



# Anhui Expressway Company Limited

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



**ANNUAL  
REPORT  
2014**



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## Important Notice

1. The Board of the Directors, the Supervisory Committee and the Directors, Supervisors and the Senior Management of Anhui Expressway Company Limited hereby warrant that there are no false accounts, misleading statements or significant omissions of information contained in this report, and jointly and individually accept responsibility as to the truthfulness, accuracy and completeness of its contents.
2. All of the ther directors attended the Board meetings.
3. PricewaterhouseCoopers Zhong Tian Certified Public Accountants Company Limited (People's Republic of China accountant) and PricewaterhouseCoopers Certified Public Accountants (Hong Kong accountant) have issued unqualified audit opinions on financial statements for the Company.
4. Mr. Zhou Renqiang, Chairman, Mr. Xuzhen, responsible for the accountant work and Mr. Xiao Guangzhuo, manager of the Financial Department of the Company hereby confirm that the financial statements contained in the Annuual Report are true and complete.

5. **The profit appropriation plan or transfers of share capital from capital reserves plan approved by the Board of Directors:**

Because the total amount of statutory surplus reserve has reached above 50 percent of the total shares, it won't be extracted this year. The Company's net profit as shown on the 2014 financial statements prepared in accordance with the PRC Accounting Standards was RMB 960,082 thousand. The Company's net profit as shown on the 2014 financial statements prepared in accordance with the Hong Kong Accounting Standards was RMB 935,313 thousand. Consequently, the profit available for distribution to shareholders was RMB 960,082 thousand and RMB 935,313 thousand in accordance with the PRC Accounting Standards and the Hong Kong Accounting Standards respectively. Pursuant to relevant regulations of the State, the profit available for distribution to shareholders should be the lower of that calculated in accordance with the PRC Accounting Standards and the Hong Kong Accounting Standards. Accordingly, the 2014 profit available for distribution to shareholders was RMB 935,313 thousand. The Board of the Company recommended the payment of a final dividend of RMB 381,480.30 thousand on the basis of RMB 2.3 for every 10 shares (tax included) based on the total share capital outstanding at the end of 2014 of 1,658,610,000 shares. In 2014 no transfers of share capital from capital reserves were involved.

6. **The forward-looking risk statement**

The major risks have been concretely described in the report and please check them in Section V Report of the Board of Directors. The related future plan, development strategy and other forward-looking descriptions are not commitments to the investors. The investors should do rational investment and pay attention to the investment risk.

7. If there was extraordinary use of funds by the controlling shareholder and its related parties?

No

8. If there was offering for security in violation of specified procedure?

No

## Section I Notes and Major Risk Notice

### I. Notes

In this report, except for the other meaning as the context referred to, the words have the meaning as follows:

“The Company”, “Company”	Means	Anhui Expressway Company Limited
“The Group”	Means	The Company, its subsidiaries and associated companies
“AEHC”	Means	Anhui Expressway Holding Group Company Limited (formerly known as Anhui Expressway Holding Corporation), the two companies are the same enterprise legal person
“SSE”	Means	Shanghai Stock Exchange
“SEHK”	Means	The Stock Exchange of Hong Kong Ltd.
“Hua Jian Center”, “China Merchants Hua Jian”	Means	China Merchants Hua Jian Highway Investment Company Limited (Formerly known as Hua Jian Transportation Economy Development Center)
“Xuanguang Company”	Means	Xuanguang Expressway Company Limited
“Expressway Media”	Means	Anhui Expressway Media Company Limited
“Xin’an Financial”	Means	Anhui Xin’an Financial Group Co., LTD
“Xuancheng Transportation Investment”	Means	Xuancheng Transportation Investment Company Limited (Formerly known as Xuancheng Highway Construction Management Company Limited)
“Ningxuanhang Company”	Means	Anhui Ningxuanhang Expressway Investment Company Limited
“Guangci Company”	Means	Xuancheng City Guangci Expressway limited liability company
“Wan Tong Pawnshop”	Means	Hefei Wan Tong Pawnshop Co., LTD

## Section I Notes and Major Risk Notice

“Wan Tong MicroCredit”	Means	Hefei Wantong MicroCredit Company Limited
“Huatai Group”	Means	Hefei City Huatai Group Corporation Limited
“HK Subsidiary”	Means	Anhui Expressway (H.K.) Limited
“Anlian Company”	Means	Anhui Anlian Expressway Company Limited
“Fuzhou Expressway”	Means	Anhui Provincial Fuzhou Expressway Company Limited
“Yida Company”	Means	Anhui Provincial Yida Expressway Service Area Operating Management Company Limited
“Anhui Railway Construction”	Means	Anhui Provincial Construction Investment Fund Company Limited

### II. Major Risk Notice

The major risks have been concretely described in the report and please check them in Section V Report of the Board of Directors which illustrates the possible risk factors related to the discussion and analysis in the future development of the company and the measures.

## Section II Corporate Profile

### 1. Company Information

Official Chinese name of the Company:	安徽皖通高速公路股份有限公司
English name of the Company:	Anhui Expressway Company Limited
Abbreviation (in Chinese):	皖通高速
(in English):	Anhui Expressway
Legal representative of the Company:	Zhou Renqiang

### 2. Contact Person and Contact Details

	Secretary to the Board of the Company	Representative of Securities Affairs
Name	Han Rong	Ding Yu
Contact address	520 Wangjiang West Road, Hefei, Anhui, the PRC	520 Wangjiang West Road, Hefei, Anhui, the PRC
Telephone	0551-65338697	0551-63738923, 63738989, 63738922
Fax	0551-65338696	0551-65338696
Email Address	wtgs@anhui-expressway.net	wtgs@anhui-expressway.net

### 3. Summary of Basic Information

Registered address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of registered address	230088
Office address of the Company	520 Wangjiang West Road, Hefei, Anhui, the PRC
Postal code of office address	230088
Website of the Company	<a href="http://www.anhui-expressway.net">http://www.anhui-expressway.net</a>
E-mail address of the Company	wtgs@anhui-expressway.net

## Section II Corporate Profile

### 4. Information Disclosure and Addresses for Keeping Report

Newspapers designated for disclosure of information	Shanghai Securities Post, China Securities Post
Websites designated for disclosure of annual report assigned by CSRC and SEHK	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a> <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> <a href="http://www.anhui-expressway.cn">http://www.anhui-expressway.cn</a>
Addresses designated for keeping annual report	Shanghai Stock Exchange, 528 Pudong South Road, Shanghai Hong Kong Registrars Limited, 46th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong Company's head office at 520 Wangjiang West Road, Hefei, Anhui, the PRC

### 5. Company Stock Information

#### Company Stock Information

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

### 6. The Alteration of Registration during the Reporting Period

#### (1) Basic Information

The registered information has not been altered during the reporting period.

#### (2) The related inquired contents of the first registration information

Please check the first registration information in the 2002 year annual report of the company

### **(3) The altered information of the main business since the company is listed**

The Company is principally engaged in the operation and management of toll expressways and relevant business in Anhui Province, the PRC.

In 2012, the Company set up the subsidiary, Wan Tong Pawnshop and pawn service has become the Company's second main business.

### **(4) The Alteration of the Holding Shareholders since the Company is Listed**

The Company was established in August 1996 and Anhui Expressway Holding Corporation was the only promoter.

In January 2001, in terms of the approval of Finance Ministry [1999] No. 156, Anhui Expressway Holding Group Corporation signed "Domestic Equity Management Agreement", 376,860,000 state-owned shares which is held by AEHC instead of Communication Ministry has been altered into the state-owned legal person shares. Huajian Center held and managed these shares, and thus it became the second largest shareholders of the Company.

According to "about the reply of the implementation method of the company institution reform of Anhui Expressway Holding Corporation", AEHC implemented the company institutional reform. After the reform, it has been altered into Anhui Expressway Holding Group Company Limited, which is still a state-owned corporation limited by shares.

On June 2011, Hua Jian Transportation Economy Development Center completed the work of the rename and institutional alteration and it has been changed into China Merchants Hua Jian Highway Investment Company Limited.

On December 2014, pursuant to notice of the approval of Anhui Province People's Government Wan Zhen Mi 2014 No.189, Anhui Expressway Holding Group Company Limited, and Anhui Transport Investment Group Company Limited will be restructured to form a new enterprise solely funded by the State. The name of the enterprise will be Anhui Transport Holding Group Company Limited. The above matter does not involve change of the de facto controller of the Company and the de facto controller is still the State-owned Assets Supervision and Administration Commission of Anhui Province. The equity interest of the Company held by the controlling shareholder does not change. The new company is still under establishment.



## Section II Corporate Profile

### 7. Other Related Information

PRC Accountant (domestic)	Name	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co.,Ltd
	Office Address	11th Floor, PricewaterhouseCoopers Center, Hubin Road, Shanghai
	Signed Accountant	Zhou Zhe, Tong Naiyong
Hong Kong Accountant (overseas)	Name	PricewaterhouseCoopers Certified Public Accountants
	Office Address	22nd Floor, Prince's Building, Central, Hong Kong
	Signed Accountant	PricewaterhouseCoopers Certified Public Accountants
PRC Legal Adviser	Anhui AnTaida Lawyer's Office	7th Floor, Chengjian Mansion, Yingshang Road, Hefei, Anhui, the PRC
Hong Kong Legal Adviser	Gallant Y.T. Ho & Co	5th Floor, Jardine House, 1 Connaught Place, Hong Kong
Domestic share registrar	Name	China Securities Central Clearing and Registration Corporation, Shanghai Branch
	Office Address	36th Floor, China Insurance Mansion, 166 Lujiazui East Road, Shanghai
Overseas share registrar	Name	Hong Kong Registrars Limited
	Address	46th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

### 8. Corporate Profile

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

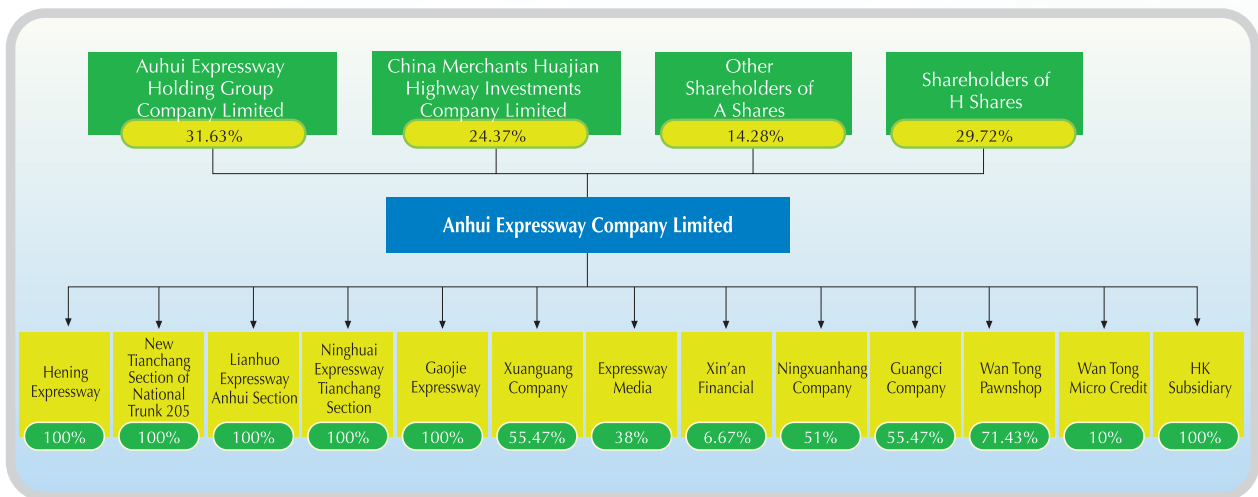
The Company is principally engaged in the operation and management of toll expressways and relevant business in Anhui Province, the PRC. The Company set up Wantong Pawnshop in 2012. Pawnbroking has become the second main business of the Company.

The Company is the first PRC highway company listed in Hong Kong. It is also the only listed highway company in Anhui Province. On 13th November 1996, H Shares issued by the Company were listed on The Stock Exchange of Hong Kong Limited (Stock code: 0995). On 7th January 2003, A Shares issued by the Company were listed on Shanghai Stock Exchange (Stock code: 600012).

## Section II Corporate Profile

The core business of the Company is the investment, construction, operation and management of toll roads. The Company owns total or partial equities of Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Xuanguang Section), Ninghuai Expressway Tianchang Section, Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section) and Ningxuanhang Expressway Xuancheng-Ningguo Section, which are toll highways in Anhui Province. As of 31 December 2014, the operation mileage which the Company manages has reached 484 km and the total value of its assets is about RMB 11,532,440,000.

As of 31 December 2014, the structure of the Company, its subsidiaries and associated companies (the “Group”):



## Section III Accounting Data and Business Highlights

The 2014 financial statements of the Group were audited by PricewaterhouseCoopers Zhong Tian Certified Public Accountants Company Limited and PricewaterhouseCoopers Certified Public Accountants respectively who issued unqualified audit opinions on these financial statements.

### 1. Prepared in accordance with accounting principles generally accepted in the PRC (“the PRC Accounting Standards”)

#### A. Main Accounting Data and Financial Indicators of the last three years at the end of the reporting period

##### a. Main Accounting Data

Main Accounting Data	2014	2013	Unit: yuan Currency: RMB	
			Change of the current period over the same period of last year (%)	2012
Operating income	2,339,569,536.60	2,330,104,247.29	0.41	2,222,507,036.21
Net profit attributable to shareholders of the Company	860,865,567.67	847,910,073.18	1.53	761,000,765.20
Net profit after extraordinary profit/loss attributable to shareholders of the Company is deducted	830,491,624.27	845,813,722.11	-1.81	760,774,928.16
Net cash flows from operating activities	1,595,801,803.64	1,493,126,682.05	6.88	1,309,791,902.29
	The end of 2014	The end of 2013	Change of the current period over the same period of the last year	The end of 2012
Net assets attributable to shareholders of the Company	7,601,958,513.24	7,059,531,947.53	7.68	6,543,343,874.35
Total assets	11,532,440,474.24	12,202,968,076.01	-5.49	11,334,161,449.16

## Section III Accounting Data and Business Highlights

### b. Main Financial Statistics

Financial statistics	2014	2013	Change of the current period over the same period of the last year	2012
Basic earnings per share	0.519	0.511	1.53	0.459
Diluted earnings per share	0.519	0.511	1.53	0.459
Basic earnings per share after extraordinary profit/loss is deducted	0.501	0.510	-1.76	0.459
Returns on net assets (weighted average) (%)	11.83	12.54	A decrease of 0.71 percentage point	11.81
Returns on net assets after extraordinary profit/loss is deducted (weighted average) (%)	11.41	12.50	A decrease of 1.09 percentage point	11.81

### B. Major difference between financial statements prepared in accordance with domestic and overseas accounting standards

(Unit: '000 yuan currency: RMB)

	Net profit		Net assets attributable to shareholders of the listed company	
	Amount of current period	Amount of previous period	Amount at the end of period	Amount at the beginning of the period
PRC accounting standards	860,866	847,910	7,601,959	7,059,532
Projects and amount adjusted according to HK accounting standards				
Valuation and Depreciation/amortization and deferred taxes	-8,761	-8,768	82,493	91,264
Reconciliation to HK accounting standards	852,105	839,142	7,684,452	7,150,796

In order to issue and list "H" share in Hong Kong, the toll roads, fixed assets and related land use rights were valued by a PRC certified public valuer and an international certified public valuer on 30 April and 15 August 1996 respectively and the results were included in the relevant prescribed statements and the financial statements prepared in accordance with HKFRS. As per the said valuation, the fair value valued by the international certified public valuer is higher than the PRC certified public valuer's result by RMB 319,000,000. In addition, the depreciation of toll roads under HKFRS is provided based on the share of traffic volume for a particular period over the projected total traffic volume, which is different from the straight-line method adopted by CAS. These differences lead to the reconciliation items presented above.

## Section III Accounting Data and Business Highlights

### C. Extraordinary items of profit/loss deducted and amounts involved:

(Unit: yuan currency: RMB)

Extraordinary items	Amount of 2014	Note (if applicable)	Amount of 2013	Amount of 2012
Gains or losses from disposals of non-current assets	-35,616.19	Gains or losses from disposals of fixed	-209,721.37	-1,194,438.49
Government subsidies charged to the current gains/losses, in addition to government subsidies related to the Company's business, conferred to the government's policy or subsidies continually provided in terms of the standard	2,172,787.68	assets Received the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Headquarter (attached to the Transportation Department of Jiangsu Province) in 2007, and the deferred income amount of construction funds subsidies of Hening Expressway and Gaojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) in 2010	2,172,787.68	2,172,787.68
In addition to the normal business of the company effective hedging related business, tradable financial assets, changes in the fair value of the tradable financial liabilities have profit and loss, and the disposal of trading, transactional financial liabilities and financial assets available for sale financial assets investment returns	39,000,000.00			
Other non-operating income	310,880.60		1,036,393.63	13,406.00
Other non-operating expenses	-1,019,682.19		-215,268.95	-1,319,610.02
Effects of the amount of minority shareholders' rights and interests	52,665.97		8,207.83	471,728.16
Effect of income tax	-10,107,092.47		-696,047.75	81,963.71
Total	<u>30,373,943.40</u>		<u>2,096,351.07</u>	<u>225,837.04</u>

## Section III Accounting Data and Business Highlights

### D. Items in fair-value measurement

Unit: yuan Currency: RMB

Items	Amount at the beginning of the period	Amount at the end of the period	Change at present	Effected amount of the present profit
Financial assets available for sale	515,000,000	276,926,524.23	-238,073,475.77	39,000,000.00
Total	<u>515,000,000</u>	<u>276,926,524.23</u>	<u>-238,073,475.77</u>	<u>39,000,000.00</u>

## 2. Prepared in accordance with the accounting principles generally accepted in Hong Kong (“the Hong Kong Accounting Standards”) (Unaudited)

### For the end of 31 December of the year Summary of Results

(Unit: '000 Currency: RMB)

	<b>2014</b>	2013	2012	2011 (restated)	2010 (restated)
Turnover	<b>3,036,589</b>	3,403,817	3,122,350	3,052,074	2,619,491
Operating profit before income taxation	<b>1,159,629</b>	1,196,666	1,102,985	1,268,607	1,178,933
Profit attributable to equity holders of the Company	<b>852,105</b>	839,142	752,152	861,185	811,545
Basic earnings per share attributable to equity holders of the Company (RMB)	<b><u>0.5137</u></b>	<u>0.5059</u>	<u>0.4535</u>	<u>0.5192</u>	<u>0.4893</u>

### Summary of assets On 31 November

(Unit: '000 Currency: RMB)

	<b>2014</b>	2013	2012	2011 (restated)	2010 (restated)
Total assets	<b>11,630,793</b>	12,299,277	11,447,514	10,582,951	9,940,585
Total liabilities	<b>3,098,728</b>	4,314,268	4,027,027	3,736,252	3,628,357
Total net assets (Capital reserve attributable to equity holders of the Company)	<b>7,684,452</b>	7,150,796	6,643,376	6,465,831	5,959,890
Net assets per share(RMB)	<b><u>4.6331</u></b>	<u>4.3113</u>	<u>4.0054</u>	<u>3.8983</u>	<u>3.5933</u>

## Section IV Chairman's Statement

To shareholders:

I would be honored to represent the Board of Directors to submit the annual report of the Group for the year ended 31 December 2014.

### 1. Annual Results

For the year 2014, in accordance with the PRC Accounting Standards, the Group recorded a revenue of RMB 2,339,570 thousand for the whole year. The net profit attributable to shareholders of the parent company was RMB 860,866 thousand, basic earnings per share was RMB 0.5190. In accordance with Hong Kong Accounting Standards, the net profit attributable to equity holders of the Company was RMB 852,105 thousand, basic earnings per share was RMB 0.5137.

The Board of the Company recommended the payment of a final dividend on the basis of RMB 0.23 per share at the end of 2014, accounting for 44.78% of the net profit per share of the year.

### 2. Review of the year 2014

2014 was an extraordinary year for the economy of China. Farewell consecutive years of growth, China's economy has begun to enter in rapid growth stage, the "new normal" has become the new logic of China's economy, GDP growth of 7.4% marked shift China's economic slowdown. In 2014, it was to start the reform, administrative areas gradually and decentralization, economic development, pay attention to the market rules, social governance advocated governing the country according to law, in the tide of reform, and in 2014, the company was under the background of the era of big, seek improvement in stability, development and innovation, through the joint efforts of all staff, basic to finish the work tasks. But the regional economic growth declined, and ning high-speed shunted, XuanNing factors, such as high-speed and pawn company losses earnings growth is slowing, the annual toll revenue achieved RMB 2,223,793 thousand, belongs to the shareholders of a company's net profit of RMB 860,866 thousand, up 1.53% from 2013.

### 3. Outlook in 2015

In 2015, macro economy and regional economy will develop along a path of healthy and stable growth. The overall, multi-field and profound reformative innovation will gradually clear the unreasonable and instable factors in the real economy so as to create momentum for social and economic development. There is considerable room for the reform of state-owned in terms of mixed ownership system, integration of industries, restructuring of assets and so on. With the gradual deepening of reform, the Company will benefit from the fruit of the reform and upgrade in terms of scale and structure of assets, efficiency and level of management, etc.

At the beginning of 2015, *Suggestions about Deepening Reform of Transportation Holistically* compiled by Ministry of Transportation was officially issued. The reform will be a breakthrough in relation to integrated transportation system, modern transportation market system, toll highway system, modern transportation service and other areas.

## Section IV Chairman's Statement

On 5 February and 28 February 2015, the Central Bank respectively reduced the reserve requirement ratio and deposit-reserve ratio stipulated for financial institutions. In the context of the world's relatively less restrictive currency policy, in order to further improve economic growth and provide a favorable currency environment for the adjustment, transformation and upgrading of economic structure. In terms of the unrestricted currency policy in 2015, the company expects to continuously reduce the financing cost and further improve the business benefits.

At present, the company's shareholders are discussing matters of merger. In Anhui province, the deepening of reform of state-owned enterprises and completion of industrial integration has moved forward greatly. The transportation holding group after restructuring will improve quantitatively and qualitatively in terms of the asset scale, financing capability, industrial advantage, industrial structure and so on.

The backup foundation for company's development and external environment that we are facing will change profoundly.

However, in a short period of time, our company is still facing the slow-down of main industry and encountering bottlenecks. The growth of coaches is robust. The percentage of cargo trucks is decreasing. The policy of exemption becomes increasingly common. Moreover, the fact that high-speed trains are becoming popular has brought great pressure. Pertinent to this, the Company will grasp the new situation of macro economy and new trend of industrial development accurately, analyze the situation carefully, make active adjustment, stand foothold to reform and innovation, rely on highway property and finance, deepen operation and management, continuously improve efficiency of business and investment benefits.

In 2015, the Company will carry out the following work:

Firstly, it will speed up the second phase Ningqian Section construction of Ningxuanhang Expressway in a stable manner, aiming at opening traffic at the end of the year, and complete the preliminary work for the third phase Lixuan Section construction as soon as possible in order to begin construction early if possible.

Secondly, it will further enhance the business management of expressway and strive to accomplish the annual goal of toll income.

Thirdly, the Company will allocate its funds reasonably, satisfy the demands for funding of projects in respect of which construction is under way effectively, make full use of domestic financing channels and overseas financing platforms, explore low-cost and low-risk financing tools, improve financing efficiency, pay close attention to the updates on the financial market, and issue short-term financing bonds or corporate bonds timely targeting at the middle- and short-term financing cost.

Fourth, the Company will strengthen the risk control and supervision of financing service, and actively promote the disposal of risk debts, and also make good control of financing investment.



## Section IV Chairman's Statement

### Appreciation

Here, on behalf of the Board of Directors, I would like to express my sincere gratitude to the support of all shareholders and colleagues of different businesses, to the remarkable achievements of all directors, supervisors and senior management, and to the great efforts for the Company's development of all staff members.

*Chairman*

**Zhou Renqiang**

27 March, 2015

## Section V Report of the Board of Directors

In 2014, the Company adhered to “based on main business, moderate diversification” development strategy, closely around the beginning of plan, emancipate the mind, seeking truth from facts innovation, solid work, the risk prevention and control, financial innovation and the subsidiary company’s management and service has made great breakthroughs, successfully completed the annual work tasks.

### **a. Steadily promote the construction and management of new roads**

In 2014, the Company gradually improved the staffing, rules and regulations construction, maintenance and management of charges and all the work of XuanNing Section, and XuanNing high-speed operation management mechanism was becoming more and more mature. In the project construction, the company fully ensured the supply of money, and ensured the efforts to build a second phase of ning one thousand segments as planned, and the annual investment of 400 million yuan, the total investment of 1.358 billion yuan. Ning Qian Section of the project was expected to be opened at the end of 2015.

### **b. Minimize the scale of financial service**

In view of the financial industry gathered, frequent default risk adverse situation, in order to reduce the controlling equity investment proportion, control the investment risk, xinan financial company in August 2014 completed the equity transfer agreement, price recovery and changes of industry and commerce, etc. By a pawn market risks and poor management and so on reasons, during the reporting period, the pawn line loss was bigger, in order to reduce the risks and losses, since in the first half, the company began to increase the regulation and supervision, request the prudent operations, reduce risk, at the same time enhance the disposal of non-performing loans, increase the intensity of recovery. At present, the pawn company business was slowing, problems of pushing loans recovered.

### **c. Successfully complete the transition of the board of directors and the board of supervisors**

On August 2014, the company completed the transition of the board of directors and board of supervisors, which realized the diversity of the members of the board, adjust the panel composition, the election of the new senior executives, further improved the supervision of the “three will be a layer of” checks and balances and incentive mechanism.

### **d. Constantly strengthen the implementation and supervision of inner control**

During the reporting period, the company continuously optimized the internal control system, established risk assessment mechanism, strengthened the process control activities, and strengthened information communication and internal supervision, internal control implementation and continuously improved the supervision mechanism. During the reporting period, the company assisted NingXuan hangzhou company established internal control work system framework, urge and assist the anhui pawn companies perfect the related system of internal control and process.

## Section V Report of the Board of Directors

### e. Constantly improve the risk control ability

In 2014, the company paid great attention to in the process of risk issues, and to each kind of risk assessment and response, which could identify the risk management gradually integrated into the company's strategy, planning, decision-making and operation of each link.

The risk of the company currently or may includes: one is that the economic downturn brought goods circulation of weakening demand risk; Secondly, increasing the utilization ratio of cuts to bring relief amount is rising and costs continue to increase the risk; Three sections is the company to reduce the surrounding road network changes in the environment leads to corresponding road and traffic toll income change of risk; Four is the real estate regulation and excess, and backward production capacity out lead to small and medium-sized enterprise survival difficult carries some risk that the slow development of financial business, etc.

During the reporting period, the company paid close attention to all kinds of risk factors and internal and external environment changes might affect the performance of a company, through continuous identification found, prevention of scattered warning and dissolve the risk for the effective management and control.

### Business Review

During the reporting period, the Group achieved the operating income of RMB 2,339,570 thousand (2013: RMB 2,330,104 thousand), representing an increase of 0.41% over the corresponding period of the previous year; Total profit of RMB 1,171,532 thousand (2013: RMB 1,208,587 thousand), representing a decrease of 3.07% over the corresponding period of the previous year; Net profit attributable to shareholders of the Company of RMB 860,866 thousand (2013: RMB 847,910 thousand), representing an increase of 1.53% over the corresponding period of the previous year; Basic earnings per share of RMB 0.5190 (2013: RMB 0.5112), representing an increase of 1.53% over the corresponding period of the previous year. The increase of net profit was mainly due to the increase of the operating income of the Group and the investment income of RMB 39,000 thousand received from 0.3 billion equity transfer by Xin'an Financial.

### Toll Expressway Business

During the Reporting Period, the Group achieved total toll income of RMB 2,223,793 thousand, representing an increase of 1.62% compared with that of the corresponding period of last year. The main reason is the recovery of increase of Gaojie Expressway. The group does not achieve the goal of toll revenue made at the beginning of the year.

Factors such as the economic downturn, policy breaks and network effect are still the main factors affecting the toll revenue of the Group.

## Section V Report of the Board of Directors

In 2014, the national economic growth continued to slow. The growth rate of national GDP in 2014 is 7.4%, which is the lowest since 1990 and the GDP growth rate of Anhui province in 2014 is 9.2%, which is 1.2% fallen down on the same period last year. The influence of the slow growth of economy is that the growth of the goods vehicles volumes is slower than the passenger vehicles volumes, and thus the percentage of the passenger vehicles becomes larger.

