084,893.35
Guarantee deposit	1,829,187.00	1,829,187.00
Other	2,086,207.79	2,365,631.04
Total	36,000,288.14	36,279,711.39

## (3) The top five other account receivable classified by debtor at period end

In RMB

Name	Nature	Closing balance	Aging	Proportion %	Closing balance of bad debt provision
Kunlun Securities Co., Ltd.	Securities trading settlement funds	32,084,893.35	Over 5 years	89.13%	32,084,893.35

Heshan Communication Real estate Development Co., Ltd.	Current accounts	1,470,000.00	Over 5years	4.08%	1,470,000.00
Guangdong Litong Property Investment Co., Ltd.	Deposit	1,435,856.00	2-4 years	3.99%	
Beijing Shibang Weilishi Property Management Services Co., Ltd.	Deposit	393,331.00	2-4 years	1.09%	
Huizhou Huxu Industry Company	Current accounts	109,745.80	Over 5years	0.30%	109,745.80
Total	--	35,493,826.15	--	98.59%	33,664,639.15

## 2. Long-term equity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	2,418,436,569.52		2,418,436,569.52	2,418,436,569.52		2,418,436,569.52
Investment to joint ventures and associated enterprises	2,635,251,969.72		2,635,251,969.72	2,689,986,240.16		2,689,986,240.16
Total	5,053,688,539.24		5,053,688,539.24	5,108,422,809.68		5,108,422,809.68

## (1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Guangdong Guangfo Expressway Co., Ltd.	154,982,475.25			154,982,475.25		
Guangdong Expressway Technology Investment Co., Ltd.	95,731,882.42			95,731,882.42		
Guangdong Fokai Expressway Co., Ltd.	2,167,722,211.85			2,167,722,211.85		
Total	2,418,436,569.52			2,418,436,569.52		

## (2) Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period							Closing balance	Closing balance of impairment provision	
		Add investment			Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision			Other
I. Joint ventures											
Guangdong Guanghui Expressway Co., Ltd.	1,193,172,139.09			236,226,452.58			359,483,621.28			1,069,914,970.39	
ZhaoqingYuezhao Highway Co., Ltd.	273,153,345.90			39,171,941.01			38,048,040.00			274,277,246.91	
Subtotal	1,466,325,484.99			275,398,393.59			397,531,661.28			1,344,192,217.30	
II. Associated enterprises											
ShenzhenHuiyan Expressway Co., Ltd.	160,888,058.33			48,728,744.73			76,556,700.00			133,060,103.06	
Jingzhu Expressway Guangzhu	312,905,040.79			72,032,351.04						384,937,391.83	
Guangdong Jiangzhong Expressway Co., Ltd.	173,582,080.68			8,104,887.43			6,270,000.00			175,416,968.11	
Ganzhou Kangda Expressway Co., Ltd.	164,592,503.05			23,190,986.46						187,783,489.51	
Ganzhou Gankang Expressway Co., Ltd.	207,626,577.95			6,139,341.33			9,000,000.00			204,765,919.28	
Guangdong Yueke Technology Petty Loan Co., Ltd.	204,066,494.37			3,029,386.26			2,000,000.00			205,095,880.63	
Subtotal	1,223,660,755.17			161,225,697.25			93,826,700.00			1,291,059,752.42	
Total	2,689,986,240.16			436,624,090.84			491,358,361.28			2,635,251,969.72	

## 3. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Other business	17,259,744.96	464,213.40	38,226,359.03	464,213.40
Total	17,259,744.96	464,213.40	38,226,359.03	464,213.40

Other explanation

## 4. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	17,297,673.29	
Long-term equity investment income accounted by equity method	436,624,090.84	376,566,891.64
Investment income received from holding of available-for-sale financial assets	44,768,257.53	42,119,862.10
Reverse repurchase treasury investment income	854,210.29	2,991,262.39
Total	499,544,231.95	421,678,016.13

## XV. Supplement information

## 1. Particulars about current non-recurring gains and loss

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss	21,188,094.05	
Government subsidies recognized in current gain and loss (excluding those closely related to the Company's business and granted under the state's policies)	480,000.00	
Operating income and expenses other than the aforesaid items	24,879,481.73	
Other non-business income and expenditures other than the above	854,210.29	
Less: Influenced amount of income tax	11,529,933.00	
Amount of influence of minority interests	8,647,449.75	
Total	27,224,403.32	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and



its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable  Not applicable

## 2. Return on equity (ROE) and earnings per share (EPS)

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	9.22%	0.37	0.37
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	8.68%	0.35	0.35

## 3. Differences between accounting data under domestic and overseas accounting standards

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable  Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable  Not applicable

## **XI. Documents Available for Inspection**

1. Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.
2. Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.
3. The texts of all the Company's documents publicly disclosed on the newspapers and periodicals designated by China Securities Regulatory Commission in the report period;