During the reporting period, it continued to implement all toll-free policies and the amount increased quickly. The total amount of all deductions of favorable policies of the Group was RMB 0.562 billion, representing an increase of 20.86% compared with that of the corresponding period of last year. Among which are:

The exempted amount of green passing cars was about 0.339 billion, representing an increase of 21.07%;

The exempted amount in the Spring Festival, Qing Ming Festival and the International Labor Day was 0.168 billion, representing an increase of 20.86%;

Anhui transportation card holders have enjoyed credit card preference amounting to approximately RMB 0.023 billion off, which has increased 64.29% compared with last year;

The amount of other policy exemptions was 0.032 billion, approximately same as the corresponding period of last year.

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

The details of the operation of toll highway in 2014 are as follows:

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		2014	2013	Change (%)	2014	2013	Change (%)
Hening Expressway	100%	<b>23,508</b>	23,639	-0.55	<b>931,329</b>	1,032,605	-9.81
New Tianchang Section of National Trunk 205	100%	<b>4,631</b>	5,222	-11.32	<b>47,602</b>	52,621	-9.54
Gaojie Expressway	100%	<b>10,200</b>	8,513	19.82	<b>444,561</b>	333,888	33.15
Xuanguang Expressway	55.47%	<b>17,654</b>	16,076	9.82	<b>408,739</b>	408,943	-0.05
Lianhuo Expressway Anhui Section	100%	<b>10,493</b>	9,301	12.82	<b>212,800</b>	201,868	5.42
Ninghuai Expressway Tianchang Section	100%	<b>27,427</b>	24,543	11.75	<b>98,141</b>	90,208	8.79
Guangci Expressway	55.47%	<b>16,675</b>	15,275	9.17	<b>65,034</b>	66,228	-1.80
Xuanning Expressway	51%	<b>1,655</b>	660	150.76	<b>15,587</b>	2,021	671.25

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Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per vehicle (RMB)		
		2014	2013	2014	2013	Change (%)
Hening Expressway	100%	<b>70:30</b>	67:33	<b>19,042</b>	21,112	-9.80
New Tianchang Section of National Trunk 205	100%	<b>35:65</b>	35:65	<b>4,347</b>	4,806	-9.55
Gaojie Expressway	100%	<b>59:41</b>	63:37	<b>11,073</b>	8,316	33.15
Xuanguang Expressway	55.47%	<b>72:28</b>	69:31	<b>13,331</b>	13,338	-0.05
Lianhuo Expressway Anhui Section	100%	<b>64:36</b>	61:39	<b>10,797</b>	10,242	5.42
Ninghuai Expressway Tianchang Section	100%	<b>76:24</b>	75:25	<b>19,206</b>	17,638	8.89
Guangci Expressway	55.47%	<b>75:25</b>	73:27	<b>12,727</b>	12,960	-1.80
Xuanning Expressway	51%	<b>84:16</b>	83:17	<b>929</b>	488	90.37

Notes:

1. Xuanning Expressway was officially open to traffic on 8 September 2013.
2. The traffic volume data above do not include the data on small passenger vehicles insofar as the same were free from toll on holidays.

During the reporting period, under the influence of diversion arising from the opening to traffic of Ma'anshan Yangtze River Bridge and the expressway from Ma'anshan to Chaohu, the converted average daily traffic volume of Hening expressway decreased by 0.55% but, as a result of the decrease in the traffic volume of goods vehicles by 9.73%, the toll revenue of Hening expressway decreased by 9.81% compared with that of the corresponding period of last year.

Since the opening of Jiujiang Second Bridge to traffic on 28 October 2013, the traffic volume of Gaojie expressway has begun to rise quickly. The toll revenue achieved an increase of 44.62% in the first ten months of 2014 compared with that of the corresponding period of last year. During the reporting period, the converted average daily traffic volumes for entire journey achieved an increase of 19.82%. Because of the rise of the volume of goods vehicles, the toll revenue achieved an increase of 33.15% compared with that of the corresponding period of last year.

During the reporting period, the growth in the traffic volume and toll revenue of Ninghuai Expressway Tianchang Section was mainly caused by the opening of the Nanjing Yangtze River Fourth Bridge.

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During the reporting period, the traffic volume and toll revenue of New Tianchang Section of National Trunk 205 decreased slightly, with the main reason being the restriction on the goods vehicles from other places from taking Nanjing Yangtze River Second Bridge.

During the reporting period, the traffic volume of Xuanguang Expressway and Guangci Expressway achieved a growth of 9.82% and 9.17% compared with that of the corresponding period of last year. However, due to the impact of the restriction on vehicles beyond the limit, the volume of goods vehicles decreased, which resulted in decrease in toll revenue by 0.05% and 1.81% respectively compared with that of the corresponding period of last year.

Xuanning Expressway Sunbu-Ningguo Section 36.37km became officially open to traffic on September 8, 2013. On December 31, 2013, XuanGuang interchange bridge of TongNanxuan Expressway became officially open to traffic; the connection of the high way in respect of Xuancheng-Sunbu Section 9.59km (with Xuancheng being the starting point of Xuanning Expressway) was realized and the whole Xuanning Expressway became open to traffic. The traffic volume and toll income showed a trend of rapid growth.

### General pawn Achievements

The Company and Hefei Huatai Group Company Limited established Hefei Wantong Pawn Company Limited in June 2012. The Company invested in RMB 150,000 thousand and holds 71.43% equity interest in Wantong Pawnshop. Huatai invested in RMB 60,000 thousand and holds 28.57% equity interest in Wantong Pawnshop.

Due to the macro economic downturn, directional fine-tuning, bank liquidity tightening credit policy, comprehensive factors such as real estate industry into a dilemma, pawn project risk has emerged. During the reporting period, Wantong Pawn Company achieved revenue of RMB 28,428.6 thousand, representing a decrease by 50.40% compared with that of the corresponding period of last year with the main reason for the decrease being that the impact of the project that fell through resulted in a reduction in income by RMB 2,888.58 ten thousand; total cost and expenses of RMB 3.4115 million, decreasing by 1.73% from the previous year; provision for loan losses of 58.0145 million yuan, increasing by 415.75% from the previous year. The main reason is that, as the amount of pawn money of the project that fell through was enormous, the amount of the relevant provision made in accordance with the Company's "Interim Measures for Risk Classification in respect of Pawn Money" is also enormous.

To summarize, Wantong Pawn Company had a net loss of RMB 26,241.3 thousand, with the main reason being that the amount of pawn money of the project that fell through was enormous leading to a rapid reduction in income and there was a rapid increase in losses arising from depreciation of assets.

## Section V Report of the Board of Directors

### 1. Main business analysis

#### a. The analysis of the related altered items of income statement and cash flow statement

(Unit: yuan Currency: RMB)

Items	Current period	Last year	Flux (%)
Operating income	2,339,569,536.6	2,330,104,247.29	0.41
Operating costs	929,091,302.91	897,749,898.29	3.49
Administrative expenses	91,001,236.54	88,397,564.80	2.95
Finance costs	134,270,556.74	132,640,921.54	1.23
Cash flows from operating activities	1,595,801,803.64	1,493,126,682.05	6.88
Cash flows from investing activities	196,746,125.87	-1,550,765,805.61	112.69
Cash flows from financing activities	-1,875,273,142.50	-159,528,471.79	-1,075.51
Asset impairment loss	58,014,517.2	11,248,500	415.75
Equity earnings	127,013,222.57	88,656,127.63	43.26

Notes:

The increase of operating income is due to the steady increase of traffic volume of all toll roads of the Group;

The main reason of the increase of operating costs is that Ningxuanhang Expressway (Anhui Section) Xuancheng-Ningguo Section was formally opened in September 2013, which brought amortization of intangible assets and fixed assets depreciation;

The main reason of the increase of administrative expenses is the increase of the number of the administrative staff members and provision for depreciation of administrative assets during the reporting period compared with that of the corresponding period of last year;

The main reason of the increase of finance costs is the increase of bank loans of NingXuanhang Company during the reporting period;

The increase of equity earnings is mainly due to 0.3 billion equity transfer of Xin'an Financial and transfer premium of RMB 39,000 thousand was acquired;

The increase of cash flows from operating activities is due to the steady increase of toll revenue and the decrease of the pawn money issued by Wantong Pawn compared with that of the corresponding period of last year;

The increase of cash flows from investing activities is due to 0.3 billion equity transfer of Xin'an Financial and a total of 0.391 billion redemption deposit and bank financial products;

The large decrease of cash flows from financing activities is mainly due to the repayment of 2.1 billion principle and interest of 5-year term corporate bonds during the reporting period.

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### b. Revenue

During the reporting period, the Group achieved the operating income of RMB 2,339,570 thousand, representing an increase of 0.41% over the corresponding period of the previous year. Among it, the toll income is the main revenue source of the Group. The concrete analysis is listed as follows:

(Unit: 000' Currency: RMB)

Operating income	2014	Percentage (%)	2013	Percentage (%)	Change
Expressway business	2,311,141	98.78	2,272,790	97.54	1.69
Toll income	2,223,793	95.05	2,188,382	93.92	1.62
Service area income	34,1700	1.46	33,947	1.46	0.66
Other business income	53,178	2.27	50,461	2.16	5.38
Pawn business	28,429	1.22	57,314	2.46	-50.40
<b>Total</b>	<b>2,339,570</b>	<b>100</b>	<b>2,330,104</b>	<b>100</b>	<b>0.41</b>

Note: The decrease of pawn revenue is mainly due to the large pawn money of the risk project, which results in the occupation of the capital.

### c. Cost

Cost analysis statement

(Unit: yuan)

In terms of industries

Industries	Cost structure items	Amount of current period	Percentage of amount of current period over the total cost	Amount of the same period of the previous year	Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period compared with the same period over the last year	Notes
Toll ways business	Depreciation and amortization	603,228	64.93	569,829	63.47	5.86	
	Roads repairing expenses	79,387	8.54	84,039	9.36	-5.54	
	Other cost	246,476	26.53	243,882	27.17	-2.63	
	Total	929,091	100	897,750	100	1.06	
Pawn business		0	0	0	0	0	



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In terms of products

Products	Cost structure items	Amount of current period	Percentage of amount of current period over the total cost (%)	Amount of the same period of the previous year	Percentage of amount of the same period of the previous year over the total cost (%)	Amount of current period compared with the same period over the last year	Notes
Toll ways business	Depreciation and amortization	603,228	64.93	569,829	63.47	5.86	
	Roads repairing expenses	79,387	8.54	84,039	9.36	-5.54	
	Other cost	246,476	26.53	243,882	27.17	-2.63	
	Total	929,091	100	897,750	100	1.06	
Wantong Pawn		0	0	0	0	0	
Total cost	Total	929,091	100	897,750	100	3.49	

Notes: Because of pawn industry, commodity is special financing costs included in the main business costs associated with currency, and the daily operation expenses included in the project management fee and other fees. During the reporting period anhui pawn financing, so without the cost of their main business, at the same time to compare cost during adjustments according to the same diameter.

Principal customers and suppliers information

Because the Group's main customers of the toll business were the users of the tollways and usually there were no big purchases related to the daily operation, thus there were no principal customers or suppliers needed to be further disclosed.

### d. Expenses

#### *Administrative expenses*

In 2014, the Group's administrative expenses were RMB 91,001,236.54, representing an increase of 2.95% from the same period in 2013(2013: RMB 88,397,564.80). Such increase was mainly due to the the increase of the administrative staff members of the Group and provision for depreciation of administrative assets during the reporting period compared with that of the corresponding period of last year.

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### *Finance costs*

In 2014, the Group's finance costs were RMB 134,270,556.74, representing an increase of 1.23% from the same period in 2013 (2013: RMB 132,640,921.54).

### *Income tax*

This year, except for HK Subsidiary, applicable income tax rates of the Company, the Company's subsidiaries and affiliates were 25%.

In 2014, income tax expenses of the Group were RMB 303,870,826.72 yuan, representing an increase of 4.29% from the corresponding period in 2013. That was mainly caused by the increased taxable income of the Group's operating revenue.

### *Cash flows*

In 2014, the Group's net cash inflows from operating activities were RMB 1,595,801,803.64, representing an increase of 6.88% compared with that of the corresponding period last year, mainly due to the steady increase of toll revenue and the decrease of the pawn money issued by Wantong Pawn compared with that of the corresponding period of last year.

In 2014, the Group's net cash outflows from investing activities were RMB 196,746,125.87, mainly due to 0.3 billion equity transfer from Xin'an Financial to Anhui Railway Construction Investment Company and investment income of RMB 39,000 thousand and a total of 0.391 billion redemption deposit and bank financial products.

In 2014, the Group's net cash outflows from financing activities were RMB -1,875,273,142.50, representing a decrease of 1075.51% from the corresponding period in 2013, mainly due to the repayment of 2.1 billion principle and interest of 5-year term corporate bonds during the reporting period.

In 2014, the Group's bank loans were RMB 719,708,000.00. At the end of the reporting period, the balance of bank loans were RMB 1,293,949,700.00, of which RMB 400,000 thousand was short-term loan balance with interest rates ranging between 5.04% and 5.15% of a term of less than 12 months; RMB 893,949,700 was long-term loan balance that was a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway with a weighted average interest rate of 5.825% per annum. The principal will be repaid between 2014 and 2025.

The Group was awarded with good credit ratings. As in 2014, the total credit facilities granted during the year was RMB 6.990 billion, and the facilities not yet utilized were RMB 5.971 billion.

## Section V Report of the Board of Directors

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

#### a. Principal business in terms of industries and products

##### Principal businesses in terms of industries

In terms of industries	Operating income (RMB'000)	Operating costs (RMB'000)	Gross profit rate (%)	Change in	Change in	Change in Operating profit rate (compared with the figure of the previous year) (%)
				operating income (compared with the figure of the previous year) (%)	operating costs (compared with the figure of the previous year) (%)	
Toll highway business	2,257,963,184.99	895,507,791.94	60.34	1.60	4.44	A decrease of 2.05 percent point
Pawn business	28,428,599	0		-50.40	N/A	N/A

##### Principal businesses in terms of products

In terms of products	Operating income (RMB'000)	Operating costs (RMB'000)	Gross profit rate (%)	Change in	Change in	Change in Operating profit rate (compared with the figure of the previous year) (%)
				operating income (compared with the figure of the previous year) (%)	operating costs (compared with the figure of the previous year) (%)	
Hening Expressway	949,013,605.01	336,252,849.16	64.57	-9.58	-4.33	A decrease of 1.94 percent point
New Tianchang Section of National Trunk 205	47,601,930.00	38,541,168.53	19.03	-9.54	6.82	A decrease of 12.40 percent point
Gaojie Expressway	456,311,008.16	158,046,654.05	65.36	31.81	-4.15	An increase of 12.99 percent point
Xuanguang Expressway	215,110,546.97	88,445,652.94	58.84	5.37	-6.49	An increase of 5.17 percent point
Lianhuo Expressway Anhui Section	100,566,421.79	34,087,793.31	66.10	8.62	9.41	A decrease of 0.25 percent point
Ninghuai Expressway Tianchang Section	408,738,914.94	138,533,980.01	66.11	-0.05	3.99	A decrease of 1.31 percent point
Guangci Expressway	65,034,085.85	19,360,906.52	70.23	-1.80	0.15	An increase of 0.58 percent point
Xuaning Expressway	15,586,672.27	82,238,787.43	427.62	671.40	208.22	An increase of 1,647.86 percent point
Wantong Pawnshop	28,428,599	0	100	-50.40	N/A	N/A
Total	2,286,391,783.99	895,507,791.94	60.83	0.30	4.44	A decrease of 1.56 percent point

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### *b. Principal business in terms of areas*

(Unit: yuan Currency: RMB)

Area	Operating revenue	Change in Operating revenue rate
Anhui Province	2,286,391,783.99	0.30

### 3. Analysis of assets and liabilities

#### *a. Analyzed statement of assets and liabilities*

(Unit: yuan)

Items	Amount at the end of current period	Percentage of amount at the end of current period over the total assets (%)	Amount at the end of the last period	Percentage of amount at the end of the last period over the total assets (%)	Change of the end of current period over the end of the last period
Cash	559,944,810.91	4.86	904,072,864.34	7.41	-38.06
Interest receivable	2,011,739.58	0.02	4,002,265.26	0.03	-49.73
Dividend receivable	0	0	35,000,000	0.29	-100.00
Other receivable	191,159,114.18	1.66	401,167,129.33	3.29	-52.35
Financial assets available for sale	276,926,524.23	2.40	515,000,000.00	4.22	-46.23
Fixed assets	820,517,126.56	7.11	883,090,513.38	7.24	-7.09
Short-term borrowings	400,000,000.00	3.47	158,048,470.71	1.30	153.09
Advanced accounts	9,277,487.73	0.08	1,050,000.00	0.01	783.57
Taxes payable	113,137,147.53	0.98	61,721,658.66	0.51	83.30
Non-current liabilities due within one year	73,591,385.42	0.64	2,036,157,306.75	16.69	-96.39
Long-term borrowings	851,436,500.00	7.38	577,050,000.00	4.73	47.55
Long-term accounts payable	749,815,328.73	6.50	644,327,733.45	5.28	16.37

## Section V Report of the Board of Directors

Notes:

The decrease of cash is mainly due to the repayment of 2 billion corporate bonds during the reporting period;

The decrease of interest receivable is mainly due to the received interest of fixed deposit and the purchase of bank financing products during the reporting period.

The decrease of dividend receivable is mainly due to 2013 dividends distributed by Xin'an Financial.

The decrease of other receivable is mainly because the amount of the purchase of bank financing products was RMB 0.13 billion.

The decrease of fixed assets is mainly due to the amortization and depreciation of fixed assets.

The increase of short-term borrowings is mainly due to 0.4 billion loans got from China Merchants Bank;

The increase of advanced accounts is mainly due to advanced rental income of service area during the reporting period;

The increase of taxes payable is mainly due to the decrease of the payment of taxes during the reporting period.

The decrease of non-current liabilities due within one year is mainly due to the repayment of 2 billion corporate bonds during the reporting period.

The increase of long-term borrowings is mainly due to the increase of long-term borrowings of NingXuanhang Company during the reporting period;

The increase of long-term accounts payable is mainly because the Company's subsidiary NingXuanhang Company received minority shareholders' investment fund during the reporting period.

#### 4. The analysis of core competitiveness

The Group's core business is the franchise transportation infrastructure, the group's business area is located in anhui province, to connect the southeast coastal area and inland China and important provinces in the Midwest, and a section of this group are the trunk highway transit across the anhui region's unique geographical advantages, high-quality assets resources and efficient operations management constitutes the core of the group a unique competitive advantage. Toll way of franchising makes the group assets have relative monopoly in a particular area, but also affected by the policy change.

## Section V Report of the Board of Directors

### 5. Investment Analysis

#### A. External equity investment of the Company

(Unit: yuan)

The Company's equity investment amount during the reporting period	-300,000,000
Increase/decrease of investment amount	-300,000,000
Equity investment amount of the corresponding period last year	0
Change of the investment amount during the reporting period (%)	N/A

#### Information of equity holding in un-listed financial companies

During the reporting period, the company did not hold any equity in un-listed financial companies.

#### B. Finance in trust and derivatives investment of non-financial companies

##### a. Finance in trust

The company had no condition of items of finance in trust in 2014.

##### b. Loans in trust

(Unit: yuan Currency: RMB)

Names of Borrowers	Amount of entrusted loan	Loan Period	Lending Rates	Use of the loan	Securities or Guarantor	Whether it has fallen due	Whether it is a connected transaction	Whether there is roll-over	Whether there is relevant litigation	Source of funding and involvement of fund-raising	Association	Expected revenue	Whether the investment results in a profit or loss
Ningxuanhang Company	10,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	6,220,000	profit
Ningxuanhang Company	50,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	31,020,000	profit
Ningxuanhang Company	25,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	15,390,000	profit
Ningxuanhang Company	16,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	9,952,000	profit

## Section V Report of the Board of Directors

Names of Borrowers	Amount of entrusted loan	Loan Period	Lending Rates	Use of the loan	Securities or Guarantor	Whether it has fallen due	Whether it is a connected transaction	Whether there is roll-over	Whether there is relevant litigation	Source of funding and involvement of fund-raising	Association	Expected revenue	Whether the investment results in a profit or loss
Ningxuanhang Company	7,820,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	4,864,000	profit
Ningxuanhang Company	22,670,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	14,100,700	profit
Ningxuanhang Company	41,140,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	25,589,100	profit
Ningxuanhang Company	45,000,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	27,990,000	profit
Ningxuanhang Company	18,750,000	10 years	6.22%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	11,662,500	profit
Ningxuanhang Company	33,660,000	10 years	6.55%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	own capital	owned subsidiary	22,047,300	profit

### Details of the entrusted loans

According to the investment plan of Ningxuanhang Company and having obtained approval at the second meeting of the 7th Board held on 22 August 2014, in respect of the Company's share in the difference between the total amount of investment and the total amount of project capital, the Company entrusted China Everbright Bank Co., LTD. Hefei branch in the coming year to provide Ningxuanhang Company loans up to RMB 257 million, which is used to pay for Ningxuanhang Expressway construction project. The entrusted loan capital is funded by the company's own capital.

During the reporting period, the Company provided an entrusted loan capital of RMB 185,040 thousand with Ningxuanhang Company the aggregate amount of entrusted loans provided to which was RMB 270,040 thousand.

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### C. Investment of fund-raising

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

### D. Analysis of main subsidiaries and joint stock companies

(Unit: RMB'000)

Name of company	Interests held by the Group	Registered capital	As at 31 December		2014		Principal business
			Total assets	Net assets	Operating revenue	Net profit	
Xuanguang Company	55.47%	111,760	1,151,037	593,802	413,387	159,199	Construction, management and operation of Xuanguang Expressway
NingXuanhang Company	51%	300,000	3,756,958	860,994	16,534	-143,246	Construction, design, supervision, toll collection, maintenance, management and technical consultation of highways and advertising service
Guangci Expressway	55.47%	56,800	258,630	213,372	66,834	30,525	Construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	271,007	189,965	124,924	42,666	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.67%	3,000,000	7,079,569	4,137,145	1,219,716	758,123	Financial Investment, equity investment, management consulting
Wantong Pawn Company	71.43%	210,000	193,764	189,363	28,429	-26,241	Pledge and pawn of movables business, pledge and pawn of property rights business, mortgage and pawn of land business
Wantong MicroCredit Company	10%	150,000	224,822	157,921	38,938	1,715	Making small loans, small size enterprises management consulting and financial advisory

Note 1: All of the companies above were incorporated in China.



## Section V Report of the Board of Directors

In June 2012, the Company and Huatai group jointly set up Hefei Wantong Pawn Co., Ltd, in which the Company injected capital in the sum of RMB 150 million, accounting for 71.43% of its registered capital; Huatai group invested RMB 60 million, accounting for 28.57% of its registered capital.

During the reporting period, Wantong Pawn Company achieved revenue of RMB 2,842.86 ten-thousand, representing a decrease by 50.40% compared with that of the corresponding period of last year with the main reason for the decrease being that the impact of the project that fell through resulted in a reduction in income by RMB 28,885.8 thousand; total cost and expenses of RMB 3.4115 million, decreasing by 1.73% from the previous year; provision for loan losses of 58.0145 million yuan, increasing by 415.75% from the previous year. The main reason is that, as the amount of pawn money of the project that fell through was enormous, the amount of the relevant provision made in accordance with the company's "Interim Measures for Risk Classification in respect of Pawn Money" is also enormous.

To summarize, Wantong Pawn Company had a net loss of RMB 26,241.3 thousand, with the main reason being that the amount of pawn money of the project that fell through was enormous leading to a rapid reduction in income and there was a rapid increase in losses arising from depreciation of assets.

The steps that the company will take are to actively urge the pawn company to strengthen its control of disposal of bad debts and risk in the following manner. Firstly, it will strengthen debt collection. It will improve the communication and coordination with the police, courts and arbitration commission and other departments to actively promote the progress in dealing with bad debts, maximizing its effort to recover losses. Secondly, it will strengthen risk control and run its business in a prudent and regulated manner. Following the concept of "short and decentralized", it will reduce the amount of single loans appropriately and carefully. On this basis, it will further refine the various systems and operation processes, strengthen project monitoring, diligently conduct review to identify potential risks and preparing risk management plans timely. Thirdly, it will actively maintain and expand its high quality clientele, strengthen its cooperation with guarantee companies and other pawnshops, adjust and optimize pawn structure, and improve the efficiency in the use of funds.

Anhui Xin'an Financial Group Co., Ltd., was founded on 22 July 2011, with a registered capital of RMB 3 billion. It mainly engaged in businesses such as financial investment, equity investment, management consultation. It adopts a business model of participating in different industry segments under the control of the group, which maximizes the advantages of having group of companies being separate legal entities which co-operate with each other in the running of business but bear their own profits and losses separately with the benefit of reduction in risks.

## Section V Report of the Board of Directors

As at the end of the reporting period, Anhui Xin'an Financial Group consists of 12 companies, which are Xin'an Loans Financing Service Co., LTD, Xin'an Financing Credit Investment Management Co., LTD., Anhui Xin'an Jingding Investment Management Co., LTD., Anhui Xin'an Asset Management Co., LTD., Anhui Xin'an Hongye Bonds Management Co., LTD, Anhui Xin'an Financing Lease Co., LTD, Hefei Xin'an Microcredit Co., LTD., Anhui Nanxiang Pawn Co., LTD., Anhui Xin'an Pawn Co., LTD., Anhui Xin'an Information Technology Co., LTD., Anhui Xin'an Jingding Investment Management Co., LTD., Anhui Xin'an Financing Loans Investment Management Co., LTD, and Anhui Xin'an Financing Guarantee Co., LTD.

According to the audited results, as at the end of the reporting period, Xin'an Financial Group had a total assets of RMB 7.080 billion, net assets of RMB 4.137 billion, asset-liability ratio of 41.56%; aggregate operating income of RMB 1.220 billion, cost and expense of RMB 380 million, net profit of RMB 758 million, in which net profit of RMB 686 million was attributable to the shareholders of Xinan Financial Group, and earnings per share of RMB 0.2288.

### E. Information of non-fund raising projects

(Unit: RMB'000,000,000)

Name of project	Project amount	Progress of the project	Amount of investment this year	Aggregate amount of investment	Revenue from the project
Ningxuanhang Expressway Ningguo-Qianqiu Section	29.28	The construction began in March 2011.	4	13.58	under construction
Ningxuanhang Expressway Liqiao-Xuancheng Section	21.33	Construction has begun in January 2015.	1.47	1.47	under construction
Total	50.61	/	5.47	15.05	/
Remark on the non-fund raising projects	Ningxuanhang Expressway Ningguo-Qianqiu Section is about 45 km in length, with the total investment of the project being RMB 2.928 billion. Ningxuanhang Expressway Liqiao-Xuancheng Section is about 31 km in length, with the total investment of the project being RMB 2.133 billion.				

## Section V Report of the Board of Directors

### The Board's discussion and analysis of the Company's future development

#### A. Industry competition pattern and trend of development

In 2015, macro economy and regional economy will be in the healthy and stable track seek improvement in stability, transformation and upgrading. According to the report, the eighteenth congress to "promote industrialization, informatization, urbanization and agricultural modernization synchronous development", it will certainly bring traffic overall demand is stable growth. At the same time, along with society's increasing car ownership and consumer upgrades, highway passenger and cargo transport demand will be gradually released, this for the main business of the group which lays an important foundation for steady development.

In 2015, is the final year "twelfth five-year" plan, the anhui province will plan to complete the transportation infrastructure construction investment of 63 billion yuan; The new highway mileage of 450 kilometers, the level of highway mileage of 400 kilometers. Further improve the road network will make the road network to connect more smoothly, will induce the new traffic, for some of the existing highway will lead to an expected increase in traffic, although individual sections in a short period of time may be affected by the shunt, the impact on the overall operational performance is positive.

But at the same time, the group also faces many difficulties and challenges in development: as the economic slowdown, the structure change model, passenger growth is strong, vans than falling; Company to reduce the most long road open to traffic, has entered the mature period, income growth is slow, and road pavement are growing old, road maintenance cost will be increased, opened a new road network effect has not been formed, serious loss; All kinds of policy reduction amount is rising, train, becoming increasingly prevalent in high-speed rail, and road network in other sections of multiple pressure shunt effect; Financial investment sector market competition is intense, risk control difficulty in increasing, and so on.

#### B. The Company's development strategy

During the period of "The Twelfth Five-Year Guideline", the Company's development strategy is "strengthen the advantages of the principal business, promote the transformation of the structure and improve the level of the management".

##### a. Strengthen the advantages of the principal business

Accelerate the construction of the projects of expressways; actively try to get policy support and make new breakthroughs at the aspect of acquiring the good existing tollways assets, and inject new momentum for the development of the principal business; orderly arrange and high effectively implement the maintenance and reconstruction of the expressways, and continually enhanced and improved the operation quality and level of the road industry; actively discover the operation and management regulation of epressways, further enhance the operation and management system and improve the operation level and efficiency of the principal business.

## Section V Report of the Board of Directors

### b. Promote the transformation of the structure

Relying on the main highway management advantage, optimize the integration of resources, strengthening management, continue to improve efficiency; In equity participation, on the basis of comprehensive financial company, to strengthen the control of pawn, small loans, to explore the marketization operation and management mechanism, control investment and operating risk, cultivate new profit growth point for the company; Through the use of overseas resources and advantages, expand overseas business and overseas markets, by overseas investment and international market, and reasonable use of overseas financing channels, reduce the cost of financing.

### c. Improve the level of the management

Further improve the corporate governance structure and, establish and form check-and-balance of responsibility and right, and also give consideration to the management system of both of the fairness and efficiency; further strengthen the construction of the internal control system, establish and improve the corporate basic management system, enhance each corporate business procedure, strengthen the supervision, assessment and accomplishment, further enhance the management and control system of the parent-subsidiary company, and strengthen the management and control of the joint stock companies and the shares holding subsidiary companies in order to ensure the shareholders' interests maximized.

## C. Operation Plan

As the operation environment won't change a lot, the objective of the toll revenue the Group sets in 2015 will be RMB 2.248 billion (actually in 2014, it is RMB 2.224 billion); As 2 billion corporate bonds has been paid, and interest-bearing liabilities and financial cost has decreased, and also equity transfer of Xin'an Financial resulted in the decrease of investment income, financial costs, maintenance costs, labor costs and management fees will all make an increase to different extent compared with 2014.

### Planned Measures

To further strengthen the highway operation management, focus on the charging and keep smooth, earnestly implementing the national policy, continue to strengthen inspection, improve the level of service, do not apply, should avoid), to complete a toll revenue plan. Adhere to the road as the center, focusing on tunnels, conduct comprehensive maintenance work, improve the quality of road traffic. Complete the information infrastructure construction, the important management software research and development work, improve the level of information management. Strengthening production management, to ensure road production facilities in good condition, to strengthen the railway police, fire protection, safety linkage mechanism, construction of highway in consultation with the platform, improve road safety.

## Section V Report of the Board of Directors

Research actively, strengthen the cooperation with foreign Banks and foreign institutions of communication, actively learn overseas financing environment and the policy requirements, actively explore a low cost, low risk of financing; As a whole fund al, raise funds in time, to meet the demand of project funds; Optimize process to improve efficiency, on the premise of safety compliance, further improve the level of stock fund income.

Strengthen the investment company controlled actively, promote NingXuan hangzhou company operating and build a harmonious, strengthen coordination, promote XuanGuang, broadly shrine companies and local relations harmony; Xin'an financial business is continuous, close supervision, effectively control the financial stake in the investment risk. Actively urge to non-performing loans, promote the pawn company; Make full use of the advantage of the Hong Kong subsidiary, to strengthen market research and the foreign communication, realize the overseas financing, investment return.

### D. The capital needed to maintain the present business and complete the invested projects under the construction

At the moment, Ning-Xuan-Hang highway is under the construction and the project is divided into three phases. The first phase , that is Xuancheng-Ningguo Section, has been open to traffic in September 2013; The second phase, that is Ningguo-Qianqiu Section, is estimated to be completed in 2015; The third phase, that is Liqiao-Xuancheng Section, is being dealt with the requisition and the related work of approval, and is about to start the construction in the coming few days.

#### Capital Expenditure Plan

(Unit: RMB'0,000)

	Plan of 2015	Plan of 2016	Plan of 2017
Projects under constructed			
Ningxuanhang Expressway			
Ningguo-Qianqiu Section	46,465	27,400	5,000
New constructed projects			
NingXuanhang Expressway			
Liqiao-Xuancheng Section	28,944	75,500	75,500
Renovation and Extension			
Project of Existing Road	700		
Total	76,109	102,900	80,500

The Group plans to use its own funds, bank loans, issuing corporate bonds and other ways to meet the demand of the above projects.

### E. Possible Risks

In the future development strategy, the company will be paid close attention to the following risk issues and actively take effective measures:

#### **Macro economic environment changes**

Toll roads industry is sensitive to changes in macroeconomic. Macroeconomic changes directly affect the highway transportation demand, and thus affect the charging projects of traffic flow and the group's business performance.

The measures to be taken:

The company will be based on the analysis of the current economic situation and the target of regulation, to judge the impact of macro economic situation of highway transportation demand. And regularly to collect data of economic development in anhui province and surrounding regions, analyzing the characteristics of the network traffic and the change of model structure, minimize the economic environment change of the negative influence on the company's business.

#### **The change of the toll policy**

Transport infrastructure industry always been strict government regulation, the change of the national industry policy of toll road enterprise will produce a certain influence. At present, the highway industry continued to public pressure, growing public welfare characteristics of toll roads, "the green channel free policy" and "major holidays small car free policy" will continue to perform the toll revenue and profits have a negative impact, but also increase the road flow pressure and management costs.

The measures to be taken:

The Group will continue to improve the positive measures to cope with industry policy change. Continue to summary of major holidays from small passenger car tolls work experience, improve emergency charging management mode, improve the traffic capacity, in order to ensure the free flow during peak traffic; Increase the intensity of the green channel of the vehicle inspection, improve the accuracy and efficiency of inspection work; At the same time strengthen the charging work inspection. Research and analyze related industry policy adjustment, active communication with government departments, tried their best to safeguard the interests of the company and investors.

## Section V Report of the Board of Directors

### **Diversified travel mode and network changes**

With the rapid advance of the construction of the national railway network, high-speed and intercity crack will greatly shorten the transit time between two places, an influence of highway passenger transport. According to the high-speed rail plan in anhui province, in 2015 there will be 13 cities opened high-speed train, will the future road management bring new competitive pressure on the company. Highway system, on the other hand, further perfect encryption, parallel to the line and alternative line will continue to increase, network shunt toll income growth have a negative impact on the company. And toll road projects of reconstruction, and around the repair of the surrounding roads, road and bridge project governance and foreign vehicle overload limit traffic road network traffic can be changed, so this group is a toll road project impact business performance.

The measures to be taken:

Section of this group were the trunk highway across the anhui region of the group will take full advantage of the location of anhui traffic advantages, through the perfect road signs marking, expand marketing campaign routing, advance the service with a smile at the same time, improve the charging efficiency, road traffic capacity and service level, enhance competitiveness in the network. Timely understanding of road network planning and construction projects at the same time, road network project analysis, the reasonable forecast related projects in advance to this company existing project traffic impact.

### **The risk of the expiry of franchise**

Toll road asset because with relative monopoly franchise mode, but the franchise has a certain fixed number of year of the charge limit, the charge after the expiry of the time limit the sustainable development of highway management enterprise face major challenges. Under the current policy environment, the company's restructuring of the parent company of highway assets is difficult, the main business scale development severely restricted.

The measures to be taken:

The Group to seek long-term development, making the "twelfth five-year" development strategy, in terms of diversification, established on, moderate development of development strategy. This group will be serious to review this strategy main goal during execution, on the basis of combination of industry policy and market environment and their own conditions such as factor analysis, to determine the next step development direction and strategy as soon as possible.

### **Financial Risk**

Toll roads industry has big money, return on investment cycle is long, depreciation, amortization, road maintenance, artificial cost increase year by year, and the change of market interest rates directly affect the profitability of the company. Company and construction projects in recent years, the fund demand, external debt financing costs and increasing difficulty.

## Section V Report of the Board of Directors

The measures to be taken:

Company will be implemented through the comprehensive budget management strictly control the cost; In a timely manner to understand the credit policy and market environment changes, continue to plan as a whole fund arrangement, meet the demand of major construction project fund effectively. Pay close attention to the financing policy and cost, to determine reasonable financing channels and lines, optimize the debt structure, reduce the financial cost.

### **Financial Business Risk**

According to the group development strategy, the group in on at the same time, combined with the conditions of highway industry and financial characteristics, moderate careful investment non-bank financial sector. Due to a single investment direction, investment concentration is higher. The industry environment, market competition and adverse industry itself inherent high risk factors, such as financial project risk gradually highlights, anti-risk ability needs to be improved.

The measures to be taken:

To strengthen the control of financial investment, reduce the non-control equity investment proportion of the enterprise, at the same time to further guard against financial risks, the group was completed during the reporting period anhui xinan financial stake in the transfer of work. The next step, the company will draw on experience in financial business of investment control in recent years, fully research and demonstration industry rules, clear development strategy and development system step by step.

### **Business expansion risk**

Hong Kong subsidiary has been registered, overseas business development platform has preliminarily set up, the next step how to develop the business, how to make use of foreign resources to support the business development and how to take advantage of low cost of financing is convenient, the main business of the group to provide financing will be the breakthrough progress in business and the formation of new profit growth point and the key to cost control points.

The measures to be taken:

In 2015, it will make full use of the platform of the Hong Kong subsidiary engaged in overseas investment, open up a new prospect overseas business. At the same time actively learn overseas financing environment and the policy requirements, actively explore overseas financing of low cost, low risk.



## Section V Report of the Board of Directors

### The profit appropriation plan or transfers of share capital from capital reserves plan

#### 1. The formulation, implementation and adjustment of the cash dividend and distribution policy

Since entering the market, the company has been always insisting on rendering returns to shareholders and has been constantly distributing cash dividends for 19 years. According to the requirements of the relevant regulatory agencies and combined with the company's actual situation, the Company has revised the Company's articles of association in August 2012. In the company's articles of association, it has further improved the company's cash dividend policy and standardized the decision-making mechanism of the Company's profit distribution plans and procedures.

The decision-making procedures and systems for the profit distribution after amendment mainly include: when the board make the profit distribution plan, they should pay attention to the reasonable return for the investors and the Sustainable development of the company, Comprehensive analysis of the operation and development of the Company, the shareholders' desires, the social cost of capital, external financial environment and other factors. The Company's profit distribution plan was drawn up by the Company Secretary and the financial officers, submitted to the Board of Directors for consideration by the agreement of more than two-thirds of the independent directors. The Board of directors will proceed the full discussion of the rationality of the profit distribution plan, submitted to the general meeting for approval.

After the convening of the board of directors, the company should take a variety of methods to actively communicate with minority shareholders and listen to their advices. When the general meeting considers the cash dividends distribution plan, they should reply to the concern of minority shareholders as soon as possible.

According to the company's own operating condition, the need of investments and long-term development, or because of the significant changes of the external operating environment, which requires the adjustment of the cash dividends distribution plan, the adjusted profit distribution policies should be based on the protection of shareholders' equity as the starting point, and must not violate the laws, regulations and regulatory requirements.

The reason why the profit distribution plan should be adjusted needs to be concretely illustrated and discussed and the plan should be approved by more than two-thirds of the independent directors, passed by the Board of Directors and then delivered to the general meeting for approval.

When the general meeting considers the adjustment of the profit distribution plan, the company provides the network voting platform, passed by 2/3 of the shareholders who attend the general meeting.

The Company established 2014 annual profit distribution plan (including cash bonus scheme) which conforms to the requirements of the journal in the articles of association. In the process of making the plan and decision-making process, the independent directors carefully studied and analyzed the related factors and published opinions independently, and the Company is also able to listen to the opinions of the independent directors and shareholders through various channels, and pay attention to small and medium-sized investors' demands and the legitimate rights and interests.

The 2013 profit appropriation plan of the Company has been accomplished on 11 July 2014.

## Section V Report of the Board of Directors

### 2. The profit appropriation plan or transfers of share capital from capital reserves plan during the most recent three years (including the reporting period)

(Unit: RMB' 000)

Distributed year	Basic earnings per ten shares (including tax)	Amount of cash dividend (including tax)	Net profit attributable to shareholders in consolidated financial statements of the distributed years (restated)	The rate of the net profit attributable to shareholders in consolidated financial statements
2014	2.3	381,480.30	860,865.57	44.31
2013	2.2	364,894.20	847,910.07	43.03
2012	2.0	331,722.00	761,000.77	43.59

### 3. The fulfillment of the social responsibility

The Company faithfully fulfills the social responsibility. During the reporting period, the Company did not have major environmental protection or other major social security problems. For more details, please see the "social responsibility report".

### 4. The names of the directors during the reporting period

Names	Independent directors or not	notes
Zhou Renqiang	no	
Li Junjie	no	
Chen Dafeng	no	Appointed on 17 August 2014
Xie Xinyu	no	Appointed on 17 August 2014
Wu Xinhua	no	
Meng Jie	no	
Hu Bin	yes	
Yang Mianzhi	yes	
Kong Yat Fan	yes	Appointed on 17 August 2014
Tu Xiaobei	no	Resigned on 17 August 2014
Cui Yunfei	yes	Resigned on 17 August 2014
Li Jiezhong	no	Resigned on 17 August 2014

## Section V Report of the Board of Directors

### 5. Fixed Assets

Details of the change in the fixed assets of the Company and its subsidiaries are set out in Section XII Consolidated Financial Statements Note 8.

### 6. Contract of significance with the company, its subsidiaries, its parent company or another subsidiary of the parent company in which a director is interested

Except for the connected transactions disclosed in the report, there did not subsist at any time during the reporting period or at the end of the reporting period any contract of significance with the Company, its subsidiaries, its parent company or another subsidiary of the parent company in which a director of the Company was directly or indirectly interested.

### 7. Reserves

The figure and the details of any significant change in the reserve of the Company during the reporting period are set out in Note 19 to the financial statements prepared in accordance with the Hong Kong Financial Accounting Standard.

## Section VI Management Discussion and Analysis

### 1. Capital flow, financial resources and capital structure

During the reporting period, the Group's bank loans were RMB 625,040 thousand. At the end of the reporting period, the balance of bank loans were RMB 1,294,000 thousand, of which RMB 400,000 thousand was short-term loan balance with interest rates ranging between 5.04% and 5.15% of a term of less than 12 months; RMB 42,500 thousand was a long-term loan balance due within one year, of which 34,000 thousand was got by the mortgage of Guangci Expressway's charging rights; RMB 851,000 thousand was long-term loan balance, among which of 757,000 thousand was a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway with an interest rate between 1.74% and 6.55% per annum. The principal will be repaid between 2016 and 2025.

The rate of liability (long-term loan balance/net assets value) is 11.63%.

The group's capital management policy, is to continue operating security group, shareholders and other stakeholders to provide returns. In terms of the change of the external economic environment, the Group will timely make adjustment of capital structure and make the necessary strain. In order to maintain or adjust the capital structure, the group may be controlled by issuing new shares or capital expenditure for them if necessary to reduce the debt ratio. The Group will use capital debt ratio to monitor its capital, and the ratio will be calculated according to the net debt divided by the total capital. Net debt to total borrowing (including listed in the consolidated balance sheet flow and non-current borrowing) minus the cash and cash equivalents. Total capital as "rights", such as the consolidated balance sheet listed) plus net debt.

The group's strategy in 2014 compared with 2013 remain unchanged, efforts to maintain capital debt ratio at 30%, the credit rating of AAA.

### 2. Capital Charge and Contingent Liabilities

On 31 December 2014, 97,000 thousand cash or collateral were used for the short-term bank loans (2013: Nil) and there were no contingent liabilities (2013: Nil).

### 3. Major investment , acquisition and sale

On 2 July 2014, the Company transferred 300,000,000 shares (10% shares) in Xin'an Financial to Anhui Railway Construction Investment Fund Company in consideration of RMB 339,000,000. Except for the above and the disclosure in content Section VII, the Company did not have any major investment, its subsidiary's or associate's acquisition or sale.

### 4. Risks of currency and interest rate

Because the unit of the revenue and expense of the Group is RMB, the major risks of currency of the operation activities can't be estimated.

The details of the financial risks and management is loaded in Accounting Notes 3 according to the PRC accounting standards.

### 5. Staff Members

The Group's staff members (including the number, remuneration and its policy, and details of training) have been written in Section IX.

## Section VII Major Events

### I. Material litigation, Arbitration and widespread media enquiry

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

### II. Occupation of funds and Progress of payoff debt

There was not involved in any occupation of funds during the reporting period.

### III. Bankruptcy Reorganization

There was not involved in any bankruptcy reorganization during the reporting period.

### IV. Assets Trading and Business Combination

#### Overview and Type

Sell 10% Stakes of Anhui Xin'an Financial

#### Query Index

Discloseable transaction Announcement on 4 July 2014

### V. Implementation of Share Incentive Scheme

The Company has not complemented the share incentive scheme.

### VI. Significant Connected Transactions

The Group's related party transactions and continuing connected transactions until 31 December 2014 have been disclosed in Note 39 in the comprehensive financial statements. The details of part of the above-mentioned transactions (also constituting related party transactions or continuing connected transactions under the Hong Kong Stock Exchange Listing Rules) are attached as follows.

## Section VII Major Events

### 1. Connected transactions in relation to daily operations

Unit: RMB'000

Connected parties	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Payment method
Anhui Expressway Group	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	9,598	Transfer
Anlian Company	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	2,497	Transfer
Fuzhou Expressway	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	1,003	Transfer
Wuyan Expressway	To provide management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	338	
Expressway Petrochemical	To lease the gas station within the Company and Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	26,362	Transfer
Yida Company	To lease service areas of the Company and Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	11,074	Transfer
Anhui Expressway Group	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	2,334	Transfer
The Construction Headquarters of High-grade highways	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	1,909	Transfer
Expressway Media	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	735	Transfer
Xiandai Transportation	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	707	Transfer

## Section VII Major Events

<b>Connected parties</b>	<b>Contents of connected transactions</b>	<b>Pricing policies of connected transactions</b>	<b>Amounts of connected transactions</b>	<b>Payment method</b>
Anlian Company	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	573	Transfer
Expressway Financial	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	444	
Wantong MicroCredit	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	193	Transfer
Bangning Property	To lease Wantong building in New and High-tech Park	To recognize on a straight-line basis over the lease period	17	
Xiandai Transportation	To receive management service	Made by negotiations through fair principles with reference to its costs	4,650	Transfer
Expressway Inspection Center	To receive supervisory service of project construction	Made by negotiations through fair principles with reference to its costs	3,047	Transfer
Expressway Project Supervision Company	To receive supervisory service of project construction	Made by negotiations through fair principles with reference to its costs	4,095	Transfer
Bangning Property	To receive management service	Made by negotiations through fair principles with reference to its costs	3,715	Transfer
Expressway Media	Accept advertising business	Made by negotiations through fair principles with reference to its costs	60	Transfer
Remuneration of key administrators			1,959	Transfer

## Section VII Major Events

### 2. Connected credits and liabilities

(RMB '000)

Related parties	Connected relation	The Company provides capital to related parties			Related parties provide capital to the Company		
		Initial Balance	Amount incurred	closing Balance	Initial Balance	Amount incurred	closing Balance
The Group	Controlling shareholder	0	0	0	570,347	206,590	776,937
Xuancheng Transportation and Investment	Other connected persons	0	0	0	519,018	-2,189	516,829
Total		0	0	0	1,089,365	204,401	1,293,766
Money for the amount supplied by the Company to the control shareholders and its subsidiary (RMB)							0
Money for the remaining balance supplied by the Company to the control shareholders and its subsidiary (RMB)							0
The forming reason for connected credit and debt	The joint investment of The Group and Xuancheng Transportation and investment exceeding Included long-term payables of registered capital of the Company. The amounts had no guarantee, no jiruaccruals and no fixed repayment deadline.						

### 3. Confirmation by the independent directors regarding connected transaction

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

- The transactions were carried out in the normal and usual course of business of the Company;
- The transactions were carried out on normal commercial terms (as compared with transactions of similar nature carried out by the similar entities in the PRC) on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
- The transactions were carried out in accordance with the terms of agreement governing such transactions.

The company confirmed the transactions were disclosed in accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.



## Section VII Major Events

In accordance with the Hong Kong authentication employment criteria 3000 “authentication employment in addition to historical financial information audit and review” issued by the Hong Kong Accountant Association, the board hereby employs the auditor for our company to implement relevant continuing transactions. The auditor has issued his unreserved advice letter about the discoveries and conclusions on the continuing transactions for our Group in this section in accordance with the listing rules confirming that the continuing connected transactions of the Company (1) have been approved by the Board of Directors; (2) were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (3) were entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (4) have not exceeded the cap. The copy of the letter will be submitted to the Stock Exchange of Hong Kong by the Company.

### VII. Material contracts and Their Implementation

#### 1. Material custody, subcontracting and leasing items

During the reporting period, the Company was not involved in any material custody, subcontracting and leasing.

#### 2. Material guarantee

During the reporting period, the Company provided a guarantee of RMB 500 million for the Company’s subsidiary NingXuanhang Company, which was approved at the 18th meeting of the 5th Board, held on 18 August 2010. As of the end of the reporting period, balance of guarantees provided by the Company to RMB 0.181 billion.

(RMB’000,000,000)

#### Guarantees provided by the Company to its controlling subsidiaries

Total amount of guarantees provided for the subsidiaries by the Company during the reporting period	0
Total balance of guarantees provided for the subsidiaries as at the end of the reporting period	1.81

#### Total amount of guarantees provided by the Company (including guarantees provided for the controlling subsidiaries)

Total guarantee amount	1.81
Total guarantee amount as a percentage of net asset value (%)	2.56%

#### 3. Other Material Contracts

During the reporting period, the Company did not entered into any material contracts.

### VIII. Implementation of Undertakings

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

Background of Commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Whether there is the time limit for performance or not	Whether strictly comply in a timely manner or not
Commitment Related to the share reform	Other	Anhui Expressway Holding Group Company Limited	Continue to support the company's future acquisition of the good road assets owned by the Anhui Expressway Holding Group Company Limited and focus on the protection of shareholders' interests as always.	13 February 2006, long-term effective	No	Yes
	Other	Anhui Expressway Holding Group Company Limited, China merchants Huajian Highway Investment Co., Ltd	After the completion of the split-equity reforming, the Board of Directors of the company shall be suggested to develop a long-term incentive plan with equity incentive structure included. In accordance with the relevant provisions of the state, the Board of Directors of the company shall implement it directly or submit it to the General Meeting of Shareholders of the company. After their consideration and approval, the long-term incentive plan shall be implemented.	13 February 2006, long-term effective	No	Yes
Commitment Related to IPO	Solve the competition	Anhui Expressway Holding Group Company Limited	Promise not to participate in any of the company's from time to time actual businesses or other business activities which may constitute direct or indirect competition to the Company.	12 October 1996, long-term effective	No	Yes
Other Commitment	Other	Anhui Expressway Holding Group Company Limited	Commitment to continue to increase the holdings of the company's shares in the secondary market in your own name during the next 12 months and the cumulative shareholding percentage should be no more than 2% of the total shares (including the increased holdings of shares of this time) issued by the company. It is not allowed to reduce the holdings of shares during the increasing shareholding period and the statutory period.	Term of Overweight: 9 January 2014 to 8 January 2015; Term of Underweight: there is prohibitive in term of Overweight or six months after Completing overweight.	Yes	Yes

## Section VII Major Events

### IX. Appointment and Dismissal

(RMB 0'000)

Whether to change to hire a accounting firm or not	No
	<b>Current Employment</b>
The name of PRC Accountant	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co. Ltd
Compensation of Domestic accounting firm	135
Term of audit of Domestic accounting firm	13
The name of Hong Kong Accountant:	PricewaterhouseCoopers Certified Public Accountants
Compensation of outside accounting firm	70
Term of audit of outside accounting firm	13

	Name	Compensation
Intenal Controlling to auditing and accounting firm	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co. Ltd	35

The audit committee of the Company is responsible for reviewing the appointment, resignation and removal of the auditors as well as assessing their professional qualities for providing services, and submitting suggestions to the Board of Directors. Matters relating to the appointment and removal of auditors and the determination of audit fees as well should be submitted by the Board of Directors to the General Meeting of Shareholders for consideration and approval or authorization.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers Certified Public Accountants were approved to be appointed as the PRC auditors and Hong Kong auditors for 2014 respectively at the 2013 Annual General Meeting. As at 2014, they have provided services to the Company for 13 years and changed CPA in 2006, 2011 and 2012.

### X. Punishment by Regulatory Authorities

During the reporting period, the Company, Directors, Supervisors, Senior Management, Shareholders who holding of shares more than 5% and the Real Controller of the Company have not been involved in any punishment by regulatory authorities.

### XI. Analysis on Other Major Events

#### American depositary receipt ('ADR') program

On 11 June 2009, the Company set up an American depositary receipt ('ADR') program with Bank of New York Mellon (as the depositary bank). The number of ADR registered by the Company under the ADR program is 50,000 thousand. Each ADR represents ten ordinary H shares traded on HKEx. The Company does not issue new shares because of its American Depositary Receipt program. American Depositary Receipt in American Depositary Receipt program is just traded in American OTC market and will not be listed on any stock exchange in the U.S.

### **Invested and Shared Huayuan Pawn Company**

Through the consideration and approval of the Eleventh Session of Sixth Board Meeting on 26 June, 2012, the company plans to invest 45 million RMB with shares of Huayuan Pawn Company, accounting for 18.75% of its total equity after its increase endowment spread. Up to the issuing date of the report since its approval, the investment amounts have not been paid.

### **Set up Hong Kong wholly-owned subsidiary**

On the 20th conference of the 6th board of directors, it's deliberated and passed that the Company plans to fund at most 10 million US dollars to set up a wholly-owned subsidiary in Hong Kong, Anhui Expressway Company Limited (Hong Kong), to develop overseas business and international market and to develop the fund methods of the Company on the basis of the status quos of the Company. The actual amount invested subject to the registration in the registration authority. The RMB it has now will be used to swap and be the capital source of the subsidiary in HongKong. The business of the company include: products trade related to the major businesses; storage, manufacture, delivery; road building abroad, investment and consultation and technology service of businesses including operation.

On 4 September 2013, the Company was registered and set up in Hong Kong. The capital stock is 76,440,000 shares. The pre-sale purchase of the company is 2,400,000 shares. By the time this report is approved to be released, the aforementioned investment hasn't been paid.

### **Transfer a part of equity stake of Xin'an Financial Group**

To reduce the equity investment proportion of the Company in non-control financial enterprises and strengthen the risk prevention and control to the financial investment area, The 21st conference of the 6th board of directors deliberated and passed the bill that the Company had Planed to transfer a part of equity stake of Xin'an Financial Group ("Xin'an Financial" for short). it planed to transfer the stock of the 0.3 billion shares of the 0.5 billion shares of Xin'an Financial to Anhui Investment Group Holdings Co., Ltd. and authorized the management level to deal with the examination and approval formalities of the transfer and asset appraisal. The transfer had been approved by Anhui SASAC in November 2013.

After the approval by the six sessions of Twenty-fourth board of directors' meeting held on 27 June, 2014, the board agreed to change the assignee for the agreement of the transfer of equity from Anhui Province Investment Group Holdings Co., Ltd. to its subsidiary - Railway Construction Investment Fund Co., Ltd. in Anhui Province, and such change have been approved by the Anhui Provincial State-owned Assets Supervision and Administration. The board also approved the "proposed transfer of 300 million shares in Anhui Xinan Financial Group Co., Ltd. project assets valuation report" and the "equity transfer agreement", and the transfer price should be fixed and confirmed by reporting the record of the asset appraisal result to Anhui Province State-owned Assets Supervision and Administration. Upon the confirmation of the record for the asset appraisal result by Anhui Province State-owned Assets Supervision and Administration, the authorised person have been authorised to sign and execute the equity transfer agreement and the relevant equity alteration formalities.

Upon the approval by the Anhui Provincial State-owned Assets Supervision and Administration over the items of the assets assessment results, on 2 July 2014, the Company entered into an agreement with the assignee and the assignee paid two installment of equity transfer price in accordance with the terms of the agreement. The relevant equity alteration formalities has been completed in September 2014.

## Section VII Major Events

### **Controlling Shareholder Increase the Shareholdings of the Company Again**

Anhui Expressway Holding Group Company Limited had completed the plan that increase the shareholdings for 12 months. From 8 October 2012 to 7 October 2013, Anhui Expressway Group has bought 5,376,120 shares of the Company, accounting for about 0.32% of the total issued shares of the Company.

On 9 January 2014, based on the continuous and steady future development of the Company, Anhui Expressway Holding Group Company Limited increased the holdings of the Company's shares through the buying ways of trading system of SSE in its own name once more. From the date of increasing the holdings of the Company's shares, Anhui Expressway Holding Group Company Limited plans to continue to increase the holdings of the Company's shares through the buying ways of trading system of SSE in its own name during the next 12 months and the cumulative shareholding percentage should be no more than 2% of the total shares. Before increasing of shareholding, the Group held 523,957,120 shares of the Company, accounting for about 31.59% of the total issued shares of the Company. From 9 January 2014 to 8 January 2015, Anhui Expressway Group has increased the shareholdings of 687,100 shares accounting for about 0.04% of the total issued shares of the Company. After increasing of shareholding, the Group held 524,644,220 shares of the Company, accounting for about 31.63% of the total issued shares of the Company.

### **Apply for issuing short-term financing bonds of RMB 1 billion**

After passing the discussion of the first 2015 extraordinary general meeting of shareholders of the company on August 15, 2014, the Company was approved to apply for registering and issuing short-term financing bonds, with the total issues of not more than RMB 1 billion. In November, 2014, the Company received Notice of Registration Acceptance from National Association of Financial Market Institutional Investors, which accepted the company to register short-term financing bonds with the registered amount of RMB 1 billion. The registered amount shall be valid within 2 years after issuing the above Notice of Registration Acceptance. The financing bonds can be issued in installments during the valid period of the registration, with China Merchants Bank Co., Ltd. as the principal underwriter.

### **Issue corporation bonds of RMB 1.2 billion**

After passing the discussion of the first 2015 extraordinary general meeting of shareholders of the company on August 15, 2014, the Company was approved to issue corporation bonds with total amount of not more than RMB 1.2 billion (including 1.2 billion yuan) within Chinese territory. The bonds can be issued at one time or in several installments, which shall not exceed 8 years (including 8 years). The bonds can be the kind with single term, and mixed kinds with several terms. The specific issuing scale, issuing method and the specific period shall be determined by submitting them to the board of directors authorized by the general meeting according to the company's demand for funds and market situation when issuing. Valid period of resolution of issuing the corporate bonds shall be 24 months after the date of this issuance scheme passing the discussion of the general meeting of shareholders of the Company.

### **XII. Pre-emptive Right**

In accordance with the Cooperation Articles or Chinese laws, there is no subscription indicating that the company should give priorities to the existing shareholders to the purchase of new shares in proportion to the number of shares owned.

### **XIII. Tax Relief**

The Company isn't aware of any details about enjoying tax relief on the condition of holding the company's securities.

### **XIV. Reserves**

During the reporting period, the number and details of important changes in the reserves of the Company are listed in the notes 19 to the accounts worked out in accordance with Hong Kong Financial Reporting Standards.

## Section VIII Change of Share Capital and Shareholders

### I. Change of share capital

#### (I) Change of shares

##### 1. Change of shares

								(Unit: share)	
		Before this change		New issue of shares	Increase and decrease of this change (+,-)			After this change	
		Number	Proportion (%)		Sent shares	Accumulation fund turn	Other	Sub-total	Number
I.	The conditions limited the sale of the shares								
1.	State-owned shares								
2.	State-owned legal person shares								
3.	Other Domestic shares								
Among:	shareholding of Domestic Non-state-owned corporate								
4.	Foreign shareholding								
Among:	shareholding of Outside legal person Shareholding of Outside natural person								
II.	The conditions of unlimited sale of the negotiable shares								
1.	RMB common shares	1,165,600,000	70.28				1,165,600,000	70.28	
2.	Domestic listed foreign shares								
3.	Outside listed foreign shares	493,010,000	29.72				493,010,000	29.72	
4.	Other								
III.	The total number of shares	1,658,610,000	100				1,658,610,000	100	

During the reporting period, the total share capital and capital structure of the Company was not changed.

#### (II) Change of restricted shares

During the reporting period, there were no restricted shares.

## Section VIII Change of Share Capital and Shareholders

### II. Issue of share and listing

#### (I) Previous securities issuance Nearly three years as of the end of the reporting period

(Unit: share, RMB)

Type of share and its derivative security	Date of Issuance	Issue Price (or interest rate)	Number of Corporate Bonds	Date of Listing	Approved Number of Corporate Bonds listed	Closing Date
Convertible bonds, separably-traded convertible bond, type of corporate bonds						
Corporate Bonds	17-22 December 2009	RMB100 each	20,000,000	21 January 2010	20,000,000	16 December 2014

According to the approval document (Zheng Jian Xu Ke No. [2009] 1074) issued by China Securities Regulatory Commission (“CSRC”), the Company successfully issued Corporate Bonds of RMB 2 billion on 17-22 December 2009 through the internet and other ways. The carrying amount of such Bond is RMB 100 each. Such Corporate Bonds were issued at par with a term of 5 years, the interest of which is calculated at a fixed simple interest rate of 5% per annum and is payable annually. The principal of the Bond shall be redeemed in full on maturity. According to the approval document (Shang Zheng Zhai Zi No. [2010] 9) issued by the Shanghai Stock Exchange, such Corporate Bonds have been listed in the Shanghai Stock Exchange since 21 January 2010 (Stock Name: “09 Wangtongzhai”; Stock Code: 122039).

In April 2014, Zhongchengxin Securities Appraisal Company Limited made follow-up rating on the Company’s “09 Wangtongzhai”, and maintained the credit rating of AAA of Company’s Corporate Bonds, the main credit rating of AA+ and the rating outlook of stable.

In December 2014, the Company paid annual interests of RMB 50 (tax included) per bond (face value RMB1000) according to contract.

#### (II) Changes in the total number of shares of the Company and the Shareholders structural changes and changes of the company’s assets and liabilities structure as well

During the reporting period, no changes in the total number of shares and the shares’ structure of the Company should be caused by bonus shares, allotment and other reasons.

#### (III) Employees shares

The Company did not issue employees shares.



## Section VIII Change of Share Capital and Shareholders

### (IV) Purchase, Sale and Redemption of the Company's Listed Securities

During the reporting period, the Company did not repurchase any of its listed shares, nor purchase or resold any listed securities of the Company.

### (V) Sufficiency of Public Float

Based on the publicly available information as at the last practicable date prior to the printing of this report known to the Directors, the Board believes that the Company has maintained sufficient public float as at the latest practicable date prior to the printing of this annual report.

## III. SHAREHOLDERS AND REAL CONTROLLER

### (I) Number of shareholders and the situation of shareholdings

(Unit: share)

Number of shareholders as at the end of the reporting period 46,491

The total number of shareholders at the fifth session before the date to the publication of the Annual Report 43,569

#### The Ten largest shareholders of the Company

Name of shareholders	Change during the reporting period	Total shareholding as at the end of the year	Shareholding percentage	Number of restricted shares	Number of shares pledged or locked-up	Nature of shareholders
Anhui Expressway Holding Group Company Limited	687,100	524,644	31.63	0	Nil	State-owned shares
HKSCC NOMINEES LIMITED (agent)	-388,000	488,769,898	29.47	0	Nil	Overseas shareholders
China Merchants Huajian Highway Investment Co., Ltd.	47,278,343	404,191,501	24.37	0	Nil	State-owned legal person shares
Bank of China Limited-Huatai-PineBridge Aggressive growth hybrid securities investment funds	10,799,183	10,799,183	0.65	0	Nil	Others
Zheng Caiping	3,187,449	3,187,449	0.19	0	Nil	The domestic natural person
402 combination of the national social security fund	3,153,279	3,153,279	0.19	0	Nil	Others
Agricultural Bank of China Ltd. -Morgan Stanley Huaxin Quantitative allocation equity securities investment funds	2,294,180	2,294,180	0.14	0	Nil	Others
Lanzhou Yellow River Efficient agricultural development co., LTD	2,000,000	2,000,000	0.12	0	Nil	Others
DEUTSCHE BANK AKTIENGESELL SCHAFT	1,783,697	1,783,697	0.11	0	Nil	Not known
Yuan Hui	78,807	1,724,232	0.10	0	Nil	The domestic natural person

## Section VIII Change of Share Capital and Shareholders

### The ten largest shareholders of unrestricted circulating shares of the Company

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares
Anhui Expressway Holding Group Company Limited	524,644,220	Renminbi-denominated ordinary shares
HKSCC NOMINEES LIMITED (agent)	488,769,898	Overseas listed foreign shares
China Merchants Huajian Highway Investment Co., Ltd.	404,191,501	Renminbi-denominated ordinary shares
Bank of China Limited-Huatai-Pinebridge Aggressive Growth Hybrid Securities Investment Funds	10,799,183	Renminbi-denominated ordinary shares
Zheng Caiping	3,187,449	Renminbi-denominated ordinary shares
402 combination of the national social security fund	3,153,279	Renminbi-denominated ordinary shares
Agricultural Bank of China Limited-Morgan Stanley Huaxin Quantitative Allocation Equity Securities Investment Funds	2,294,180	Renminbi-denominated ordinary shares
Lunzhou Yellow River Efficient Agricultural Development Co., Ltd.	2,000,000	Renminbi-denominated ordinary shares
DEUTSCHE BANK AKTIENGESELLSCHAFT	1,783,697	Renminbi-denominated ordinary shares
Yuan Hui	1,724,232	Renminbi-denominated ordinary shares

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

There are no connected relationship between the State-owned Shareholders and the State-owned legal person Shareholders in the above chart. The connected relationship amongst other shareholders cannot be ascertained, nor be known whether they belong to the consistent action stipulate in "Provisions on Information disclosure Management of Shareholders' Shareholding changes of Listed Companies.

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

## Section VIII Change of Share Capital and Shareholders

### (II) Persons who have interests of short positions disclosable under divisions 2 and 3 of Part XV of the Securities and Futures Ordinance

As at 31 December 2014, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons (except directors, supervisors and chief executives of the Company) who were, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 336 of Part XV of the Securities of Futures Ordinance.

Names	At end of period (shares)	Increase/ Decrease during the reporting period	Type of shares	As a % of total share capital	Pledged or locked-up
Anhui Expressway Holding Group Company Limited	524,644,220	687,100	State-owned shares	31.63%	No
China Merchants Huajian Highway Investment Co.,Ltd.	404,191,501	47,278,343	State-owned Legal person shares	24.37%	No

## Section VIII Change of Share Capital and Shareholders

Name	As at the end of the period (shares)	Change during the reporting period	Type of shares	As a percentage of H shares	Pledged or locked-up
China Merchants Huajian Highway Investment Co., Ltd.	44,650,000 (long position (L))	+44,650,000	H shares	9.06%	Not known
HSBC Holdings plc	98,525,221(L) 99,825,933 (short position (S))	+98,525,221 +99,825,933	H shares	7.58% 7.68%	Not known
Colonial First State Group Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company (No.2) Pty Limited	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company Pty Ltd.	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investment Managers (Asia) Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investments (Bermuda) Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
The Colonial Mutual Life Assurance Society Ltd	33,358,000(L)	Not available	H shares	6.77%	Not known
First State (Hong Kong) LLC	32,166,000(L)	Not available	H shares	6.52%	Not known
First State Investments (Hong Kong) Limited	30,712,000(L)	Not available	H shares	6.23%	Not known
First State Investments (Singapore)	30,608,000(L)	Not available	H shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited	30,608,000(L)	Not available	H shares	6.21%	Not known
JP Morgan Chase & Co.	41,734,833 (L) 1,120,000(S) 38,903,333 (shares that may be lent)	-48,019 +1,120,000 - 2,521,467	H shares	8.46% 0.22% 7.89%	Not known

Save as disclosed in this announcement, the register maintained in accordance with Part XV, Section 336 of the Securities and Futures Ordinance on 31 December 2014 shows that the Company has never received any information about the interests or short positions in the shares and underlying shares of the Company on 31 December 2014.

## Section VIII Change of Share Capital and Shareholders

### IV. Information of the controlling shareholder and the real controller of the Company

#### (I) The controlling shareholder of the Company

##### 1. Legal representative

(Unit: RMB00,000,000')

<b>Name</b>	<b>Anhui Expressway Holding Group Company Limited</b>
Legal representative	Zhou Renqiang
Date of establishment	27 April 1993
Organization code	14894636-1
Registered capital	RMB 5.003 billion
Business scope	Planning, design, supervision, technical consultation and ancillary service of highway construction, Real Estate investment and motor vehicles fittings and storage.
Future development strategy	Development strategy: Focused on roads, driven by 4 wheels and proceed with diversification to a proper extent", which means the development of four main sectors "expressways, real estate industry, road zone economy, finance and investments" and strives to build up a modern, diversified, multi-regional, large-scale conglomerate group with development across industries.
The condition of holdings and joint-stock of other domestic and outside listed companies during the reporting period	AEHC hold 469,032,613 Domestic shares of Huishang Bank, accounting for 4.24% of the total shares of it. Huishang Bank was listed on the Stock Exchange in November 2013.
The Other Information note	Nil

## Section VIII Change of Share Capital and Shareholders

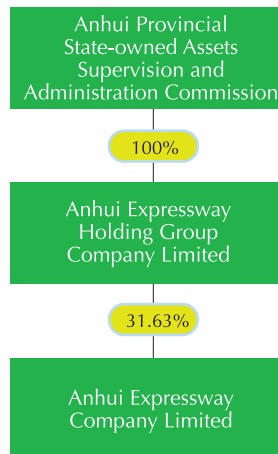
### 2. The index and date of controlling shareholder's change during the reporting period.

In December, 2014, Anhui Provincial State-owned Assets Supervision and Administration Commission issued Anhui State-owned Assets Reform [2014] No. 172 *Notice of the People's Government of the Province's Approval* of Anhui Expressway Holding Group Company Limited and Anhui Transportation Investment Group Company Limited's Restructuring Plan Forwarded by Anhui Provincial State-owned Assets Supervision and Administration Commission to its controlling shareholder. According to the document, the controlling shareholders Anhui Expressway Holding Group Company Limited and Anhui Transportation Investment Group Company Limited shall be reorganized into a new solely state-owned enterprise whose new name was Anhui Transportation Holding Group Company Limited. This matter didn't change the actual controller of the company, and the actual controller was still Anhui Provincial State-owned Assets Supervision and Administration Commission. The controlling shareholders' stake in the Company also didn't change. Please refer to the notices of "Extraordinary 2014-060" and "Extraordinary 2015-001" disclosed by the company on December 25, 2014 and January 6, 2015.

At present, the new company is still in the stage of establishment preparation.

### (II) Information of the real controller of the controlling shareholder of the Company

The controlling shareholder of the Company - Anhui Expressway Holding Group Company Limited is a state-owned enterprise and is under the control of Anhui provincial State-owned Assets Supervision and Administration Commission.



## Section VIII Change of Share Capital and Shareholders

### V. Other legal person shareholders who hold more than 10% of the share capital

(Unit: RMB00,000,000')

Name	Legal representative	Date of establishment	Organization code	Registered capital	Business scope
China Merchants Huajian Highway Investments Company Limited	Li Jianhong	18 December 1993	10171700-0	15	The comprehensive development and contracting construction of roads, wharves, harbors and sea-lanes; development, research and production of new technologies, new products and new materials for transportation infrastructure facilities and sales of products; sales of building materials, mechanical and electrical equipment, automobiles (except cars) and fittings, hardware and daily necessities; economic information consultation and personnel training.

## Section IX Directors, Supervisors, Senior Management and Staff

### I. Changes in ownership and compensation

#### (I) The Changes in ownership and compensation of Incumbent and Retired during the reporting period directors and supervisors

Name	Position	Sex	Age	The Start date of term of office	The Expiration Date of term of office	Rewards	Rewards
						drawn from the Company of the year (RMB ten thousand)	drawn from the share-holding companies of the year (RMB ten thousand)
Zhou Renqiang	Chairman	Male	60	2014.08.17	2017.08.16	0	—
Tu Xiaobei	Deputy Chairman	Male	61	2011.08.17	2014.08.16	0	—
Li Junjie	Director	Male	55	2011.08.17	2014.08.16	0	—
	Deputy Chairman			2014.08.17	2017.08.16	0	
Li Jiezhong	Director	Male	52	2011.08.17	2014.03.28	0	0
Wu Xinhua	Director	Male	48	2013.05.16	2014.08.16	0	—
	Deputy Chairman			2014.08.17	2017.08.16		
Chen Dafeng	Director	Male	52	2014.08.17	2017.08.16	0	—
Xie Xinyu	Deputy General Manager and Secretary to the Board	Male	48	2011.08.17	2014.08.16	45.78	0
	Director			2014.08.17	2017.08.16	0	
Meng Jie	Director	Male	38	2014.08.17	2017.08.16	0	—
	Deputy General Manager					12.75	
Hu Bin	Independent Director	Male	44	2014.08.17	2017.08.16	8	0
Yang Mianzhi	Independent Director	Male	46	2014.08.17	2017.08.16	8	0
Cui Yunfei	Independent Director	Male	39	2012.08.30	2014.08.16	8.5	0



## Section IX Directors, Supervisors, Senior Management and Staff

Name	Position	Sex	Age	The Start date of term of office	The Expiration Date of term of office	Rewards drawn from the Company of the year (RMB ten thousand)	Rewards drawn from the share-holding companies of the year (RMB ten thousand)
Jiang Yifan	Independent Director	Male	43	2014.08.17	2017.08.16	3.5	0
Wang Weisheng	Chairman of Supervisory Committee	Male	61	2011.08.17	2014.08.16		—
Qian Dongsheng	Chairman of Supervisory Committee	Male	48	2014.08.17	2017.08.16		—
Yang Yicong	Supervisor	Male	59	2014.08.17	2017.08.16	43.05	0
Wang Wenjie	Supervisor	Male	31	2014.08.17	2017.08.16	0	—
Sheng Yao	Deputy General Manager	Male	56	2013.04.24	2014.06.27	21.52	0
Liang Bing	Deputy General Manager	Female	48	2013.04.24	2014.06.27	21.52	0
Han Rong	Secretary to the Board	Female	46	2014.08.17	2017.08.16	10.12	0
Total	/	/	/	/	/	182.76	/

The above persons did not hold, buy nor sell shares of the Company during the reporting period.

## Section IX Directors, Supervisors, Senior Management and Staff

### II. Position of Incumbent and Retired during the reporting period directors and supervisors

#### (I) Positions held by Directors, Supervisors and Senior Management in shareholders

Name	Name of shareholders	Position	The Start date of term of office	The Expiration Date of term of office
Zh Zhou Renqiang	Anhui Expressway Holding Group Co., Ltd.	Chairman Secretary of the Party Committee	2009.11 2008.6	
Tu Xiaobei	Anhui Expressway Holding Group Co., Ltd.	Deputy Chairman	2010.5	2014.2
Li Junjie	Anhui Expressway Holding Group Co., Ltd.	Deputy General Manager	2009.10	
Li Jiezh	Anhui Expressway Holding Group Co., Ltd.	Deputy General Manager	2010.11	2013.12
Chen Dafeng	Anhui Expressway Holding Group Co., Ltd.	Deputy General Manager	2012.8	
Wu Xinhua	China Merchants Huajian Highway Investment Co., Ltd.	Deputy General Manager	2007.4	
Meng Jie	China Merchants Huajian Highway Investment Co., Ltd.	Deputy General Manager of Enterprise Management	2013.11	
Wang Weisheng	Anhui Expressway Holding Group Co., Ltd.	Deputy Secretary of the Party Committee	2009.8	2014.4
Qian Dongsheng	Anhui Expressway Holding Group Co., Ltd.	Deputy General Manager	2010.11	
Wang Wenjie	Anhui Expressway Holding Group Co., Ltd.	Project Manager of Enterprise Management	2011.7	

The Information note of positions in shareholders units

## Section IX Directors, Supervisors, Senior Management and Staff

### (II) Positions held by Directors, Supervisors and Senior Management in Other Units

Name	Other units in which they hold post	Position	The Start date of term of office	The Expiration Date of term of office
Zhou Renqiang	An Hui Anyitong equity investment limited company	Chairman	2013.4	
	Anhui Xinan Financial Group Co., Ltd.	Committee member of Strategic decision-making committees	2014.7	
Tu Xiaobei	Anhui Ningxuanhang Expressway Investment Company Limited	Chairman	2008.4	2014.9
	Anhui Provincial Highway Project Supervision Co., Ltd.	Chairman	2005.11	2014.5
Li Junjie	Anhui province Expressway real estate group Anhui Anlian Expressway Co., Ltd.	Chairman	2012.6	
		Chairman	2012.6	
Li Jiezhi	Anhui Expressway Logistics Co., Ltd.	Chairman	2010.10	2014.3
	Anhui Xinan Financial Group Co., Ltd.	Deputy Chairman	2011.7	2014.2
	Anhui Guoyuan Capital Co.,Ltd.	Director	2010.6	2013.12
Chen Dafeng	Anhui Ningxuanhang Expressway Investment Company Limited	Director	2012.12	
Xie Xinyu	Anhui Ningxuanhang Expressway Investment Company Limited	Director	2008.4	
	Anhui Xinan Financial Group Co., Ltd.	Director	2011.7	
	Anhui Expressway Holding Group Co., Ltd (Hong Kong)	Director	2013.9	
	Anhui Expressway Company Limited (Hong Kong)	Director	2013.9	
Wu Xinhua	China Merchants Group (Pacific) Ltd.	Executive Director and Director of Operations	2007.4	
	CHTS-Expressway Operations Management Chapter	Executive Vice Chairman	2011.2	
Meng Jie	Guangxi Wuzhou Transportation Co., Ltd.	Director	2005.5	
	North China Expressway Co., Ltd.	Director	2008.8	
	Henan Zhongyuan Expressway Co., Ltd.	Director	2009.11	
Wang Weisheng	Anhui Expressway petrochemical Co., Ltd.	Chairman	2013.11	2014.5
Qian Dongsheng	Anhui Provincial Fuzhou Expressway Company Limited	Chairman	2009.7	
	Anhui Provincial Wuyan Expressway Company Limited	Chairman	2009.7	
	Anhui Provincial Yangji Expressway Company Limited	Chairman	2009.7	
	Anhui Ningxuanhang Expressway Investment Limited	Chairman	2014.9	

## Section IX Directors, Supervisors, Senior Management and Staff

Name	Other units in which they hold post	Position	The Start date of term of office	The Expiration Date of term of office
Yang Yicong	Xuanguang Expressway Company Limited	Chairman of the supervisory committee	1998.7	
	Anhui Expressway Media Limited	Chairman of the supervisory committee	2008.8	
	Xuancheng Guangci Expressway Company Limited	Chairman of the supervisory committee	2005.2	
	Anhui Ningxuanhang Expressway Investment Company Limited	Convener of the supervisory committee	2008.4	
	Anhui Civil Aviation Airport Group Co., Ltd.	Director	2005.11	
	Anhui Anlian Expressway Co., Ltd.	Chairman of the supervisory committee	1998.7	
	Anhui province Expressway real estate group	Chairman of the supervisory committee	2009.7	
	Anhui Expressway Logistics Co., Ltd.	Chairman of the supervisory committee	2013.2	
Hu Bin	Financial Laws and Financial Supervision Research Base of Chinese Academy of Social Sciences	Head	2003.9	
	Wuxi Guoliang Trust Co., Ltd.	Independent Director	2011.5	
	Shaanxi Baoguang Vacuum Electric Device Co., Ltd.	Independent Director	2011.11	
Yang Mianzhi	College of Commerce, Anhui University	Vice Principal	2000.3	
	Anhui Sun Create Electronics Co., Ltd.			
	Anhui Sun Create Electronics Co., Ltd.	Independent Director	2010.3	
	Anhui Jiangnan Chemical Co., Ltd.	Independent Director	2012.4	
Cui Yunfei	Anhui Anli Artificial Co., Ltd.	Independent Director	2012.4	
	The Hong Kong branch of American International Assurance Co.,Ltd.	Senior Manager	2006.1	
Jiang Yifan	Win & Win Financial Services Company	General manager	2009.7	
	Shanghai pudong development bank shenzhen branch			
Sheng Yao	Anhui Expressway Logistics Co., Ltd.	Deputy Chairman	2012.2	
Liang Bing	Anhui Ningxuanhang Expressway Investment Company Limited	Director	2012.12	
	Anhui Xinan Financial Group Co., Ltd.	Supervisor	2011.7	2014.7
	Hefei Wantong Pawn Co., Ltd.	Director	2012.6	
	Xuancheng City Guangci Expressway limited liability company	Director	2013.11	
	Xuanguang Expressway Co., Ltd.	Director	2013.4	
	Hua'an Securities limited liability company	Director	2014.5	
Han Rong	Anhui Ningxuanhang Expressway Investment Company Limited	Board Secretary	2008.4	

The Information note of positions in other units

## Section IX Directors, Supervisors, Senior Management and Staff

### III. Biography of Directors, Supervisors and Senior Management

#### (I) Biography of Directors, Supervisors and Senior Management during the year

##### 1. Directors

###### *Executive Directors*

**Mr. Zhou Ren Qiang**, was born in 1955, is a senior economist and a senior political engineer. He was graduated from Anhui University majored in Chinese Language & Literature in 1982 and subsequently obtained his master degree in arts from Guangxi Normal University in 1984. Mr. Zhou had been the Monitor, the Head and the Assistant to Director of the Policy Inspection Bureau of the Policy Research Office of the Provincial Committee of Anhui Province\* (during the period he has temporarily been the Assistant to the Mayor of Tongling Municipal Government), the Deputy Director of the Municipal Office of the Provincial Committee of Anhui Province\*, the Deputy Secretary of the Provincial Committee of Anhui Province\* and the Director of the Policy Research Office of the Provincial Committee of Anhui Province\* and a member of the Eighth Provincial Committee of the Communist Party of the PRC of Anhui Province. He is currently the chairman of the board and the Secretary of the Party Committee\* of Anhui Expressway Holding Group Company Limited\*. He was appointed as the chairman of the Board on 26 March 2010. And he has also held the position as the chairman of Anhui An YiTong Equity Investment Management Co., Ltd. Mr. Zhou joined the Group in 2010.

**Mr. Li Junjie**, was born in 1960, holds a Postgraduate Diploma. He has held positions as deputy director of Organization Department and director of Propaganda Department of Anhui Communist Youth League, deputy director of Operation Division of Anhui Expressway Holding Corporation\* and Secretary of Party General Branch of Bengbu Administration Office\*, General Manager of Anhui Xiandai Transportation Economic Technology Development Centre, General Manager of Anhui Expressway Real Estate Company Limited\*, director of the Human Resources Division, member of the Communist Party Committee and deputy general manager of Anhui Expressway Holding Corporation\*, the chairman of Anhui Expressway Media Company Limited, the deputy general manager and deputy managing director of the Company, etc. He is now a member of the Communist Party Committee and the Deputy General Manager of Anhui Expressway Holding Group Company Limited\* and also concurrently the chairman of the Board of directors of Anhui Anlian Expressway Company Limited and Anhui Province Expressway real estate group. Mr. Li joined the Group in 2001.

## Section IX Directors, Supervisors, Senior Management and Staff

**Mr. Chen Dafeng**, born in 1963, is a Doctor of Engineering and a senior engineer. He was previously the deputy chief engineer, deputy head, and head of the Mechanical and Electrical Installation Division of China Coal No. 3 Construction Corporation (中煤第三建設公司機電安裝處); vice manager of China Coal No. 3 Construction Corporation, the manager, Deputy Secretary of the Party Committee, the vice chairman of the board of directors, the general manager and Deputy Secretary of the Party Committee of China Coal No. 3 Construction (Group) Corporation LTD. (中煤第三建設(集團)有限責任公司); the vice chairman of the board of directors, the vice general manager and a member of the Party Committee of Anhui Petroleum Chemical Group Go.Ltd (安徽省石油化工集團有限公司) (during this period he acted as the deputy mayor of the People's Government of Suzhou city). He has been the Deputy General Manager of Anhui Expressway Holding Group Company Limited since September 2012. He also acted as a director of Anhui Ningxuanhang Expressway Investment Limited. Mr. Chen joined the Group in 2014.

**Mr. Xie Xinyu**, born in 1967, deputy general manager, secretary to the board of directors and senior engineer of the Company and an associated member of The Hong Kong Institute of Chartered Secretaries. He was the deputy general manager and secretary to the board of directors of the Company between 1996 and 1999; deputy general managing director and secretary to the board of directors of the Company between 1999 and 2002; and has been the deputy general manager and secretary to the board of directors of the Company since August 2002. He is concurrently a director of Anhui Ningxuanhang Expressway Investment Company Limited and Anhui Xinan Financial Group Co., Ltd. From December 2012 to March 2015, he had been in charge of the Company discharging general manager duties, instead and temporarily. Mr. Xie joined the Group in 1996.

### *Non-Executive Directors*

**Mr. Wu Xinhua**, born in February 1967, graduated from Renmin University of China and obtained a bachelor's degree in Economics, is the vice general manager of China Merchants Hua Jian Highway Investment Co., Ltd., the vice general manager of China Merchants Holdings (Pacific) Limited. Mr. Wu is also the deputy director of Operations Management Branch of the China Highway & Transportation Society and deputy managing director of Sichuan Expressway Company Limited. Mr. Wu had been the manager of the securities department of Nanfang Glass Company Limited\* in China Merchants Shekou Industrial Zone, the managing director of the banking investment department of China Merchants Securities. After joining China Merchants Hua Jian Highway Investment Co., Ltd. in 2007, Mr. Wu had also been the director or vice chairman of the board of Fujian Expressway Development Co., Ltd., Jiangsu Yangtze Bridge Co., Ltd.\* and Guangjin Xicheng Expressway Co., Ltd. Mr. Wu joined the Group in 2013.

## Section IX Directors, Supervisors, Senior Management and Staff

**Mr. Meng Jie**, born in 1977, holder of Master of Engineering, Master of Business Administration, senior engineer, Registered Consultation Engineer (Investment), graduated with the profession of bridges and tunnels from Hunan University in 2002. Since August 2002, he has held the positions as project manager, assistant to manager, deputy general manager and general manager of First Department of Shares Management of China Merchants Huajian Transportation Economic Development Center. Since November 2013, he was in the position of deputy general manager of Enterprise Management department at Hua Jian Center and since February 2015, he was the lead analyst of Hua Jian Center. Formerly, he was the supervisor of North China Expressway Company Limited and Guangxi Wuzhou Transportation Company Limited, and was the director of Dongbei Expressway Company Limited. Since 12 July 2013, he has been the deputy general manager of the Company. Now he is the director of Guangxi Wuzhou Transportation Co., Ltd., also North China Expressway Co., Ltd. and Henan Zhongyuan Expressway Co., Ltd.

### *Independent Non-Executive Directors*

**Mr. Hu Bin**, born in 1971, Doctor of Laws, Doctor of Financial Studies and researcher. He is now head of the Financial Laws and Financial Supervision Research Base, and Ph.D. supervisor. Mr. Hu joined the Group in 2011.

**Mr. Yang Mianzhi**, born in 1969, Doctor of Management (Finance) at People's University of China. He is now the deputy head, Professor of Masters of the Business Faculty of Anhui University. He is now the National Accounting Army Leading Back-up personnel of the Finance Department, and the back-up academic and technical leader of Anhui Province, and has concurrently acted as independent director of Anhui Sun Create Electronics Company, Ltd., Anhui Jiangnan Chemical Co., Ltd. and Anhui Anli Artificial Co., Ltd. Mr. Yong joined the Group in 2011.

**Mr. Jiang Yifan**, born in 1972, a permanent resident in Hong Kong. Mr. Jiang graduated from University of Southampton in the United Kingdom in 2003 with a master's degree in business administration (MBA). He worked at the credit review department of the Bank of Communications Hong Kong Branch as the credit approval officer between 2004 and 2007. From 2007 till now, he works at Pudong Development Bank Shenzhen Branch as a member of the loan approval committee, head of the small-to-medium loan team, responsible person of the financial service center for small-sized enterprises, where he is in charge of credit approval. Mr. Jiang joined the Group in 2014.

## Section IX Directors, Supervisors, Senior Management and Staff

### 2. Supervisors

**Mr. Qian Dongsheng**, born in 1967, a holder of university diploma and a senior engineer. He was previously the vice manager of Anhui Provincial Highway Project Supervision Company Limited, head of the construction section of Anhui Expressway Administration Bureau, and deputy head and head of the engineering and construction department of Anhui Expressway Company. He has been the vice general manager of Anhui Expressway Holding Group Company Limited since November 2010. He is currently a member of the Party Committee and the vice general manager of Anhui Expressway Holding Group Company Limited. He is concurrently acting as the chairman of the board of directors of Anhui Provincial Fuzhou Expressway Company Limited (安徽省阜周高速公路有限公司), Anhui Provincial Wuyan Expressway Company Limited (安徽省蕪雁高速公路有限公司) and Anhui Provincial Yangji Expressway Company Limited (安徽省揚績高速公路有限公司) and a director of Anhui Ningxuanhang Expressway Investment Limited. Mr. Qian joined the Group in 2014.

**Mr. Yang Yicong**, born in 1956, a senior political officer, was graduated from Anhui Industrial Institute in 1982. He was a director of the political division of Anhui Vehicle Transportation Administration Bureau, a director of the political division and secretary of the Disciplinary Committee of the Anhui Expressway Transportation Administration Bureau. He has extensive experience in personnel management. Mr. Yang has been elected as a supervisor representing the employees since the second supervisory committee of the Company. He is concurrently the chairman of the supervisory committee of Xuanguang Expressway Company Limited, Xuancheng Guangci Expressway Company Limited, Anhui Expressway Media Limited, Anhui Anlian Expressway Company Limited, Anhui Highway Real Estate Group Co., Ltd. and Anhui Highway Logistics Company Limited. He is also the convener of the supervisory committee of Anhui Ningxuanhang Expressway Investment Limited and director of Anhui Civil Aviation Airport Group Co., Ltd. Mr. Yang joined the Group in 1999.

**Mr. Wang Wenjie**, born in 1984, graduated from AUT University, NZ in 2008 and obtained a bachelor 's degree in finance and accounting. Mr. Wang carried out the accounting work at the accounting firms in New Zealand and currently served as project manager of Enterprise Management department at the China Merchants Huajian Highway Investment Co., Ltd. Mr. Wang joined the Group in 2012.

### 3. Other Senior Management

**Ms. Han Rong**, born in 1969, is an accountant. She was graduated from department of economic management, Anhui University in 1991. She joined the Company in 1996 and has held the positions as director of secretary of the board room of the Company since 2000 and security representative of the Company since 2008.



## Section IX Directors, Supervisors, Senior Management and Staff

### (II) Biography of Departed Directors, Supervisors and Senior Management during the year

**Mr. Tu Xiaobei**, born in 1954, Senior Engineer. Mr. Tu graduated from Hefei Industrial University in 1984. Mr. Tu has held various positions such as the head of the infrastructure division of Anhui Department of Communications, director of Anhui Expressway Administration Bureau and Anhui Expressway Holding Group Limited. Mr. Tu was appointed as a director of the first Board and the General Manager of the Company, he was elected as the deputy Chairman of the Company by the second, third, fourth and fifth Board. Mr. Tu is now the member of the Party Committee and deputy chairman of Anhui Expressway Holding Group Company Limited, the chairman of Anhui Ningxuanhang Expressway Investment Company Limited and Anhui Provincial Highway Project Supervision Company Limited. Mr. Tu joined the Group in 1996.

**Mr. Li Jiezh**i, born in 1963, holder of Postgraduate Diploma and a senior auditor and registered accountant. He has held positions such as staff member, deputy staff member, principal staff member, deputy director and consultant of Anhui Provincial Audit Bureau. He was transferred to be head of the financial division of Anhui Expressway Holding Corporation in 2000. Currently, he is the deputy general manager of Anhui Expressway Holding Group Company Limited and concurrently the chairman of the board of directors of Anhui Fortunately International Logistics Co., Ltd. as well as the director of Anhui Xinan Financial Group Co., Ltd. and Anhui Guoyuan Capital Co., Ltd. Mr. Li joined the Group in 2011. In November 2013 he was under investigation by a relevant regulatory body and the board meeting holding on 28 March 2014 authorized his resignation for personal reasons.

**Mr. Cui Yunfei**, born in 1976, is a Master of Business Administration (International) of The University of Hong Kong. He has been working for the Hong Kong branch of American International Assurance Co.,Ltd. since 2006 and is now a senior manager. He has also been the general manager of Win & Win Financial Services Company since 2009. Mr. Cui joined the Group in 2012.

**Mr. Wang Weisheng**, born in 1954, a senior political officer. He was graduated from Anhui Workers University majoring in Philosophy in 1979. Mr. Wang had been a monitor, first class monitor, deputy head and the head of the chief tribunal of the organisation division of the Provincial Committee of Anhui Province. He had also been a member of the Party Committee, deputy general manager and the Secretary of the Disciplinary Committee of Anhui Province Energy Group and was the director, the vice chairman of the board of directors and the chairman of the supervisory committee of Anhui Wenergy Company Limited. He is the deputy secretary of Party Committee and the secretary of the Disciplinary Committee of Anhui Expressway Holding Group Company Limited. He was appointed as the chairman of the supervisory committee of the Company on 26 March 2010.

**Mr. Sheng Yao**, born in 1959, holder of postgraduate diploma, senior political engineer. He had been the Deputy Chief of Political Affairs Department of Hefei Highway Bureau, Deputy Officer of the Office of Anhui Provincial High Grade Highway Administration Bureau, Assistant to the Head and Officer of the Engineering and Construction Department of Anhui Expressway Holding Corporation, Deputy Head of Hefei Administrative Bureau, Deputy General Manager and General Manager of Angao Investment Company Limited\*, General Manager of Anhui Expressway Real Estate Group. He has been the chief economist of the Company since December 2011 and the Deputy General Manager of the Company and the deputy chairman of Anhui Fortunately International Logistics Co., Ltd. since 24 April 2013. He resigned his post as a deputy general manager of the Company for a change of work on 27 June 2014.

## Section IX Directors, Supervisors, Senior Management and Staff

**Ms. Liang Bing**, born in 1967, holder of Postgraduate Diploma, manager of the Finance Department and senior accountant of the Company. Ms. Liang joined the Company in 1996 and has been manager of the Finance Department of the Company since December 2002. She is also the chief financial officer of Anhui Ningxuanhang Expressway Investment Company Limited, supervisor of Anhui Xinan Financial Group Company Limited and director of Hefei Wantong Pawn Company Limited., Xuancheng City Guangci Expressway limited liability company and Xuanguang Expressway Company Limited. She resigned his post as a deputy general manager of the Company for a change of work on 27 June 2014.

### IV. Compensation of directors, supervisors and Senior Managers

Decision-making process of Compensation of directors, supervisors and Senior Managers	After the respective consideration of the board of directors and board of supervisors, it will be submitted to shareholders at a general meeting for approval.
Determination of the Basis of Compensation of directors, supervisors and Senior Managers	According to China's relevant policies and regulations consider the market and the company actual situation and then determine.
Time allowed of Compensation of directors, supervisors and Senior Managers	0
Total of Compensation of all directors, supervisors and Senior Managers at the end of the reporting period	RMB 1,827.6 thousand

### V. Change of Directors, Supervisors and Senior Management of the Company

Name	Position	Change	Reason
Li Jiezhong	Executive Directors	Vacated	Personal reasons
Sheng Yao	Deputy general manager	Vacated	A change of work
Li Lang Bin	Deputy general manager	Vacated	A change of work
Wang Weisheng	Chairman of the supervisory committee	Vacated	Retirement
Tu Xiaobei	Deputy chairman	Vacated	Retirement
Cui Yunfei	Independent Non-Executive Directors	Vacated	The change of board of directors
Chen Dafeng	Executive Directors	Appointed	Rotation of board of directors
Xie Xinyu	E Executive Directors	Appointed	Rotation of board of directors
Jiang Yifan	Independent Non-Executive Directors	Appointed	Rotation of board of directors
Qian Dongsheng	Chairman of the supervisory committee	Appointed	Rotation of board of supervisors

## Section IX Directors, Supervisors, Senior Management and Staff

On 28 April 2014, the 22th Meeting of the Sixth board approved Mr. Li Jiezhi to apply for resignation of the executive director and the member of Strategic Development and Investment Committee of the Company, for he could not perform his duty as personal reasons.

On 27 June 2014, the 24th Meeting of the Sixth board approved Mr. Sheng Yao and Ms. Liang Bing to apply for resignation of the deputy general manager of the Company for changes of work. Ms. Liang Bing resigned the financial controller of the Company at the same time.

On August 16, 2014, members of the 6th board of directors and the board of supervisors completed their term of office. On August 15, 2014, the company held the first 2014 extraordinary general meeting of shareholders to select the new board of directors and the new board of supervisors. Mr. Zhou Renqiang, Mr. Li Juejie and Mr. Chen Dafeng were elected as the executive director of the 7th board of directors; Mr. Wu Xinhua and Mr. Meng Jie were elected as the non-executive director of the 7th board of directors; Mr. Hu Bin and Mr. Yang Mianzhi and Mr. Jiang Yifan were elected as the independent non-executive director of the 7th board of directors; Mr. Qian Dongsheng and Mr. Wang Wenjie were elected as the supervisor on behalf of directors of the 7th board of supervisors (elected by the representatives of company's staff, Mr. Yang Yicong had been elected as the supervisor on behalf of staff of the 7th board of supervisors). The above personnel had their term of office lasting for 3 years from August 17, 2014.

As the term of the Board and the supervisory committee of the sixth session expired on 16 August 2014, the Company convened the EGM on 15 August 2014 to elect the Board and supervisory committee of the seventh session. The EGM elected Mr. Zhou Renqiang, Mr. Li Junjie and Mr. Chen Dafeng as the executive Director of the seventh session. The term of the new Directors and supervisors will be for a period of three years which is proposed to commence on 17 August 2014 and will expire on 16 August 2017.

### VI. Other Information Note

After passing the discussion of the seventh session fifth director meeting on March 27, 2015, considering the work, according to the nomination of the chairman Mr. Zhou Renqiang, and reviewed by human resources and salary review committee of the company's board of directors, Mr. Xu Zhen was appointed as the general manager and Mr. Xu Yiming was appointed as the deputy general manager of the company by the board of directors. Mr. Xu Zhen and Mr. Xu Yiming had their term from the date of appointment to August 16, 2017.

After passing the discussion of the seventh session fifth director meeting and the seventh fourth supervisor meeting on March 27, 2015, due to work adjustment, Mr. Meng Jie would not serve as the director of the company, and Mr. Wang Wenjie would not serve as the supervisor of the Company. The board of directors and board of supervisors would elect Mr. Ni Shilin and Ms. He Kun to be the candidates of the new director and supervisor. The above proposal shall be submitted to the general meeting of shareholders of the company and shall pass the discussion.

## Section IX Directors, Supervisors, Senior Management and Staff

### VII. Staff of the parent company and the main unit

#### 1. Staff

Number of serving staff of parent company	1,545
Number of serving staff of main subsidiary company	471
The total number of serving staff	2,016
Number of Retired Staff who parent company and main subsidiary company bear costs to	7

#### Profession composition

Profession type	Number
Production staff	1,447
Technical staff	94
Financial staff	34
Administration Staff	441
Total	2,016

#### Education

Education type	Number
Postgraduate diploma	25
University diploma	257
College graduate	996
Secondary vocational diploma	352
Senior high school and below	386
Total	2,016

## Section IX Directors, Supervisors, Senior Management and Staff

### 2. Pay Policy

The company is carrying out pay system reform. Broadband pay system is introduced in and thus builds the multi-channels for staff professional development and salary promotion to incentivise the staff and guarantee the incentive effect of the pay system. The company has formulated the performance evaluation system according to the following principles: first, the management should cover all fields; second, the evaluation is supposed to have no dead zone; third, the rewards and punishment are evidence-based. Based on the status quos of the company, it has improved the evaluation system and associated the evaluation outcome with salary distribution, making sure the evaluation work as the direction.

#### **Staff Insurance and Welfare Protecting**

The Company has been adhering to the concept of “People foremost”. It values its staff’s vital interests and protects its staff’s legal rights and strictly implements the social security laws and regulations of the State and regions. The Company has procured policies of old-age insurance, basic medical insurance, unemployment insurance, job-related injury insurance and child-bearing insurance for its staff and paid the premium of the insurance policies above in full. The Company paid the premium of various social insurance policies in the sum of RMB 25,300 thousand in 2014. At the same time, the Company has procured commercial insurance policies such as insurance policies for injury by accident for its staff. In 2014, the Company provided housing subsidy fund in the sum of RMB 14,890 thousand for its staff.

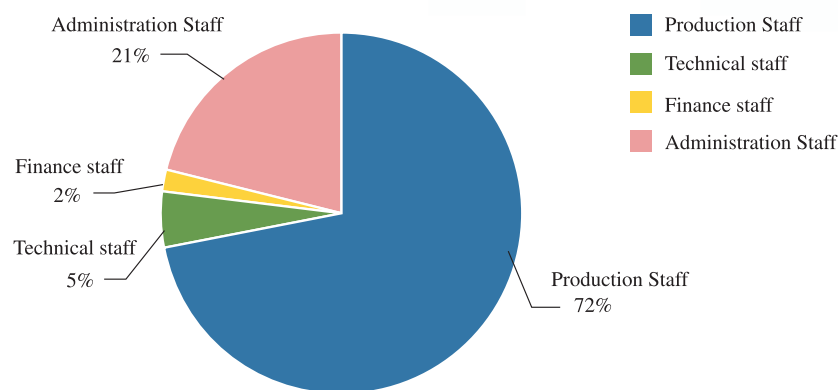
In addition to the above social security plans, the Company established an enterprise annuity plan in 2008, which protects the benefits of staff and strengthens the cohesion, unity and competitiveness of the Company. In 2008, the Company established the enterprise annuity plan taking into account the practical conditions of the Company in accordance with regulations such as the relevant requirements of the “Enterprise Annuity Tentative Procedures” for the purpose of enhancing the level of elderly benefit for its staff, strengthening the cohesion and unity of the Company and, facilitating sustainable growth of the Company. In 2014, the enterprise annuity expenses were RMB 4,920 thousand in total.

## Section IX Directors, Supervisors, Senior Management and Staff

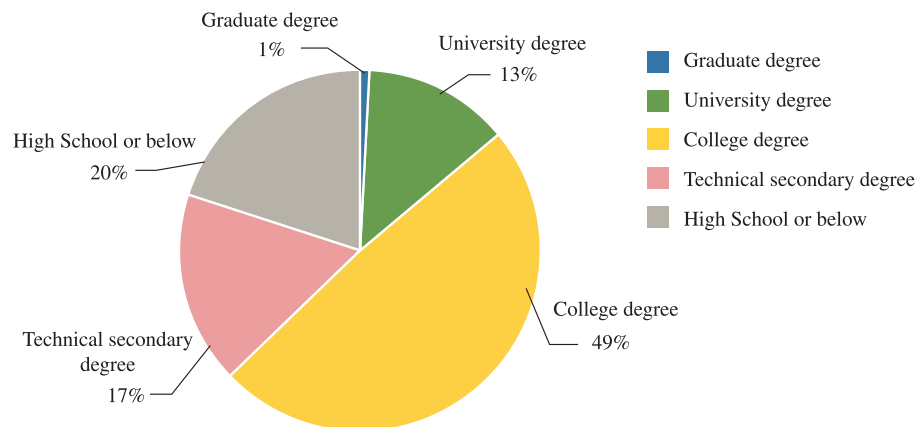
### 3. Training plan

The company has always valued staff training. At the beginning of each year, annual training plans and key training targets are established and set according to the training demand. Various training systems are also completed, so as to improve the educational and training level. During the reporting period, the Company and various departments have carried out operational management, engineering techniques, safety management, maintenance management, information technology and financial management as well as other training. Regarding the general management, to highlight the focus of training and to focus on the solutions for the common problems faced by an enterprise when carrying out reforms and development, the Company held the training course for leading cadres on capital operation. In respect of online learning, the Company focuses the encouragement on the employees to participate in self-learning to promote E - learning. It upgraded the learning system and put forward new functions such as mobile phone and interactive functions. All of these measures diversify the platform for learning and exchange.

**The formation graph of Employees' specialty composition**



**The statistical graph of Employees' Education**



## Section IX Directors, Supervisors, Senior Management and Staff

### VIII. Other information of directors, supervisors and senior management

#### 1. Service contract of directors and supervisors

The remuneration proposals of the Board of the seventh session are as follows:

(i) For the three years commencing from 17 August 2014, the chairman will receive a remuneration of RMB 840,000 per annum. In addition, the chairman will be entitled to receive a bonus after completing one year of service. For each of the three years commencing from 17 August 2014, the chairman will receive a bonus of RMB 70,000 per annum.

(ii) For the three years commencing from 17 August 2014, each of the other executive Directors will receive a remuneration of RMB 588,000 per annum. In addition, each of the other executive Directors will be entitled to receive a bonus after completing one year of service.

For each of the three years commencing from 17 August 2014, each of the other executive Directors will receive a bonus of RMB 49,000 per annum.

(iii) For the three years commencing from 17 August 2014, each of the non-executive Directors will not receive directors' fee.

(iv) For the three years commencing from 17 August 2014, each of the domestic independent non-executive Directors will receive directors' fee of RMB 80,000 per annum.

(v) For the three years commencing from 17 August 2014, each of the overseas independent non-executive Directors will receive director's fee of RMB 120,000 per annum.

Non-executive Directors and independent non-executive Directors will not be entitled to receive any bonus after completing one year of service. They are not under any service contract with the Company.

(vi) For the three years commencing from 17 August 2014, the chairman of the supervisory committee will receive a remuneration of RMB 588,000 per annum. In addition, the chairman of the supervisory committee will be entitled to receive a bonus of RMB 49,000 per annum after completing one year of service.

(vii) For the three years commencing from 17 August 2014, supervisor elected by the employees of the Company will receive a remuneration of RMB 378,000 per annum. In addition, supervisor elected by the employees of the Company will be entitled to receive a bonus of RMB 31,500 per annum after completing one year of service.

(ix) For the three years commencing from 17 August 2014, other supervisor will not receive supervisor's fee.

## Section IX Directors, Supervisors, Senior Management and Staff

### 2. Directors' and supervisors' interests in contracts

During the reporting period, no director or supervisor was materially interested in any contract entered into by the Company, Anhui Expressway Group or any of its subsidiaries.

### 3. Interests held by directors and supervisor in competitive business

During the reporting period, according to the Listing Rules of the Stock Exchange of Hong Kong Limited, no director, supervisor or senior management was interested in any competitive business or potential competitive business.

### 4. Model code for securities transactions by directors and supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as the code governing the transactions of securities by the Directors and Supervisors. After making specific enquiry to all Directors and Supervisors, it is confirmed by the Company that the Directors and Supervisors of the Company had complied with the relevant standard as provided in such code referred to above.

5. During the reporting period, the Group did not directly or indirectly provide loans or guarantee for loans for the directors, supervisors and senior management of the Company and controlling shareholders and their connected persons.

### 6. Interests to be disclosed

As at 31 December 2014, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in any shares, or underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests which he was taken or deemed to have under such provisions of the Securities and Futures Ordinance or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and the Takeovers Code.



## Section X Corporate Governance Structure and Governance Report

### I. Corporate Governance and Management of Insiders' Registration

Good corporate governance is for meeting the basic requirements of regulatory authorities on listing companies and, more importantly, the inherent needs for the development of the Company. A scientific and standardized system, mutual supervisory regime and effective enforcement are essential to the healthy and sustainable development of the Company.

The Company is concurrently listed on the Shanghai Stock Exchange and Hong Kong Stock Exchange and complies with relevant laws and regulations. In practicing corporate governance, the Company strictly complies with the Code of Corporate Governance for Listed Companies of CSRC and the Code of Corporate Governance Practices of Hong Kong Stock Exchange. During the reporting period, there were no significant differences between the actual conditions of the Company's corporate governance and the requirements of the CSRC's related laws and regulations. The Company had also fully adopted the respective code provisions set out in the Code on Corporate Governance Practices of Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange.

#### Code on Corporate Governance Practices

It is confirmed by the board of directors that during the period under review, apart from the fact that the Human Resources and Remuneration Committee took up both the functions of the Remuneration Committee and the Nomination Committee (the Company takes the view that the model of the Human Resources and Remuneration Committee has always functioned well and it is better in terms of meeting the Company's needs and given that the member of the Human Resources and Remuneration Committee are independent non-executive directors, the interests of the shareholder of the Company could be effectively protected. The Company has complied with the Corporate Governance Code and strived to maintain a corporate management system of high standard to promote transparency and to protect the interests of shareholder).

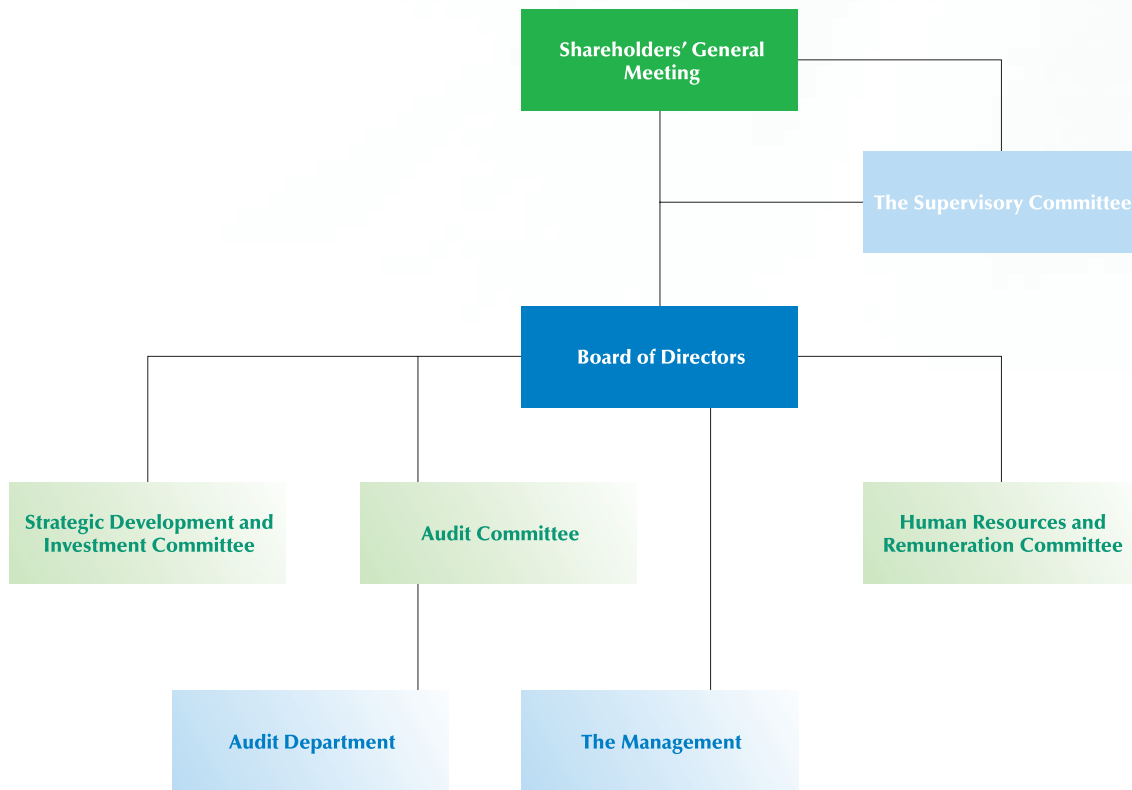
During the reporting period, the Company strictly adhered to Company Law, Securities Act and the relevant laws and regulations as well as regulatory documents of the CSRC (China Securities Regulatory Commission) and continue to improve the corporate governance structure, vigorously promoting internal control and regulation construction work. The Company duty complied with its obligation of disclosure and enhanced its management of investors' relations and the level of which its operations are regulated. During the reporting period, the Board discharged the following corporate governance functions:

- (a) reviewing the issuer's policies and practices on corporate governance;
- (b) reviewing and monitoring the training and continuous professional development of directors and senior management;
- (c) reviewing and monitoring the issuer's policies and practices on compliance with legal and regulatory requirements;
- (d) reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) reviewing the issuer's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

## Section X Corporate Governance Structure and Governance Report

### II. Governance structures and rules

The Company has established the corporate administrating structure composed of shareholders' meeting, board of directors, board of supervisors and managerial staff, which has been constantly examined and optimized through practices. The company also formulates multi-level administrating rules and regulations on the basic of corporate constitutions so as to ascertain the obligations, authorities and standards of behavior for each party. The administrative configuration of the Company is explicated as follows:



The main documents about the corporate administration include the Articles of Association and its attachments Rules of Procedure for Shareholders' Meeting, Rules of Procedure for Board of Supervisors, General Manager Work Regulations and Regulation on Terms of Reference for various specialized committees, etc., all of which can be consulted in websites of SEHK and our official corporate website.

During the reporting period, In order to ensure the company's regulations and rules are consistent and unified taking into account the actual condition, the Company amended the relevant clauses of the Rules of Procedure for Shareholders' Meeting and General Manager Work Regulations.

## Section X Corporate Governance Structure and Governance Report

### 1. Shareholders and Shareholders' general meeting

In strict compliance with the provisions of legal regulations such as the Company Law and the Articles of Association and the Rules of Procedure for Shareholders' Meeting, the Company convened and held shareholders' general meetings, adopted network voting, ensured that shareholders had the opportunity to express their opinion and to exercise their vote effectively at shareholders' general meetings and that all shareholders were treated equally and protected the rights and obligations of all shareholders.

The Company issued a meeting notice at least 45 days before the holding of a shareholders' general meeting and provided information relevant to participation and decision-making at the meeting, including the agenda, the details of every resolution to be put to the meeting for consideration etc., to the shareholders at least 5 working days before the holding of a shareholders' general meeting. At the general meeting, all shareholders has the opportunity to raise questions about the operation and results of the Group to the director and the directors, supervisors and senior answered the questions of the shareholders except for commercial secrets which could not be disclosed. During the reporting period, the Company held 2 General Meetings and all directors of the Company attended all of the meetings. For details of the general meetings convened by the Company during the reporting period, see the "Profile of the General Meeting" section in the annual report for this year.

The general meeting shall be attended and witnessed by a lawyer appointed by the legal counsel of the Company who shall issue written legal opinions. Meanwhile, according to the requirements of the Hong Kong Stock Exchange, a representative appointed by the accountant and a shareholders representative shall act as the scrutineers to monitor the counting of votes so as to ensure the procedure of the meeting is legal, fair and transparent.

Anhui Expressway Holding Group Company Limited and China Merchants Hua Jian Highway Investment Company Limited are the substantial shareholders of the Company. The Company's business, assets, staff, organization and finance are separated from those of the controlling shareholders, allowing the Company to have complete autonomy over its business and operations. The controlling shareholder exercises its right as a capital contributor strictly in accordance with the relevant provisions of the Company Law and the Article of Association and have not by passed the general meetings to intervene in the decision-making process and operations of the Company directly or indirectly.

## Section X Corporate Governance Structure and Governance Report

### 2. Directors and the Board of Directors

#### *The Board of Directors*

The Board represents interests of all the shareholders and is wholly accountable to General Meetings. It has strictly complied with the “Rules Governing the Operation of the Board” within the authority scope of the Articles of Association, which stipulates the decision-making process related to the development strategies, planning and management and financial control. The Board also supervises and reviews the development and operation of the Company with the primary mission of achieving best operating results for shareholders.

The Company has clearly defined the responsibility of the Chairman and the General Manager. The responsibility of the Board and the management are separated and are set out in detail in the Company’s Articles of Association, the “Rules of proceedings for the Board” and “Standing Orders for the Operation of General Manager”, ensuring a balance of power and authority as well as guaranteeing the independence of the Board in decision-making and the independence of the management in day-to-day operation management activities. The Chairman hosts and coordinates the work of the board of directors and is responsible for leading the board to work out the corporate strategy and fulfil the Group’s goal and ensure the board for effective operation and the Company for good corporate governance and general procedures. Under the support of the board and other senior management, the general manager is responsible for the business and operations of the Group and performs the strategies made by the board and makes daily decision.

During the reporting period, the Company faithfully implemented the decisions made in the stockholders’ meetings, and examined great events within their extent of competence in strict accordance with the regulations. The specialized committees of the board of directors has held specialized meetings respectively, and put forward suggestions and advice on issues like the development strategy and capital operation of the Company, which contributed to the standard operation and scientific decision-making of the board of directors.

The Board holds periodic meetings quarterly and extraordinary meetings if necessary. The notice of periodic Board meeting shall be sent to all Directors at least 10 days before the meeting, and the notice of extraordinary Board meeting shall be sent to all Directors at least 2 days before the meeting. One-thirds or more of Directors may jointly, and the general manager may, convene an extraordinary Board meeting. Supporting documents containing the details of relevant resolutions to be proposed at a Board meeting shall be sent to all Directors at least 3 days before the meeting. The Board held a total of 8 meetings in 2014. Please refer to the section headed “Usual Operation of the Board of Directors” in this annual report for details.

The Board of Directors has established three specific committees in order to assist the Board of Directors in performing duties and operating effectively. In considering matters such as corporate strategies, financial reporting, accounting policies, project investment and the selection of and remuneration for Directors and managers, the proposals will be first submitted to the relevant committee for consideration and discussion, which will review the same within its terms of reference and make recommendations to the Board and has contributed to the improved efficiency and effectiveness of the Board’s decision-making.

## Section X Corporate Governance Structure and Governance Report

The management is responsible for the provision of relevant materials and information necessary for the Board's consideration of various proposals and arranging for the senior management to report works at a Board meeting. The Board and the specialized committees under the Board shall have the right to seek the service of independent professional institutions according to the needs of the exercise of authority, performance of duties or businesses, and the reasonable expenses incurred thereon shall be borne by the Company. During the year, none of the Directors has requested to seek independent professional opinions for any matter.

When a Board Meeting considers any transaction, the Directors shall report their interests involved, and shall not be avoid attending the meeting where appropriate. According to the "Rules of proceedings for Board" of the Company, if a director has a conflict of interest in any material matter, the connected director must abstain from voting when a Board Meeting is held. During the reporting period, when the Board of the Company considered connected transactions, all relevant directors complied with the principle of avoidance and abstained from voting. The independent non-executive directors expressed their opinions about procedural compliance and the fairness of the transactions.

The minutes of a board meeting set out in detail the date, venue and agenda of the meeting, key points made by directors, the voting result of each item put to the vote etc. The minutes of a board meeting are kept as files of the Company which can be accessed by directors at any time through the secretary to the Board.

## Section X Corporate Governance Structure and Governance Report

### Director

At present, the board of directors of the Company composed of 9 directors, including 4 executive directors, 2 non-executive directors and 3 independent non-executive directors, this board is the seventh board of the Company, and the directors possess industry background or professional skills on highway industry, engineering construction, investment strategy, company management, financial accounting, law, investment bank, etc. respectively. Among all the directors, there are 3 independent non-executive directors and 1 independent non-executive director with professional knowledge about accounting. Independent non-executive directors are equipped with abundant professional knowledge and management experience in company management, finance and securities, financial management, etc. and hold important posts in the specialized committees. Independent non-executive directors account for more than half of all the directors in both audit committee and human resource and remuneration committee; the chairmen of the committees are also independent non-executive directors. The staff arrangement for members of the board of directors and the specialized committees meets the requirement of the Instruction to Establishing Non-executive Director System in Public Companies . Please refer to section IX of the annual report for the biography of directors (including their professional background and working experience in the stockholding company and other companies) and the term of appointment of non-executive directors.

Directors' attendance of board meetings and shareholders' meetings

Name	Independent non-executive director (yes or no)	Times for that should attend during this year	Attend board meeting				Absent Times	Two successive be absent the meeting (yes or no)	Attend shareholders' meeting Times for attending
			Times for attending in person	Times for on-line meeting	Times for Delegating to attend				
Zhou Renqiang	No	8	3	5	0	0		2	
Tu Xiaobei	No	4	1	3	0	0	No	2	
Li Juejie	No	8	3	5	0	0	No	2	
Li Jiezhi	No	1	0	0	0	0	No	0	
Wu Xinhua	No	8	3	5	0	0	No	2	
Meng Jie	No	8	3	5	0	0	No	2	
Hu Bin	Yes	8	3	5	0	0	No	2	
Yang Mianzhi	Yes	8	3	5	0	0	No	2	
Cui Yunfei	Yes	4	1	3	0	0	No	2	
Chen Dafeng	No	4	2	2	0	0	No	1	
Xie Xinyu	No	4	2	2	0	0	No	1	
Jiang Yifan	Yes	4	2	2	0	0	No	1	

Note: Except for absence of Li Jiezhi for personal reasons, every director has attended all board meetings of their term during the reporting period.

## Section X Corporate Governance Structure and Governance Report

Number of board meetings this year	8
Among: Number of on-site meetings	3
Number of on-line meetings	5
Number of on-line meetings and on-site meetings	0

### *Independent Non-executive Directors and their independence*

The Company has appointed a sufficient number of Independent Non-executive Directors. Pursuant to Rule 3.13 of the Listing Rules of The Stock Exchange of Hong Kong Limited, the confirmations from all Independent Non-executive Directors as to their independence have been received by the Board. The Company considers that all existing Independent Non-executive Directors have complied with the relevant guideline as set out in such Rule, and are still independent.

During the reporting period, apart from attending Board meetings and specialised committee meetings seriously, the 3 Independent Directors of the Company have provided written independent opinions on matters such as the Company's executive appointment and external guarantees, and held 2 meetings with external auditors to discuss the annual audit arrangement and problems identified in the audit. During the reporting period, none of the Independent Non-executive Directors has raised any objections to any matters relating to the Company, and none of them has proposed to convene any Board meeting, general meeting or seek voting rights from public shareholders.

## Section X Corporate Governance Structure and Governance Report

### *Duty performance of directors*

All the directors of the Company are able to receive materials and news about the legal, regulatory and other continuing obligations that directors of public companies have timely with the help of the secretary of the board. The directors are determined to obey the requirement on the training of directors imposed by Code Provision A.6.5 of the Corporate Governance Code which came into force on 1 April 2012 to ensure that the directors can inform the board of directors of relevant information and make related contribution. Reviewing the achievement of this year, directors of the company have attend training session or lectures held by Anhui Securities Bureau and the Hong Kong Institute of Chartered Secretaries, and provided the company with relevant training records. Based on the records, the training the directors received in the year reviewed is as follows:

Director's name	Corporate governance and the update of Laws and regulations		Accounting/finance/ management and other professional skills	
	Perusal of materials	Attendance of lecture/ training session	Perusal of materials	Attendant of lecture/ training session
Zhou Renqiang	√		√	
Tu Xiaobei	√		√	
Li Junjie	√	√	√	√
Li Jiezhi	√	√	√	√
Chen Dafeng	√		√	
Xie Xinyu	√	√	√	√
Wu Xinhua	√		√	
Meng Jie	√		√	
Hu Bin	√		√	
Yang Mianzhi	√		√	
Cui Yunfei	√		√	
Jiang Yifan	√	√	√	√

### *Liability Insurance for Directors, Supervisors*

In accordance with the Listing Rules and senior management of the Stock Exchange of Hong Kong, the Company has purchased liability insurance for directors, supervisors and senior management of the Company and authorized the executive directors or the secretary of the board since 2012, in the case of no significant adjustment of liability limits and premiums budget matters, to handle subsequent annual renewal of insurance.



## Section X Corporate Governance Structure and Governance Report

### *Model Code for Securities Transactions for Directors and Supervisors of the Company*

The Company has adopted the code provisions on the trading of securities by directors and supervisors contained in the “Model Code for Securities Transactions by Directors and Supervisors of Listed Issuers” (“Model Code for Securities Transactions”) as set out in Appendix 10 of the “Listing Rules”. After making specific enquiries of all directors and supervisors, the Company confirms that all directors and supervisors fully complied with the “Model Code for Securities Transactions”.

### *Specific Committees of the Board*

The Board of Directors established three specific committees in order to facilitate the Board of Directors in performing duties and operating effectively. Each of the committee has formulated Authority Scope Letter to define their authority scope and duty procedure and was approved by the Board of Directors.

Members of the specialized committees are appointed by the board of directors with the tenure being 3 years, which is the same to that of directors. Independent non-executive directors assume important posts and responsibilities in specialized committees, and they account for more than half of all the directors in both audit committee and human resource and remuneration committee; the chairmen of the committees are independent non-executive directors.

The table below shows the composition of these committees as at 31st December 2014.

<b>Director/Board committee</b>	<b>Strategic Development and Investment</b>	<b>Human Resources and Remuneration Committee</b>	<b>Audit Committee</b>
Zhou Renqiang	C		
Li Junjie	M		
Wu Xinhua	M	M	
Chen Dafeng	M		
Xie Xinyu			
Meng Jie			M
Hu Bin	M	C	M
Yang Mianzhi			C
Jiang Yifan		M	

Notes:

C Chairman of relevant Board Committee

M Member of relevant Board Committee

## Section X Corporate Governance Structure and Governance Report

### *Strategic Development and Investment Committee (the “Strategic Committee”)*

The Strategic Committee conducts researches and gives advices on long-term strategic development projects, financial plans of major investments, major capital applications, asset management projects and major events affecting the Company’s development.

At at 31 December 31 2014, the committee consisted of Mr Zhou Renqiang (Chairman), Mr. Li Junjie, Mr. Li Jiezhi, Mr. Wu Xinhua Mr. Chen Dafeng and Mr. Hu Bin (Independent Non-executive Directors).

During the reporting period, the strategic development and investment committee passed the analysis and studies on macro-economic status, the policy and trend of industry development and the analysis and studies on risks of financial business. With the main thought unchanged, partial business structure and strategies are re-evaluated and adjusted. The development way in the future is clarified gradually. The advantage of the owner will be strengthened continually and the management level should be improved. Based on these, the company would promote structure transformation in accordance with the policy trend, gradually decrease the investment ratio of non-holding enterprises in similar financial business to control the risk and explore and establish the multi-business development system gradually; overseas resource should be taken as the support for the development of the primary business and accelerate the development of the company and the internalization of the company with overseas platform as the basis to discover and take advantage of financial opportunity to cultivate new profit for the company.

### *Audit Committee*

The Audit Committee is mainly responsible for supervising the Company’s internal control system and its execution, evaluating financial information and related disclosure, reviewing the internal control system and monitoring its operation, auditing major connected transactions and also communicating, supervising and investigating the Company’s internal and external audits.

As at 31 December 31 2014, the Committee of the Company composed of Mr. Yang Mianzhi (chairman), Mr. Meng Jie and Mr. Hu Bin, all being non-executive directors and two of them being Independent Non-executive Directors. In the year 2014, the Audit Committee convened 6 meetings. Details of attendance of the meetings of the Audit Committee are as follows:

<b>Member’s name</b>	<b>Attend the meeting in person (times)</b>	<b>Should attend the meeting (times)</b>	<b>Attendance</b>
Yang Mianzhi	6	6	100%
Wu Xinhua	4	4	100%
Hu Bin	6	6	100%
Meng Jie	2	2	100%

## Section X Corporate Governance Structure and Governance Report

The Audit Committee convened 6 meetings during the reporting period and had sufficient communication with the Company and the auditors, reviewed the 2013 annual, 2014 first quarterly, interim and third quarterly financial statements of the Company. It agreed to submit for the board, approval the 2014 audited report, internal control and self evaluation report and the re-appointment of Price Waterhouse Coopers (special general partnership) and PricewaterhouseCoopers as the audit institutions in the new year. In addition, the Committee issued audit opinions to the appraisal report that the Company intended to transfer stacks of Xin'an Financial, the daily connected transactions of 2014 that expected by the Company and the changes in accounting policies, etc.

### *The Human Resources and Remuneration Committee (the "Remuneration Committee")*

The committee has specified the specific terms of reference in writing, which explained clearly the authority and responsibilities of the committee. The responsibilities of Nomination Committee and Remuneration Committee specified in the Code Provisions, except for certain amendments made as needed, have been included.

As at 31 December 31 2014, the Remuneration Committee of the Company composed of 1 non-executive director and 2 independent non-executive directors, with the members being Mr. Hu Bin (the chairman of the committee) Mr. Wu Xinhua and Mr. Jiang Yifan, which lives up to requirement of relevant regulations. The major responsibilities of the Remuneration Committee of the board of directors are: making human resource development strategies and plans for the company, researching and formulating compensation policies and incentive mechanism, conducting performance appraisal of and put forward suggestions as to the appointment and dismissal of directors, general managers and other senior executives of the Company.

In accordance with the new amendments made to the listing rules, the board of directors approved adoption of the new terms of reference in 2012. According to the new terms of reference, Remuneration Committee acts as the consultant in terms of the compensation of directors and senior executives of the company while the board of directors reserves the final authority in approving the compensation of directors and senior executives.

In 2014, the Remuneration Committee held 2 meeting. The attendance record for the meetings of the Remuneration Committee is as follows:

<b>Member's name</b>	<b>Number of meetings attended in person</b>	<b>Number of meetings that the member ought to attend</b>	<b>Attendance</b>
Hu Bin	2	2	100%
Wu Xinhua	2	2	100%
Jiang Yifan	2	2	100%

During the reporting period, the main achievement of Remuneration Committee consists of reviewing the director candidates recommended by shareholders, nominating new independent director candidates, planning compensation solution of the new board, confirming person selected of senior managements' qualification appointed by the new board, giving independent opinions, reviewing the of the remuneration of directors, supervisors and senior managements to be published in the annual report to ensure that it is truthful and accurate and was consistent with the actual condition.

## Section X Corporate Governance Structure and Governance Report

### *Summary of Board Diversity Policy*

In order to promote the quality of its performance, the Company's board of directors resolved to adopt Board Diversity Policy on 23 August 2013.

This Policy aims to set out the approach to achieve diversity on the Company's board of directors. The Company recognises and embraces the benefits of having a diverse Board. Human resources and remuneration committee is committed to ensuring required skill, experience and view of diversity for the Company's business. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Human resources and remuneration committee will monitor the implementation of this Policy and I review this Policy, as appropriate, to ensure the effectiveness of this Policy.

Besides reviewing, Human resources and remuneration committee did not set any measurable objectives for implementing this Policy for the time being this year.

### **3. Supervisor and Supervisory Committee**

The Supervisory Committee consists of three supervisors, including one employee's representative. The size and composition of the Supervisory Committee has complied with the requirements of the legal rules and regulations such as the Company Law. The Supervisory Committee is responsible to all shareholders as a whole and exercises the supervisory rights of the Company according to law. Its core duties, among others, are to supervise the corporate finances and also to ensure that the directors and senior management are performing their duties with due diligence with a view to safeguarding corporate assets and protecting legal interests of the Company and its shareholders.

In 2014, the Supervisory Committee convened 6 meetings with all supervisors present, supervised the performance of duties by the Company's financial personnel, Directors and senior management in compliance with the laws and regulations on behalf of the shareholders, attended all the Board meetings and Shareholders' General Meetings, and conscientiously performed its duties. The details of the relevant work are set out in the "Supervisory Committee's Report" in this annual report.

## Section X Corporate Governance Structure and Governance Report

### 4. Information Disclosure

The Company has faithfully fulfilled the legal information disclosure obligation and disclosed information on time with truthfulness, accuracy and completeness strictly according to the *disclosure of information management system* to ensure information disclosure in an open, fair and just way and that all shareholders can enjoy equal and full right of accessing information, and increase the transparency of the Company. In case there is any difference between the requirements of Hong Kong Stock Exchanges and Shanghai Stock Exchange, the Company shall prepare documents and make disclosures as much as possible and as strict as possible. The secretary of the Board is responsible for carrying out disclosure of information.

During the reporting period, the Company published annual, interim and quarterly results and issued 4 periodic reports and 60 extraordinary announcements according to the listing rules of Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, which disclosed the Company's results and financial information, dividends payable, operations of the Board and Supervisory Committee and the convening of the general meetings objectively and in detail. The relevant announcements were published in the China Securities Post and Shanghai Securities Post and on the website of Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Company.

### 5. Investor Relations

The management of the Company has consistently emphasized investor relations management and has formulated the "Measures for the Administration of Investor Relations" and reinforced investor relations management in terms of the management structure and the internal control system. The Company held diverse investor relationship activities using different media to build smooth communication channel with investors. Excellent communication platform has been built by means of websites, hotline and email; information about production, management and operation has been disclosed in a timely, accurate and complete manner; the transparency and international fame of the company has been improved by attendance at the 2014 China Summit held by JP Morgan Chase, thus building a marvelous external image for the company.

## Section X Corporate Governance Structure and Governance Report

### 6. Training for the secretary of the Company

Mr. Xie Xinyu, the secretary of the Company is a contact member of HKICS. During the reporting period, Mr. Xie Xinyu attended 1 lecture about strengthening the continuing professional development held by HKICS, the total hours reaching 17 hours, the content of which covers the macro economic situation analysis and prospect at home and abroad, An Overview of the latest Revision and Regulatory focus of Hong Kong Listing Rules and Regulations, the Preparation of Annual Auditing of Financial Statements and Performance Reporting, Prevention and Control of Insider Trading and Abnormal stock Trading Regulation, etc.

The independent director of the Company Mr. Cui Yunfei and Mr. Yang Mianzhi attended SSE independent director follow-up training in April and July 2014 respectively. Mr. Jiang Yifan attended SSE independent director qualification training in November 2014.

Besides, Ms. Han Rong, the secretary of the board of directors attended related professional training held by SSE in order to acquire professional knowledge and skills and better support the operation of the board.

### 7. Registration management for insiders of inside information

The company has drawn up Registration Management for Insiders of Inside Information . During the reporting period, the company registered in details the relevant personnel, items, time of knowing the information and usage related to the inside information in strict accordance with the regulations of the system, and required the relevant personnel to make commitment and reminded them to fulfill their obligation of keeping secrets. During the period under review, the Company did not discover any non-compliance with the said rules.

## Section X Corporate Governance Structure and Governance Report

### II. About the General Meeting

Session	Date	Polling results	Query indexes	Disclosure date of the published resolution
2013 Annual General Meeting	16 May 2014	Except resolution number 6 concerning “the exemption to implement the long-term incentive plan” not yet passed, all other resolutions set out in the Notice were duly passed by the Shareholders by way of poll.	《Shanghai Securities News》《China Securities journal》 <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> <a href="http://ww.anhui-expressway.net">http://ww.anhui-expressway.net</a>	17 May 2014
The First Extraordinary General Meeting In 2014	15 August 2014	All resolutions set out in the Notices were duly passed by the Shareholders by way of poll.	《Shanghai Securities News》《China Securities journal》 <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a> <a href="http://ww.anhui-expressway.net">http://ww.anhui-expressway.net</a>	16 August 2014

Resolutions passed in 2013 Annual General Meeting were as follows:

- To approve the report of the board of directors, the report of the supervisory committee, the audited financial report and the profit appropriation proposal for the year 2013; (Ordinary resolution)
- To approve the appointment of the auditors for the year 2014 and to authorize the board of directors in determining their remuneration; (Ordinary resolution)
- To approve the exercise by the Board of Directors of the Company of all the powers of the Company to allot or issue new shares (H Shares). (Special resolution)

Resolutions passed in the first extraordinary general meeting in 2014 at the EGM were as follows:

- To elect the non-independent directors of the Board of the Company for the seventh session by way of accumulated voting system voting one by one;
- To elect the independent directors of the Board of the Company for the seventh session by way of accumulated voting system voting one by one;
- To elect the members of the Supervisory Committee of the Company for the seventh session by way of accumulated voting system voting one by one;
- To determine the remuneration of the members of the Board and the Supervisory Committee of the Company for the seventh session, to authorize the Board to decide on the terms of the service contracts of the directors and supervisors;
- To consider and approve the proposed application for the registration of RMB 1,000,000,000 short-term financing bill (Special resolution);
- To consider and approve item by item the proposed issuance of corporate bonds (Special resolution).

## Section X Corporate Governance Structure and Governance Report

### **The method of General Meeting, held extraordinary general meeting by shareholders and making suggestions**

According to the articles of association, Article 88, half of the total number of the independent non-executive directors, Shareholders who singly or jointly hold more than 10 per cent of the shares carrying rights to vote (hereinafter called "Requisitioning Shareholder") or supervisory committee, may request the board of directors to convene an extraordinary general meeting or a class meeting in accordance with the following procedures:

- (1) Upon requisition by more than half of the independent non-executive directors to convene an extraordinary general meeting, the board of directors must act according to the laws, administrative rules and the Articles herein, and provide written reply on whether they agree or disagree to convene the extraordinary general meeting within 10 days of the date of receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after such a board resolution is made, If the board of directors decline to convene an extraordinary general meeting, reasons must be given and announced.

- (2) Requisitioning Shareholder or supervisory committee signing a written requisition in one or more counterparts in the same form and content (including the agenda for the meeting and completed motion, Requisitioning Shareholder or supervisory committee shall ensure the motion comply with law, regulation and the requirements of these Articles) require the board of directors to convene an extraordinary general meeting or a class meeting and state in such written requisition the matters to be considered at the meeting.
- (3) The board of directors shall, after receipt of the aforesaid written requisition from the supervisory committee, within 15 days issue a notice to convene an extraordinary general meeting or class meeting The process by which the meeting is convened shall comply with these Articles. The number of shares held by the shareholders as at the date of the deposit of the written requisition shall be taken as the number of shares held by them for the purposes of this sub-paragraph.



## Section X Corporate Governance Structure and Governance Report

- (4) As regards to the written requisition from the Requisitioning Shareholder for convention of extraordinary general meeting or a class meeting, the board of directors shall be based on the law, regulation and these Articles to determine whether to convene general meeting. The decision of the board of directors shall be given to the Requisitioning Shareholder within 15 days from the date of the aforesaid written requisition.

The board of directors consents to the convention of general meeting shall give notice of general meeting within 15 days from the date of their resolution. Amendment to the original motion to be stated in the notice shall be agreed by the Requisitioning Shareholder. After the issue of notice, the board of directors shall not make new motion. The board of directors shall not change or postpone the time for convention of meeting without consent of the Requisitioning Shareholder.

The board of directors of the opinion that the motion made by the Requisitioning Shareholder is violating the law, regulation and the provisions of these Articles, the board of directors shall make the decision for not agreeing to the convention of general meeting or class meeting. The notice of the decision of the board of directors shall be given to the Requisitioning Shareholder in writing within 15 days from the date of their resolution. The Requisitioning Shareholder may, within 15 days from the date of receipt of notice, decide to give up the convention of general meeting or class meeting, or issue notice of general meeting or class meeting by himself.

- (5) If the board of directors fails to issue a notice convening a meeting within 30 days of its receipt of the aforesaid written requisition, the requisitioning shareholders may on their own convene a meeting within 4 months of the receipt of such requisition by the board of directors. Such a meeting shall be convened in a manner as nearly as possible to that of a general meeting convened by the board of directors.

All reasonable expenses incurred in relation to a meeting convened by the shareholders themselves which arises from the failure of the board of directors to convene a meeting pursuant to the requisition shall be borne by the Company and shall be set off against sums owed by the Company to those directors in default.

- (6) When supervisory committee or Requisitioning Shareholder decide to convene an extraordinary general meeting or class meeting by itself, it shall give written notice to the board of directors and at the same time notify the local agent of China Securities Regulatory Commission and file at the stock exchange in China. The content of the notice for convention of meeting shall comply with the following requirements:
- (i) new content shall not be added to the a motion, otherwise the supervisory committee or Requisitioning Shareholder shall make a request to the board of directors for convention of meeting again in accordance with the provision of this Article;
  - (ii) the venue for the meeting shall be the legal address of the Company.

## Section X Corporate Governance Structure and Governance Report

- (7) As regards to general meeting or class meeting convened by Supervisory committee or Requisitioning Shareholder, the board of directors and Secretary of the board of directors shall perform their duties. The board of directors shall ensure that the procedure of the meeting is regular, the reasonable costs for convention of meeting shall be borne by the Company.
- (8) Where the board of directors cannot assign a director to be chairman of the meeting, the meeting shall be presided by supervisory committee or the Requisitioning Shareholder according to these Articles. The secretary of the board of directors shall perform his duty. Other procedure for summoning of meeting shall comply with the provisions of law, regulation and these Articles.
- (9) The Requisitioning Shareholder shall submit relevant evidence to the local agent of China Securities Regulatory Commission and stock exchange in China when issuing a notice of general meeting and board resolution.

And according to articles of association, Article 65, where the Company convenes general meeting, board of directors, Supervisory of Committe and shareholders, solely or jointly, holding more than 3 per cent. (including 3 per cent) the total shares of the Company carrying the right to vote are entitled to submit in writing any new proposal for the Company's consideration. The Company shall include in the agenda of that meeting those matters contained in the proposal which are within the scope of the duties of the shareholders in general meeting. Shareholders, solely or jointly, holding more than 3 per cent the total shares of the Company, may on or before the 10 days prior to the holding of a general meeting propose, with written submission to the convener, temporary proposal. The convener shall within 2 days from the date of receipt of such proposal issue a supplementary notice, in respect of the announcement of the contents of the temporary proposal, to the general meeting. Apart from the situation stipulated in the previous sub-clauses, after the announcement of the notice of general meeting, the convener shall not amend proposed resolution stated in notice of the general meeting or to add any new proposed resolution. Any resolution which is not stated in the notice of general meeting or not complied with Article 98 of these Articles shall not be proposed for voting and be resolved.

## Section X Corporate Governance Structure and Governance Report

### **Amendment to the Company's Constitutional Documents**

During year under review, there was no significant amendment to the constitutional documents of the Company.

### **Auditors**

The audit committee has discussed and evaluated the accountants' professional quality and the execution of 2014 audit work and presented relevant opinions and improving ideas. The appointment of change in auditors, and the determination of the audit fees will be approved or authorized at General Meeting presented by the Board.

The 2013 Annual General Meeting has approved to continue to appoint PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co. Ltd and PricewaterhouseCoopers Certified Public Accountants as the Company's 2014 PRC and Hong Kong auditors. In 2014, the audit fees were RMB 2,400,000, apart from the said fees, the Company did not pay any other fees to the auditors. There were no fees that would affect their independence. For details, please refer to the section VII "Major Events" in the 2014 annual report.

### **Internal Control**

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

In 2014, the Board of Directors continuously reviewed the internal control system of the Company and prepared the Self-evaluation Report Regarding of Internal Control of the Company, to elaborate and explain the objectives of internal control, the composition and implementation of the internal control systems and the overall evaluation results. For details, please refer to the 2014 Self-evaluation Report Regarding of Internal Control of the Company.

### **Internal audit**

In order to independently review the effectiveness of the Group's operation, management and internal control system, the Audit Department was established in September 2008. The Audit Department reports on a regular basis the audit results, recommendations for improvement, responses and improvement plans of auditees and rectification results to the Board.

## Section X Corporate Governance Structure and Governance Report

### **Responsibility statement made by the board of directors on financial statement**

This statement aims at explaining and distinguishing the responsibilities assumed by the directors and auditors respectively as to financial statement. The statement should be read together with the auditors' statement in the audit report in section XII of the annual report.

The board of directors held that: the resources the company owns are abundant for the company to continue operating the business in the foreseeable future. Therefore, the financial statement was made on the basis of continual operation; and in making the financial statement, the company has applied appropriate accounting policies. These policies were applied with the support of reasonable and prudent judgment and evaluation, in line with all the accounting standards regarded as applicable by the board of directors. The directors are responsible for ensuring that the accounts made by the company can reflect the financial condition of the company in a reasonable and accurate way, and that the financial statement meets the requirement of relevant accounting principles.

### **The method of asking the board of directors for inquiring information**

If the shareholders have any enquiries, they can write to the company; noting that the addressee is the secretary of the company.

## Section XI Report of the Supervisory Committee

In 2014, all members of the Supervisory Committee have strictly complied with the requirements of the “Company Law”, “Listing Rules”, “the Articles of Association” of the Company and “the Standing Orders of the Supervisory Committee”. Under the general principle of the faith, they performed their duties prudently and actively with an aim to protect the statutory interests of the shareholders and the Company.

The major jobs of the board of supervisors during the reporting period include: knowing about and supervising the behaviors of directors, general managers and other senior executives in daily management and in making operational decisions, judging whether their behaviors are legitimate and reasonable; examining carefully the business performance and financial condition of the company, discussing and checking the financial reports to be submitted to the stockholders’ meeting by the board of directors; supervising, examining and coordinating the development, execution and improvement of the company’s internal control.

In 2014, the Supervisory Committee held 6 meetings, the notice, convening and resolutions of which were in accordance with the statutory procedures and the Articles of Association of the Company. It attend 8 board on-site meetings and 2 general meetings of stockholders as non-voting attendee. During the reporting period, the items that the Supervisor representative of the Company negotiates or sues to the directors has not occurred.

The Supervisory Committee issued the following opinions related to relevant items in 2013 in accordance with relevant regulations:

### **I. Compliance with laws in operation**

During the reporting period, the Supervisory Committee conducted supervisions on the procedures for convening shareholders’ general meetings and Board meetings, matters to be resolved, implementation of resolutions of general meetings by Directors, and implementation of Board resolutions by the management, and considered that the procedures for the Company’s establishment of various systems were regularized, system implementations, daily operation and management activities were operated in accordance with the laws and regularized operations, the internal system constantly perfected and the corporate governance improved. The Directors and senior management of the Company were able to prudently and diligently perform their duties for the overall benefits of the shareholders and the Company. There were no actions in violation of the laws and regulations, and no abuse of powers or actions which might harm the benefits of the Company and the interests of the shareholders and the staff.

### **II. Financial condition of the Company**

The Supervisory Committee carefully examined the 2014 financial report made by the company’s board of directors to be submitted to the stockholders’ meeting, considered that the report was objective, true, and fairly reflected the financial situation, operation results and cash-flow of the Company.

## Section XI Report of the Supervisory Committee

### III. Connected transactions of the Company

The Supervisory Committee was of the opinion that all contracts, agreements and other relevant documents pertaining to the connected transactions complied with the laws. These contracts and agreements were fair and reasonable, without prejudice to the interests of the Company and its shareholders. The connected transactions were conducted strictly in compliance with fair, partial and open principles. In order to safeguard the interests of the public shareholders, the Company processed the connected transactions of which its controlling shareholders are parties to it in accordance with applicable requirements. No act of which is damaging to the interests of the public shareholders was reported.

### IV. Changes of Accounting Policy

During the reporting period, issued by the ministry of finance in 2014 or the revision of the accounting standard for business enterprises, the Company made related changes to the accounting policy accordingly. Upon examination, the board of supervisors think that related accounting policy changes is reasonable, in line with the company actual situation, also comply with the provisions of the relevant accounting standards and relevant state policies, and did not find any violation of the ordinances and inner management system in the vetting process of changes in accounting policy.

### V. Self-evaluation report on internal control

The Supervisory Committee has conscientiously reviewed the “self-evaluation report on the internal control of the Company of 2014” issued by the Board and considers: The internal control system of the Company was sound and its implementation was effective, and no material defects in the design or implementation of internal control were identified. The report gives an objective and fair view of the actual situation of the internal control of the Company and the committee has not objection to the report.

*By Order of the Supervisory Committee*

**Qian Dongsheng**

*Chairman*

Hefei, Anhui, the PRC

27 March 2015

# Independent Auditor's Report



羅兵咸永道

## To the shareholders of

### Anhui Expressway Company Limited

*(Incorporated in the People's Republic of China with limited liability)*

We have audited the consolidated financial statements of Anhui Expressway Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 104 to 199, which comprise the consolidated and company balance sheets as at 31 December 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

# Independent Auditor's Report

## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 27 March 2015

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)*



# Consolidated balance sheet

As at 31 December 2014

(All amounts in Renminbi thousand unless otherwise stated)

ASSETS	Note	As at 31 December	
		2014	2013
<b>Non-current assets</b>			
Concession intangible assets	6	9,222,294	9,034,524
Land use rights	7	12,407	9,958
Property, plant and equipment	8	888,336	955,257
Investment properties	9	372,172	378,009
Intangible assets	10	1,698	2,490
Investments in an associate	13	72,187	55,973
Deferred income tax assets	25	28,910	—
Available-for-sale (“AFS”) financial assets	14	276,927	515,000
		<b>10,874,931</b>	<b>10,951,211</b>
<b>Current assets</b>			
Inventories	16	2,617	3,824
Trade and other receivables	15	193,300	440,169
Restricted cash	17	97,000	358,403
Cash and cash equivalents	17	462,945	545,670
		<b>755,862</b>	<b>1,348,066</b>
<b>Total assets</b>		<b>11,630,793</b>	<b>12,299,277</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary share capital	18	1,658,610	1,658,610
Share premium	18	1,415,593	1,415,593
Other reserves	19	161,060	115,991
Retained earnings			
– Proposed final dividend	35	381,480	364,894
– Others		4,067,709	3,595,708
		<b>7,684,452</b>	<b>7,150,796</b>
<b>Non-controlling interests</b>	11(f)	<b>847,613</b>	<b>834,213</b>
<b>Total equity</b>		<b>8,532,065</b>	<b>7,985,009</b>

## Consolidated balance sheet (Continued)

As at 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

LIABILITIES	Note	As at 31 December	
		2014	2013
<b>Non-current liabilities</b>			
Long-term payables	24	749,815	644,328
Borrowings	22	851,438	577,050
Deferred income tax liabilities	25	191,736	131,827
Deferred income	20	37,279	39,453
		<u>1,830,268</u>	<u>1,392,658</u>
<b>Current liabilities</b>			
Trade and other payables	21	716,655	692,036
Current income tax liabilities		96,229	48,809
Provision	23	13,063	17,638
Borrowings	22	442,513	2,163,127
		<u>1,268,460</u>	<u>2,921,610</u>
<b>Total liabilities</b>		<u>3,098,728</u>	<u>4,314,268</u>
<b>Total equity and liabilities</b>		<u>11,630,793</u>	<u>12,299,277</u>
<b>Net current liabilities</b>		<u>(512,598)</u>	<u>(1,573,544)</u>
<b>Total assets less current liabilities</b>		<u>10,362,333</u>	<u>9,377,667</u>

The notes on pages 113 to 199 are an integral part of these consolidated financial statements.

The financial statements on pages 104 to 199 were approved by the Board of Directors on 27 March 2015 and the balance sheets were signed on its behalf by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Balance sheet of the Company

As at 31 December 2014

(All amounts in Renminbi thousand unless otherwise stated)

ASSETS	Note	As at 31 December	
		2014	2013
<b>Non-current assets</b>			
Concession intangible assets	6	<b>4,956,545</b>	5,326,604
Land use rights	7	<b>12,407</b>	9,958
Property, plant and equipment	8	<b>666,906</b>	709,676
Investment properties	9	<b>353,991</b>	370,975
Intangible assets	10	<b>520</b>	958
Investments in subsidiaries	11	<b>920,185</b>	864,326
Loans to subsidiaries	12	<b>1,048,587</b>	889,570
Investments in an associate	13	<b>18,999</b>	18,999
AFS financial assets	14	<b>276,927</b>	515,000
		<b>8,255,067</b>	8,706,066
<b>Current assets</b>			
Inventories	16	<b>2,457</b>	3,486
Trade and other receivables	15	<b>168,981</b>	327,738
Restricted cash	17	<b>97,000</b>	358,403
Cash and cash equivalents	17	<b>292,498</b>	396,570
		<b>560,936</b>	1,086,197
<b>Total assets</b>		<b>8,816,003</b>	9,792,263
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary share capital	18	<b>1,658,610</b>	1,658,610
Share premium	18	<b>1,415,593</b>	1,415,593
Other reserves	19	<b>992,376</b>	947,307
Retained earnings			
– Proposed final dividend	35	<b>381,480</b>	364,894
– Others		<b>3,513,252</b>	2,958,044
<b>Total equity</b>		<b>7,961,311</b>	7,344,448

## Balance sheet of the Company (Continued)

As at 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

LIABILITIES	Note	As at 31 December	
		2014	2013
<b>Non-current liabilities</b>			
Borrowings	22	<b>94,668</b>	—
Deferred income tax liabilities	25	<b>30,996</b>	11,125
Deferred income	20	<b>37,279</b>	39,453
		<b>162,943</b>	50,578
<b>Current liabilities</b>			
Trade and other payables	21	<b>195,729</b>	196,845
Current income tax liabilities		<b>83,223</b>	31,242
Provisions	23	<b>12,797</b>	17,373
Borrowings	22	<b>400,000</b>	2,151,777
		<b>691,749</b>	2,397,237
<b>Total liabilities</b>		<b>854,692</b>	2,447,815
<b>Total equity and liabilities</b>		<b>8,816,003</b>	9,792,263
<b>Net current liabilities</b>		<b>(130,813)</b>	(1,311,040)
<b>Total assets less current liabilities</b>		<b>8,124,254</b>	7,395,026

The notes on pages 113 to 199 are an integral part of these consolidated financial statements.

The financial statements on pages 104 to 199 were approved by the Board of Directors on 27 March 2015, and the balance sheets were signed on its behalf by:

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

# Consolidated income statement

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Year ended 31 December	
		2014	2013
<b>Revenue</b>	27	<b>3,036,589</b>	3,403,817
Cost of sales	29	<b>(1,722,115)</b>	(2,066,306)
<b>Gross profit</b>		<b>1,314,474</b>	1,337,511
Other gains - net	28	<b>151,278</b>	88,475
Administrative expenses	29	<b>(149,648)</b>	(99,149)
<b>Operating profit</b>		<b>1,316,104</b>	1,326,837
Finance costs	31	<b>(172,689)</b>	(144,828)
Share of profit of an associate	13	<b>16,214</b>	14,657
<b>Profit before income tax</b>		<b>1,159,629</b>	1,196,666
Income tax expenses	32	<b>(300,890)</b>	(288,395)
<b>Profit for the year</b>		<b>858,739</b>	908,271
<b>Attributable to:</b>			
Owners of the Company		<b>852,105</b>	839,142
Non-controlling interests		<b>6,634</b>	69,129
		<b>858,739</b>	908,271
<b>Basic and diluted earnings per share</b> (expressed in RMB per share)	34	<b>0.5137</b>	0.5059
<b>Dividends</b>	35	<b>381,480</b>	364,894

The notes on pages 113 to 199 are an integral part of these consolidated financial statements.

# Consolidated statement of comprehensive income

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

	Year ended 31 December	
	2014	2013
<b>Profit for the year</b>	<b>858,739</b>	908,271
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit or loss</i>		
Change in value of available-for-sale financial assets	<b>46,445</b>	—
<b>Total comprehensive income for the year</b>	<b>905,184</b>	908,271
<b>Attributable to:</b>		
Owners of the Company	<b>898,550</b>	839,142
Non-controlling interests	<b>6,634</b>	69,129
	<b>905,184</b>	908,271

The notes on pages 113 to 199 are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Attributable to owners of the Company				Non-controlling Interests	Total
		Ordinary share capital (Note 18)	Share premium (Note 18)	Other reserves	Retained earnings		
<b>Balance at 1 January 2013</b>		<u>1,658,610</u>	<u>1,415,593</u>	<u>117,367</u>	<u>3,451,806</u>	<u>777,111</u>	<u>7,420,487</u>
<b>Comprehensive income</b>							
Profit for the year ended 31 December 2013		—	—	—	839,142	69,129	908,271
Other comprehensive income		—	—	—	—	—	—
<b>Total comprehensive income</b>		—	—	—	839,142	69,129	908,271
Others	19	—	—	(1,376)	1,376	—	—
<b>Transactions with owners</b>							
Dividends relating to 2012	35	—	—	—	(331,722)	—	(331,722)
Dividends paid to non-controlling interests of subsidiaries relating to 2012		—	—	—	—	(73,588)	(73,588)
Difference between the carrying amount and undiscounted amount of interest free loan received from non-controlling interests, net of tax	11(b), 24, 25	—	—	—	—	61,561	61,561
<b>Balance at 31 December 2013</b>		<u>1,658,610</u>	<u>1,415,593</u>	<u>115,991</u>	<u>3,960,602</u>	<u>834,213</u>	<u>7,985,009</u>

## Consolidated statement of changes in equity (Continued)

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Attributable to owners of the Company				Non-controlling Interests	Total
		Ordinary share capital (Note 18)	Share premium (Note 18)	Other reserves	Retained earnings		
<b>Comprehensive income</b>							
Profit for the year ended 31 December 2014		—	—	—	852,105	6,634	858,739
<b>Other comprehensive income</b>							
Fair value gains on AFS financial assets, net of tax	14	—	—	46,445	—	—	46,445
<b>Total comprehensive income</b>		—	—	46,445	852,105	6,634	905,184
Others	19	—	—	(1,376)	1,376	—	—
<b>Transactions with owners</b>							
Dividends relating to 2013	35	—	—	—	(364,894)	—	(364,894)
Dividends paid to non-controlling interests of subsidiaries relating to 2013		—	—	—	—	(92,175)	(92,175)
Difference between the carrying amount and undiscounted amount of interest free loan received from non-controlling interests, net of tax	11(b), 24, 25	—	—	—	—	98,941	98,941
<b>Balance at 31 December 2014</b>		<b>1,658,610</b>	<b>1,415,593</b>	<b>161,060</b>	<b>4,449,189</b>	<b>847,613</b>	<b>8,532,065</b>

The notes on pages 113 to 199 are an integral part of these consolidated financial statements.



# Consolidated cash flow statement

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Year ended 31 December	
		2014	2013
<b>Cash flows from operating activities</b>			
Cash generated from operations	37	1,235,927	716,912
Interest paid		(162,402)	(136,224)
Income tax paid		(270,934)	(279,069)
<b>Net cash generated from operating activities</b>		<b>802,591</b>	<b>301,619</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(50,507)	(49,221)
Purchase of intangible assets	10	(107)	(3,466)
Net decrease/(increase) in restricted cash	17	261,403	(358,403)
Net decrease/(increase) in purchasing financial products	15	130,000	(130,000)
Proceeds from sales of AFS financial assets	14	339,000	—
Proceeds from sales of property, plant and equipment		522	56
Interest received	28	40,743	7,531
Dividends received from AFS financial assets	15(b)	106,800	38,999
<b>Net cash generated from/(used in) investing activities</b>		<b>827,854</b>	<b>(494,504)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings and long-term payables		959,524	603,075
Repayments of bank borrowings		(173,541)	(196,950)
Repayments of corporate bonds	22(a)	(2,000,000)	—
Repayments of long-term payables to non-controlling interests		(34,826)	(31,078)
Dividends paid to the non-controlling interests		(99,133)	(66,629)
Dividends paid to the Company's shareholders	35	(364,894)	(331,722)
<b>Net cash used in financing activities</b>		<b>(1,712,870)</b>	<b>(23,304)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(82,425)</b>	<b>(216,189)</b>
Cash and cash equivalents at beginning of the year		545,670	762,838
Exchange losses on cash and cash equivalents		(300)	(979)
<b>Cash and cash equivalents at end of the year</b>		<b>462,945</b>	<b>545,670</b>

The notes on pages 113 to 199 are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 1 General information

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

The Company's H shares and A shares have been listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange since November 1996 and January 2003 respectively. The address of its registered office is No. 520, West Wangjiang Road, Hefei, Anhui, the PRC.

As at 31 December 2014, the Group's toll roads and concession period granted are shown as follows:

<b>Toll road</b>	<b>Length kilometres</b>	<b>Concession periods granted</b>
Hening Expressway	134	From 16 August 1996 to 15 August 2026
National Trunk 205 Tianchang Section	30	From 1 January 1997 to 31 December 2026
Xuanguang Expressway	67	From 1 January 1999 to 31 December 2028
Gaojie Expressway	110	From 1 October 1999 to 30 September 2029
Lianhuo Expressway Anhui Section	54	From 1 January 2003 to 30 June 2032
Xuanguang Expressway Nanhuan Section	17	From 1 September 2003 to 31 December 2028
Ninghuai Expressway Tianchang Section	14	From 18 December 2006 to 17 June 2032
Guangci Expressway	14	From 20 July 2004 to 20 July 2029
Ningxuanhang Expressway Anhui Section	122	Under construction as at 31 December 2014*

\* In 2013 the section of Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section was officially opened to traffic. The length of toll road is 46 kilometres and the temporary granted concession period is 5 years starting from 8 September 2013. The formal granted concession period for Ningxuanhang Expressway Anhui Section will be determined according to future assessment and relevant provisions. As at 31 December 2014, the remaining road section is still under construction.

These financial statements are presented in thousand of Renminbi ("RMB'000"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 27 March 2015.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

As at 31 December 2014, net current liabilities of the Group amounted to RMB 512,598 thousand mainly resulted from construction payables for Ningxuanhang Expressway Anhui Section. As at 31 December 2014, the Group has unused bank borrowing facilities of RMB 5,971,310 thousand. The management of the Group estimates that the Group has sufficient unused bank borrowing facilities and operating cash flow to repay all the current liabilities when they are due. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Further analysis on the Group’s liquidity risk is given in Note 3.1.

#### 2.1.1 Changes in accounting policies and disclosures

##### (a) *New amendments and interpretation of HKFRS effective in 2014 adopted by the Group*

The following amendments have been adopted by the Group for the first time for the financial year beginning on 1 January 2014:

- Amendment to HKAS 32 “Financial Instruments: Presentation” on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.
- Amendments to HKAS 36 “Impairment of Assets” on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13.

The adoption of the above new amendments and interpretation starting from 1 January 2014 did not give rise to any significant impact on the Group’s results of operations and financial position for the year ended 31 December 2014.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policies and disclosures (continued)

**(b) New amendments and interpretation of HKFRS effective in 2014 but not relevant to the Group**

- HKFRS 10, 12 and HKAS 27 (Amendments) on consolidation for investment entities. These amendments mean that many funds and similar entities will be exempt from consolidating most of the subsidiaries and will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made HKFRS 12 to introduce disclosures that an investment entity needs to make.
- HKFRS 39 (Amendments) "Financial Instruments: Recognition and Measurement" on novation of derivatives. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.
- HK(IFRIC) 21 "Levies" sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to the payment of a levy and when a liability should be recognised.

**(c) New standards and amendments of HKFRS issued but are not effective in 2014 and not early adopted by the Group**

- Some amendments included in Annual Improvements 2012 and 2013 are effective for the annual period beginning on or after 1 July 2014, including:
  - HKAS 24 (Amendments) "Related Party Disclosures"
  - HKAS 37 (Amendment) "Provisions, Contingent Liabilities and Contingent Assets"
  - HKAS 39 (Amendment) "Financial Instruments – Recognition and Measurement"
  - HKAS 40 "Investment Property"
  - HKFRS 3 (Amendments) "Business Combinations"
  - HKFRS 8 (Amendments) "Operating Segments"
  - HKFRS 9 (Amendment) "Financial Instruments"
  - HKFRS 13 (Amendment) "Fair Value Measurement"
  - HKAS 16 (Amendments) "Property, Plant and Equipment" and HKAS 38 (Amendments) "Intangible Assets"
- HKAS 16 and HKAS 38 (Amendments) on clarification of acceptable methods of depreciation and amortization, effective for the accounting period beginning on or after 1 January 2016.
- HKAS 16 and HKAS 41 (Amendments) on bearer plants, effective for the accounting period beginning on or after 1 January 2016.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policies and disclosures (continued)

**(c) New standards and amendments of HKFRS issued but are not effective in 2014 and not early adopted by the Group (continued)**

- HKAS 27 (Amendments) on the equity method, effective for the accounting period beginning on or after 1 January 2016.
- HKFRS 10 and HKAS 28 (Amendments) on the sale or contribution of assets between an investor and its associate or joint venture, effective for the accounting period beginning on or after 1 January 2016.
- HKFRS 11 (Amendments) on accounting for acquisitions of interests in joint operation, effective for the accounting period beginning on or after 1 January 2016.
- HKFRS 14 “Regulatory Deferral Accounts”, effective for the accounting period beginning on or after 1 January 2016.
- Some amendments included in Annual Improvements 2014 which are effective for the accounting period on or after 1 January 2016, including:
  - HKAS 19 (Amendments) “Employee Benefits”
  - HKAS 34 (Amendments) “Interim Financial Reporting”
  - HKFRS 5 (Amendments) “Non-current Assets Held for Sale and Discontinued Operations”
  - HKFRS 7 (Amendments) “Financial Instruments: Disclosures”
- HKAS 15 “Revenue from Contracts with Customers”, effective for the accounting period beginning on or after 1 January 2017.
- HKFRS 9 “Financial Instruments”, effective for the accounting period beginning on or after 1 January 2018.

The Group is yet to assess the full impact of these new standards and amendments and intends to adopt them no later than the respective effective dates of these new standards and amendments.

**(d) New Hong Kong Companies Ordinance (Cap.622)**

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company’s first financial year commencing on or after 3 March 2014 (i.e. year beginning 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

##### (a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) **Business combinations (continued)**

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies

(b) **Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) **Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Impairment testing of the investments in subsidiaries is also required according to Note 2.11.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit of an associate" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

### 2.4 Segment reporting

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



# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Group's and the Company's presentation and functional currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the consolidated income statement within "other gains - net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.6 Service concession arrangements

The Group has entered into contractual service arrangements with local government authorities (“the Grantor”) for its participation in the construction, development, financing, operation and maintenance of various toll road infrastructures. Under these arrangements, the Group carries out the construction or upgrade work of toll roads for the granting authorities from the Grantor and receives in exchange of a right to operate the toll roads concerned and entitlement to the toll collection from users of the toll road services (the “Service Concessions”). The Group recorded the assets under the Service Concessions, including toll roads and associated land use rights, as “concession intangible assets” on the consolidated balance sheet, to the extent that it received a right to charge users of the public service. The Group doesn’t have obligation to return the assets other than toll roads and associated land use rights to the Grantor at the concession period end.

The Group account for revenue and costs relating to construction or upgrade work under the Service Concessions in accordance with HKAS 11 and account for revenue and costs relating to operation services under the Service Concessions in accordance with HKAS 18. Please refer to Note 2.25(b) and (e) for details.

Concession intangible assets are stated at the fair value of the construction service provided less accumulated amortisation and impairment losses.

The amortisation of concession intangible assets is calculated using the straight-line method to allocate cost over the concession periods granted (Note 1).

Where the carrying amount of the concession intangible assets is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 2.11).

The concession periods are approved by the Grantor therefore the Group does not have renewal or termination option for the concession periods granted. At the end of concession period, the Group has to return these concession intangible assets to the Grantor at specific conditions required by the law for toll roads. The Group does not have rights to receive specified assets at the end of concession period.

The re-pricing right of above toll roads is owned by the Grantor.

As part of its obligations under the respective Service Concessions, the Group assumes responsibility for maintenance and resurfacing of the toll roads it manages. Please refer to Note 2.23 for details. Other than the aforementioned, the Group does not have obligations to acquire or build items of property, plant and equipment for toll road services.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate cost over their estimated useful lives, after taking into account an estimated residual value, as follows:

Buildings	25 or 30 years
Safety, communication and signalling equipment	10 years
Toll station and ancillary equipment	7 years
Motor vehicles	9 years
Other machinery and equipment	6 to 9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains - net" in the consolidated income statement.

Construction in progress represents property, plant and equipment under construction or installation and is stated at cost less accumulated impairment losses. Construction in progress is not depreciated until such time when the assets are completed and ready for their intended use.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.8 Investment properties

Investment properties, principally comprising buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, the Group chooses the cost method to measure its investment property. Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated using the straight-line method to write off the cost of each investment property over its expected useful life, after taking into account an estimated residual value, as follows:

Investment properties 25 or 30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains - net" in the consolidated income statement.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property; or
- end of owner-occupation, for a transfer from owner-occupied property to investment property.

### 2.9 Intangible assets - acquired computer software licenses

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over their estimated useful lives of five years.

### 2.10 Land use rights

All land in the PRC is state-owned or collectively-owned and no individual land ownership exists. The Group acquires the right to use certain land. The lands associated with Service Concessions are recorded as concession intangible assets as described in Note 2.6. For other lands, the premiums paid for such right are treated as prepayment for operating lease and recorded as land use rights and separately presented as non-current assets, which are amortised over the lease period using the straight-line method.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.11 Impairment of non-financial assets

Assets that have an indefinite useful life or have not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are not subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.12 Financial assets

#### 2.12.1 Classification

The Group only has financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### (a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the consolidated balance sheet (Notes 2.14 and 2.15).

##### (b) *AFS financial assets*

AFS financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Group's AFS financial assets are equity interest in unlisted companies (Note 14). They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.12 Financial assets (continued)

#### 2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date—the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. AFS financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

When securities classified as AFS are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as gains and losses from investment securities.

Interest on AFS securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on AFS equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

#### 2.12.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### 2.12.4 Impairment of financial assets

##### (a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.12 Financial asset (continued)

#### 2.12.4 Impairment of financial assets (continued)

##### (a) *Assets carried at amortised cost (continued)*

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

##### (b) *Assets classified as available-for-sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.13 Inventories

Inventories mainly comprise materials and spare parts for the repair and maintenance of toll roads. The inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

### 2.14 Trade and other receivables

Trade and other receivables are amounts due from customers for operation of pawn business, toll roads and associated service sections. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 2.15 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

### 2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.20 Current and deferred income tax (continued)

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

##### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.21 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to assets are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

### 2.22 Employee benefits

Each company of the Group contributes on a monthly basis to defined contribution plans in the PRC based on a percentage of the relevant employee's monthly salaries. The Group's contributions to defined contributions plans are expensed as incurred. The Group has no legal or constructive obligations to pay further contributions even if the schemes do not hold sufficient assets to pay all employees the benefits relating to employee in the current and prior periods.

Additional compensations for employee retirement are recognised in the earlier of the periods in which the Group established a constructive obligation and created a valid expectation on the employee, entered into an agreement with the employee specifying the terms, or after the individual employee has been advised of the specific terms. Details of the Group's retirement benefits are set out in Note 26.

### 2.23 Provisions

Provisions for maintenance and resurfacing of the toll roads are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 2 Summary of significant accounting policies (continued)

### 2.24 Leases — operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

### 2.25 Revenue recognition

#### (a) Toll income from toll roads operation

Toll income from toll roads operation is recognised on a receipt basis.

#### (b) Revenue from construction and upgrade work under the Service Concessions

Revenue from construction and upgrade work under the Service Concessions is measured at the fair value of the consideration received or receivable, where total income and expenses associated with the construction contract and the stage of completion can be determined reliably. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract.

#### (c) Interest income from bank deposits

Interest income from bank deposits is recognised on a time-proportion basis using the effective interest method.

#### (d) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (e) Service income

Service income is recognised when the service has been rendered.

#### (f) Rental income

Operating lease rental income is recognised on a straight-line basis over the lease period.

#### (g) Interest income from pawn loans to customers

Interest income from pawn loans to customers is recognised on a time-proportion basis using the effective interest method.

### 2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 2 Summary of significant accounting policies (continued)

### 2.27 Enterprise Safety Fund

According to the regulations of the PRC, the Group is required to accrue 1% of its toll income as Enterprise Safety Fund from 1 January 2004 onwards unless the accrued balance exceeds 1.5% of toll income of prior year. The fund can only be used for improvements of the safety of its toll roads. Accruals to the fund are treated as an appropriation to reserves, which will be reversed to retained earnings upon utilisation.

## 3 Financial risk management

### 3.1 Financial risk factors

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

Risk management is carried out by finance department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and investment of excess liquidity.

The Group's activities do not expose it to significant foreign exchange risk because it principally operates in the PRC and RMB is the currency of the primary economic environment in which the Group operates.

The Group's activities do not expose it to significant price risk because the Group's investments in AFS financial asset is unquoted equity shares, which is not directly related to the changes in market price of securities. The Group is also not exposed to commodity price risk either.

#### (a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from foreign currency exposures, primarily with respect to the Hong Kong dollar ("HKD"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts, transacted with the Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (a) Foreign exchange risk (continued)

At 31 December 2014, if RMB had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax profit for the year would have been RMB 6,838 thousand (2013: RMB 5,987 thousand) higher/lower, mainly as a result of foreign exchange gains/losses on translation of HKD-denominated borrowings. Profit is more sensitive to movement in RMB/HKD exchange rates in 2014 than 2013 because of the increased amount of HKD-denominated borrowings.

#### (b) Credit risk

The Group's credit risk mainly arises from deposits with banks and receivables (including pawn loans to customers). The carrying amounts of cash at banks, trade and other receivables represented the Group's maximum exposure in relation to financial assets.

The table below shows the bank deposits balance of the Group as at 31 December 2014 and 2013:

Counterparties	As at 31 December	
	2014	2013
Major financial institutes	<u>559,930</u>	<u>904,062</u>

The Group has policies to place its deposits only with major financial institutions. As at 31 December 2014 and 2013, most of cash were deposited with major financial institutions in Mainland China. The Group's management do not expect any loss from non-performance by these counterparties.

Toll income from toll roads operations are settled in cash, which is collected by Anhui Expressway Network Operations Co., Ltd. ("安徽高速公路聯網運營有限公司", the toll settlement centre of Anhui Province) on behalf of the Group. Since the toll roll income receivables are expected to be received in the second month, the Company's management do not expect any loss from those receivables. Please refer to Note 15 for details.

The Company also has loans to subsidiaries which are exposed to credit risk.

Counterparties	As at 31 December	
	2014	2013
Loans to subsidiaries (Note 12)	<u>1,048,587</u>	<u>889,570</u>

The Company's management do not expect any loss from non-performance by the subsidiaries because the financial performance of the subsidiaries is healthy. Please refer to Note 12 for details.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (b) Credit risk (continued)

Hefei Wan Tong Pawn Co., Ltd. (“合肥皖通典当有限公司”, “Wan Tong Pawn”), the Company’s subsidiary, is engaged in pawn business. Wan Tong Pawn’s business takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge on obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in Wan Tong Pawn’s portfolio, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to above credit risk. Wan Tong Pawn’s credit exposures arise principally from pawn loans to customers.

Wan Tong Pawn employs a range of policies and practices to mitigate the credit risk. For Wan Tong Pawn’s business, the most traditional of these is the taking of specific classes of collateral from customers. The principal collateral types for pawn loans to customers are:

- Real estate;
- Forest rights;
- Equity instruments, mainly equity interest in unlisted companies which are typically related to the borrowers; and
- Personal properties and other property rights.

All pawn loans granted are backed by collateral as security. Wan Tong Pawn also focuses on ascertaining legal ownership and the valuation of the real estate collaterals. A loan granted is based on the value of the collaterals. Wan Tong Pawn monitors the value of the collaterals throughout the loan period.

Further to collateral held as security for pawn loans, Wan Tong Pawn introduces other credit enhancement measures for equity interest backed loans, primarily third party guarantee against the security of loan repayment, taking into consideration the borrower’s repayment ability, repayment records, collateral status, financial performance, industry outlook and competition, etc.

Impairment provisions are recognised for financial reporting purposes only for losses that have incurred at the balance sheet date based on objective evidence of impairment.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (b) Credit risk (continued)

The table below shows Wan Tong Pawn's gross amount of loans to customers and the associated impairment allowances by collateral type:

	As at 31 December	
	2014	2013
Pwan loans to customers		
— Real estate backed pawn loans	<b>84,887</b>	93,166
— Forest rights backed pawn loans	<b>63,000</b>	62,407
— Equity interest backed pawn loans	<b>17,250</b>	31,531
— Combination of real estate and equity interest backed pawn loans	<b>12,000</b>	12,000
— Personal properties backed pawn loans	<b>9,059</b>	—
	<b>186,196</b>	199,104
Less: Impairment allowances		
— Real estate backed pawn loans	<b>(11,520)</b>	(4,720)
— Forest rights backed pawn loans	<b>(44,100)</b>	(790)
— Equity interest backed pawn loans	<b>(6,900)</b>	(318)
— Combination of real estate and equity interest backed pawn loans	<b>(8,400)</b>	(7,200)
— Personal properties backed pawn loans	<b>(123)</b>	—
	<b>(71,043)</b>	(13,028)
	<b>115,153</b>	186,076

Wan Tong Pawn's management determines whether objective evidence of impairment exists, based on the criteria set out as following:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Filing of a lawsuit against the borrower.



# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (b) Credit risk (continued)

Wan Tong Pawn's credit risk management policies require the review of individual outstanding loans secured by real estate, equity interest and personal properties collateral at least semi-annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis. The assessment normally encompasses collateral held and the anticipated receipts for that individual account, taking into account the borrower's repayment ability, repayment records, collateral status, financial performance, industry outlook and competition, and the financial standing of the third party guarantor, etc.

Collectively assessed impairment allowances are provided for: (i) portfolios of outstanding loans that have been individually assessed with no objective evidence of impairment by homogenous collateral type; and (ii) losses that have been incurred but have not yet been identified, by using the available historical experience, experienced judgment and statistical techniques.

Maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	As at 31 December	
	2014	2013
Pawn loans to customers:		
– Real estate backed pawn loans	73,367	88,446
– Forest rights backed pawn loans	18,900	61,617
– Equity interest backed pawn loans	10,350	31,213
– Combination of real estate and equity interest backed pawn loans	3,600	4,800
– Personal properties backed pawn loans	8,936	—
	<u>115,153</u>	<u>186,076</u>

The above table represents a worst case scenario of credit risk exposure to the Wan Tong Pawn, without taking into account of any collateral held for or other credit enhancements attached. The exposures set out above for assets are based on net carrying amounts as reported in the consolidated balance sheet.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (b) Credit risk (continued)

Pawn loans to customers are summarised as follows:

	As at 31 December	
	2014	2013
Neither past due nor impaired (i)	58,195	174,104
Past due but not impaired	—	—
Impaired	128,000	25,000
	<hr/>	<hr/>
	186,195	199,104
Less: Impairment allowances	(71,042)	(13,028)
	<hr/>	<hr/>
	115,153	186,076
	<hr/> <hr/>	<hr/> <hr/>

#### (i) *Pawn loans to customers neither past due nor impaired*

Pawn loans to customers that are neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (c) Liquidity risk

The Group's toll road income is settled in cash.

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate bank borrowing facilities disclosed in Note 22.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet and balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 3 years	Over 3 and 5 years	Over 5 years
<b>Group</b>				
<b>At 31 December 2014</b>				
Bank borrowings, including interest (Note 22)	501,690	198,213	229,200	672,222
Trade and other payables, excluding other taxation payables, staff salaries and welfare, current portion of long-term payables and interest payable (Note 21)	640,424	—	—	—
Long-term payables, including interest and current portion (Note 24)	47,970	95,050	145,489	1,135,232
<b>Group</b>				
<b>At 31 December 2013</b>				
Bank borrowings, including interest (Note 22)	181,556	102,864	66,993	711,345
Corporate bonds, including interest (Note 22)	2,100,000	—	—	—
Trade and other payables, excluding other taxation payables, staff salaries and welfare, current portion of long-term payables and interest payable (Note 21)	617,352	—	—	—
Long-term payables, including interest and current portion (Note 24)	73,307	87,769	153,674	859,797

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (c) Liquidity risk (continued)

##### Company

##### At 31 December 2014

Bank borrowings, including interest (Note 22)

Trade and other payables, excluding other taxation payables, interest payable and staff salaries and welfare (Note 21)

	Less than 1 year	Between 1 and 3 years	Over 3 and 5 years	Over 5 years
Bank borrowings, including interest (Note 22)	410,678	99,599	—	—
Trade and other payables, excluding other taxation payables, interest payable and staff salaries and welfare (Note 21)	161,758	—	—	—

##### Company

##### At 31 December 2013

Bank borrowings, including interest (Note 22)

Corporate bonds, including interest (Note 22)

Trade and other payables, excluding other taxation payables, interest payable and staff salaries and welfare (Note 21)

Bank borrowings, including interest (Note 22)	160,515	—	—	—
Corporate bonds, including interest (Note 22)	2,100,000	—	—	—
Trade and other payables, excluding other taxation payables, interest payable and staff salaries and welfare (Note 21)	164,430	—	—	—

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (c) Liquidity risk (continued)

As at 31 December 2014, net current liabilities of the Group amounted to RMB 512,598 thousand mainly resulted from construction payables for Ningxuanhang Expressway Anhui Section. As at 31 December 2014, the Group has unused bank borrowing facilities of RMB 5,971,310 thousand. The management of the Group estimates that the Group has sufficient unused bank borrowing facilities and operating cash flow to repay all the current liabilities when they are due.

#### (d) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from pawn loans to customers, bank borrowings and long-term payables.

Pawn loans to customers bearing fixed interest rate expose the Group to fair value interest risk. Contractual interest rate re-pricing is matched with maturity date of each pawn loan granted to customer. As at 31 December 2014, maturity dates of pawn loans to customers are all within six months. Therefore the fair value of pawn loans to customers approximated their carrying amount.

Bank borrowings issued at floating rates expose the Group to cash flow interest rate risk. During 2014 and 2013, the Group's bank borrowings at floating rate were denominated in RMB and HKD. As at 31 December 2014, the Group's bank borrowings to the extent of RMB 799,282 thousand (31 December 2013: RMB 588,400 thousand) and HKD 120,000 thousand (equivalent to RMB 94,668 thousand) (31 December 2013: nil) were issued at floating rates. As at 31 December 2014, if the interest rates had increased or decreased by 0.5%, the finance costs would have been approximately RMB 3,824 thousand (2013: RMB 1,486 thousand) higher or lower.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 3 Financial risk management (continued)

### 3.1 Financial risk factors (continued)

#### (d) Cash flow and fair value interest rate risk (continued)

As at 31 December 2014, the Group's long-term payables of RMB 234,290 thousand (31 December 2013: RMB 160,000 thousand) were at floating rate and expose the Group to cash flow interest rate risk. As at 31 December 2014, if the interest rates had increased or decreased by 0.5%, the finance costs would have been approximately RMB 1,058 thousand (2013: RMB 186 thousand) higher or lower. The Group's long-term payables of RMB 546,603 thousand (including current portion of long-term payables) were interest free and expose the Group to fair value interest rate risk. The fair value of long-term payables is disclosed in Note 24.

### 3.2 Capital risk management

The primary objective of the Group's capital management is to safeguard each entity within the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of issue new shares or control the capital expenditures to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and long-term payables as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net debt.

The Group's strategy is to maintain a gearing ratio below 30% and an AAA credit rating. The gearing ratio of the Group at 31 December 2014 and 2013 were as follows:

	As at 31 December	
	2014	2013
Total borrowings (Note 22)	1,293,951	2,740,177
Long-term payables (Note 24)	780,893	675,406
Less: cash and cash equivalents (Note 17)	(462,945)	(545,670)
Net debts	1,611,899	2,869,913
Total equity	8,532,065	7,985,009
Total capital	10,143,964	10,854,922
Gearing ratio	15.89%	26.44%

The decrease in the gearing ratio of the Group mainly resulted from the repayment for the corporate bonds amounted to RMB 2,000,000 thousand in 2014.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 3 Financial risk management (continued)

### 3.3 Fair value estimation

Below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2014.

As at 31 December 2014	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
AFS financial assets	—	—	276,927	276,927

The following table presents the changes in level 3 instruments for the year ended 31 December 2014.

	AFS financial assets RMB'000
Opening balance	515,000
Disposals	(339,000)
Gain recognised in profit or loss	39,000
Gain recognised in other comprehensive income	61,927
Closing balance	276,927

Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value as at 31 December 2014	Valuation technique	Unobservable input	Range (weighted average)
AFS financial assets	276,927	Market comparable approach	P/B	10~13/(11.5)

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 3 Financial risk management (continued)

### 3.3 Fair value estimation (continued)

The nominal value less impairment provision of trade and other receivables, trade and other payables and current borrowings are assumed to approximate their fair values due to short period of maturity dates. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### (a) Construction revenue recognition under Service Concessions

As described in Note 2.6, income and expenses associated with construction and upgrade work under the Service Concessions are recognised in accordance with HKAS 11 using the percentage of completion method.

Due to the fact that all construction activities are sub-contracted to third parties and the Group only performs project management, and there was no real cash flow realised or realisable during the construction phase of the infrastructure during the Service Concessions, in order to determine the construction revenue to be recognised during the reporting period, the management made estimates of the respective amounts by making reference to project management service fees in return as if the Group were providing rendered project management services for construction of toll roads for respective the PRC local governments without the corresponding grants of the toll road operating rights and entitlement to future toll revenues. Accordingly, construction revenue under the respective Service Concessions is recognised at the total expected construction costs of the related toll roads plus management fees, computed at a percentage of the project management costs.



# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
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## 4 Critical accounting estimates and judgements (continued)

### (a) Construction revenue recognition under Service Concessions (continued)

In ascertaining the total construction costs, the directors made estimates based on information available such as budgeted project costs, actual project costs incurred/settled to date, and relevant third party evidence such as signed construction contracts and their supplements, the related variation orders placed and the underlying construction and design plans, etc. In ascertaining the amount of management fees, the management has made reference to the practice for determining management fees for managing construction contracts transacted by similar toll roads companies in Anhui Province, whereby the fee is determined based on certain percentage of actual management cost incurred of each project, according to the scale and size of the respective projects. The management of the Group believes the profit arising from the project management is very low due to sharp competition in local project management market. They also believe the situation of low margin will continue in future years. Thus, the profit from construction activities was not recognised in reporting periods.

The management of the Group consider that these are their current best estimates on the magnitude of construction revenue and related profits. If the magnitudes of the final construction costs and the management fee applied as a percentage of the project management cost were to be differed from management's current estimates, the Group would account for the change prospectively.

### (b) Provision for maintenance obligations

As described in Note 2.6, the Group has contractual obligations under the Service Concessions to maintain the toll road infrastructure to a specified level of serviceability. These obligations to maintain or restore the infrastructure, except for upgrade services, are to be recognised and measured as a provision. Provision for maintenance obligations at 31 December 2014 of RMB 13,063 thousand had been provided at the present value of expenditures expected to be incurred by the Group to settle the obligations at the balance sheet date (Note 23).

The expenditures expected to be required to settle the obligations at the balance sheet date is determined based on the number of major maintenance and resurfacing to be undertaken throughout the allowed operating periods of each toll roads operated by the Group under the Service Concessions and the expected costs to be incurred for each event.

The expected costs for maintenance and resurfacing and the timing of such events to take place involve estimates made by the management of the Company, which were developed based on the Group's resurfacing plan and historical costs incurred for similar activities. In addition, the directors are of the view that the discount rate currently used in the current estimate reflects the time value of money and the risks specific to the obligations.

If the expected expenditures, resurfacing plan and discount rate were different from management's current estimates, the change in provision for maintenance obligations is required to be accounted for prospectively.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 4 Critical accounting estimates and judgements (continued)

### (c) Estimation of useful lives of property, plant and equipment

The Group's management determines the estimated useful lives for its property, plant and equipment. The estimate is based on the historical experience of the actual useful lives.

Management will revise the depreciation charges where useful lives are different to previously estimated, or it will write off or write down technically obsolete or non-strategy assets that have been abandoned or sold.

### (d) Estimation of amortisation periods of concession intangible assets

The Group amortises the concession intangible assets using the straight-line method over the concession periods granted (Note 1). The concession periods are approved by the Grantor therefore the Group does not have renewal or termination option for the concession periods.

If the Grantor requires to extend or shorten the concession periods, management will revise the amortisation charges which are different to previously calculated, or recognise an impairment loss, if any.

### (e) Estimation of deferred income tax assets and income tax

The Group's management determines the deferred tax assets based on the enacted or substantially enacted tax rates and laws and best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. Management revisits the assumptions and profit projections by the balance sheet date. If the final assumptions and profit were to be differed from management's current estimates, the Group would account for the change prospectively.

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the year in which such determination is made.

### (f) Estimation of payment schedule of long-term payables

The non-controlling interests provided financing to the Group in the form of long-term loans. The annual repayment of the long-term loans equals certain percentage of annual amortisation of the concession intangible assets and depreciation of property, plant and equipment. Management estimated the annual amortisation of the concession intangible assets and depreciation of property, plant and equipment by reference to the carrying amount of long-term assets and future capital expenditure. If the actual amortisation and depreciation amount was to be differed from management's current estimates, the Group would account for the change prospectively.

# Notes to the consolidated financial statements

*For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)*

## 4 Critical accounting estimates and judgements (continued)

### (g) Impairment allowances on pawn loans to customers

The Group reviews its loan portfolios to assess impairment at least on a semi-annual basis. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g. payment delinquency or default), or local economic conditions that correlate with defaults on assets in a group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

## 5 Segment information

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

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

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

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

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

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

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 5 Segment information (continued)

### (a) Revenue

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

The revenue of the Group for the years ended 31 December 2014 and 2013 are set out as follows:

	Year ended 31 December	
	2014	2013
Toll roads services	3,008,160	3,346,503
Including: revenue from construction or upgrade work under Service Concessions	697,019	1,073,713
Pawn services	28,429	57,314
	<u>3,036,589</u>	<u>3,403,817</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 5 Segment information (continued)

### (b) Segment information

The segment information provided to the strategic steering committee for the reportable segments for the year ended 31 December 2014 is as follows:

	Year ended 31 December 2014		
	Toll roads services	Pawn services	Total
<b>Revenue</b>			
Segment revenue	3,008,160	28,429	3,036,589
Inter-segment sales	—	—	—
Revenue from external customers	<u>3,008,160</u>	<u>28,429</u>	<u>3,036,589</u>
<b>Results</b>			
Segment gross profit	1,288,063	26,411	1,314,474
Other gains - net	150,779	499	151,278
Administrative expenses	(87,924)	(61,724)	(149,648)
Finance costs	(172,689)	—	(172,689)
Share of profits of an associate	16,214	—	16,214
Profit/(loss) before income tax	<u>1,194,443</u>	<u>(34,814)</u>	<u>1,159,629</u>
<b>Other information</b>			
Amortisation of concession intangible assets	503,795	—	503,795
Depreciation of property, plant and equipment	104,909	128	105,037
Depreciation of investment properties	17,671	—	17,671
Amortisation of land use rights	800	—	800
Amortisation of intangible assets	<u>896</u>	<u>3</u>	<u>899</u>
	As at 31 December 2014		
	Toll roads services	Pawn services	Total
Total assets	<u>11,437,029</u>	<u>193,764</u>	<u>11,630,793</u>
Total liabilities	<u>3,094,326</u>	<u>4,402</u>	<u>3,098,728</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 5 Segment information (continued)

### (b) Segment information

The segment information provided to the strategic steering committee for the reportable segments for the year ended 31 December 2013 is as follows:

	Year ended 31 December 2013		
	Toll roads services	Pawn services	Total
<b>Segment revenue</b>	3,346,503	57,314	3,403,817
Inter-segment sales	—	—	—
Revenue from external customers	<u>3,346,503</u>	<u>57,314</u>	<u>3,403,817</u>
<b>Results</b>			
Segment gross profit	<u>1,283,530</u>	<u>53,981</u>	<u>1,337,511</u>
Other gains - net	88,040	435	88,475
Administrative expenses	(84,272)	(14,877)	(99,149)
Finance costs	(144,828)	—	(144,828)
Share of profits of an associate	<u>14,657</u>	<u>—</u>	<u>14,657</u>
Profit before income tax	<u><u>1,157,127</u></u>	<u><u>39,539</u></u>	<u><u>1,196,666</u></u>
<b>Other information</b>			
Amortisation of concession intangible assets	490,958	—	490,958
Depreciation of property, plant and equipment	87,512	116	87,628
Depreciation of investment properties	16,963	—	16,963
Amortisation of land use rights	686	—	686
Amortisation of intangible assets	<u>3,502</u>	<u>—</u>	<u>3,502</u>

	As at 31 December 2013		
	Toll roads services	Pawn services	Total
Total assets	<u>12,044,073</u>	<u>255,204</u>	<u>12,299,277</u>
Total liabilities	<u>4,306,424</u>	<u>7,844</u>	<u>4,314,268</u>

### (c) Geographical segments

The Group is domiciled in Anhui Province, the PRC. The result of its revenue is from Anhui Province, the PRC. As at 31 December 2014 and 2013, total assets of the Group are located in the PRC.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 6 Concession intangible assets

Group	As at 31 December	
	2014	2013
Cost	13,956,935	13,265,370
Accumulated amortisation	(4,734,641)	(4,230,846)
Net book amount	<u>9,222,294</u>	<u>9,034,524</u>

	Year ended 31 December	
	2014	2013
Opening net book amount	9,034,524	8,847,086
Additions	691,565	1,073,713
Disposals	—	(24,361)
Transfer out to property, plant and equipment (Note 8)	—	(370,956)
Amortisation charges (Note 29)	(503,795)	(490,958)
Closing net book amount	<u>9,222,294</u>	<u>9,034,524</u>

Company	As at 31 December	
	2014	2013
Cost	8,913,650	8,902,171
Accumulated amortisation	(3,957,105)	(3,575,567)
Net book amount	<u>4,956,545</u>	<u>5,326,604</u>

Company	Year ended 31 December	
	2014	2013
Opening net book amount	5,326,604	5,923,934
Additions	11,479	21,924
Disposals	—	(24,361)
Transfer out to property, plant and equipment (Note 8)	—	(183,596)
Amortisation charges	(381,538)	(411,297)
Closing net book amount	<u>4,956,545</u>	<u>5,326,604</u>

As at 31 December 2014 and 2013, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

All of the Group's lands under the Service Concessions are located in Anhui Province, the PRC and are held on lease terms of 25 to 30 years from the dates of acquisition, and expiring from 2026 to 2032.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 6 Concession intangible assets (continued)

Borrowing costs with the amount of RMB 28,737 thousand (2013: RMB 29,862 thousand), including amortisation of long-term payables to non-controlling interests with the amount of RMB 4,652 thousand (2013: RMB 9,303 thousand) (Note 24), have been capitalised in 2014 at an average interest rate of 6.4492% (2013: 5.9281%).

Amortisation expenses of RMB 503,795 thousand have been charged in “cost of sales” (2013: RMB 490,958 thousand).

As at 31 December 2014, certain land use right certificates for Ninghuai expressway Tianchang section, Hening expressway, Ningxuanhang expressway Anhui section and one toll station in Guangde have not yet been obtained.

As at 31 December 2014, concession intangible assets with a carrying amount of approximately RMB 228,687 thousand (a cost of RMB 353,589 thousand) (31 December 2013: a carrying amount of approximately RMB 244,369 thousand (a cost of RMB 353,589 thousand)) have been pledged as collateral for bank borrowings of RMB 34,050 thousand (31 December 2013: RMB 45,400 thousand) (Note 22 (b)).

## 7 Land use rights

The Group’s and the Company’s interests in land use rights represented prepaid operating lease payments and their net book value are analysed as follows:

Group and Company	As at 31 December	
	2014	2013
Cost	21,039	17,790
Accumulated amortisation	(8,632)	(7,832)
Net book amount	<u>12,407</u>	<u>9,958</u>

	Year ended 31 December	
	2014	2013
Opening net book amount	9,958	10,644
Additions	3,249	—
Amortisation charges (Note 29)	(800)	(686)
Closing net book amount	<u>12,407</u>	<u>9,958</u>

All of the Group’s land use rights are located in Anhui Province, the PRC and are held on lease terms of 30 years from the dates of acquisition, and expiring in 2026.

Amortisation expenses of RMB 800 thousand have been charged in “cost of sales” (2013: RMB 686 thousand).



# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 8 Property, plant and equipment

### Group

	Buildings	Safety, Communication and signalling equipment	Toll station and ancillary equipment	Motor Vehicles	Other machinery and equipment	Construction In progress	Total
<b>At 1 January 2013</b>							
Cost	416,882	575,520	124,843	79,053	136,631	46,152	1,379,081
Accumulated depreciation	(74,411)	(389,744)	(85,230)	(52,981)	(84,874)	—	(687,240)
Net book value	<u>342,471</u>	<u>185,776</u>	<u>39,613</u>	<u>26,072</u>	<u>51,757</u>	<u>46,152</u>	<u>691,841</u>
<b>Year ended 31 December 2013</b>							
Opening net book amount	342,471	185,776	39,613	26,072	51,757	46,152	691,841
Additions	4,694	2,504	1,040	5,464	3,900	31,619	49,221
Disposals	(257)	(1)	—	(7)	—	—	(265)
Transfers	3,934	7,895	6,800	—	1,313	(19,942)	—
Transfer in from concession intangible assets (Note 6)	182,766	171,354	10,760	—	6,076	—	370,956
Transfer out to investment property (Note 9)	(68,868)	—	—	—	—	—	(68,868)
Depreciation (Note 29)	(12,319)	(41,874)	(10,558)	(5,954)	(16,923)	—	(87,628)
Closing net book amount	<u>452,421</u>	<u>325,654</u>	<u>47,655</u>	<u>25,575</u>	<u>46,123</u>	<u>57,829</u>	<u>955,257</u>
<b>At 31 December 2013</b>							
Cost	552,925	794,799	156,940	84,510	150,794	57,829	1,797,797
Accumulated depreciation	(100,504)	(469,145)	(109,285)	(58,935)	(104,671)	—	(842,540)
Net book value	<u>452,421</u>	<u>325,654</u>	<u>47,655</u>	<u>25,575</u>	<u>46,123</u>	<u>57,829</u>	<u>955,257</u>
<b>Year ended 31 December 2014</b>							
Opening net book amount	452,421	325,654	47,655	25,575	46,123	57,829	955,257
Additions	—	514	807	4,752	2,949	41,485	50,507
Disposals	—	(122)	(37)	(293)	(82)	—	(534)
Transfers	15,122	899	27,029	—	622	(43,672)	—
Transfer out to investment property (Note 9)	(11,857)	—	—	—	—	—	(11,857)
Depreciation (Note 29)	(17,325)	(55,208)	(11,137)	(5,500)	(15,867)	—	(105,037)
Closing net book amount	<u>438,361</u>	<u>271,737</u>	<u>64,317</u>	<u>24,534</u>	<u>33,745</u>	<u>55,642</u>	<u>888,336</u>
<b>At 31 December 2014</b>							
Cost	555,929	796,090	184,739	88,969	154,283	55,642	1,835,652
Accumulated depreciation	(117,568)	(524,353)	(120,422)	(64,435)	(120,538)	—	(947,316)
Net book value	<u>438,361</u>	<u>271,737</u>	<u>64,317</u>	<u>24,534</u>	<u>33,745</u>	<u>55,642</u>	<u>888,336</u>

Depreciation expenses of RMB 91,730 thousand have been charged in “cost of sales” (2013: RMB 71,145 thousand); depreciation expenses of RMB 13,307 thousand have been charged in “administrative expenses” (2013: RMB 16,483 thousand).

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 8 Property, plant and equipment (continued)

### Company

	Buildings	Safety, Communication and signalling equipment	Toll station and ancillary equipment	Motor Vehicles	Other machinery and equipment	Construction In progress	Total
<b>At 1 January 2013</b>							
Cost	407,326	538,760	107,633	70,403	131,734	34,614	1,290,470
Accumulated depreciation	(75,042)	(372,421)	(77,788)	(48,801)	(86,706)	—	(660,758)
Net book value	<u>332,284</u>	<u>166,339</u>	<u>29,845</u>	<u>21,602</u>	<u>45,028</u>	<u>34,614</u>	<u>629,712</u>
<b>At 31 December 2013</b>							
Opening net book amount	332,284	166,339	29,845	21,602	45,028	34,614	629,712
Additions	4,694	2,504	912	5,320	1,244	27,213	41,887
Disposals	—	—	—	(7)	—	—	(7)
Transfers	—	7,466	4,087	—	856	(12,409)	—
Transfer in from concession intangible assets (Note 6)	105,226	69,444	10,760	—	(1,834)	—	183,596
Transfer out to investment property (Note 9)	(68,868)	—	—	—	—	—	(68,868)
Depreciation	(12,118)	(34,884)	(9,188)	(5,129)	(15,325)	—	(76,644)
Closing net book amount	<u>361,218</u>	<u>210,869</u>	<u>36,416</u>	<u>21,786</u>	<u>29,969</u>	<u>49,418</u>	<u>709,676</u>
<b>At 31 December 2013</b>							
Cost	462,152	655,701	136,889	75,716	134,874	49,418	1,514,750
Accumulated depreciation	(100,934)	(444,832)	(100,473)	(53,930)	(104,905)	—	(805,074)
Net book value	<u>361,218</u>	<u>210,869</u>	<u>36,416</u>	<u>21,786</u>	<u>29,969</u>	<u>49,418</u>	<u>709,676</u>
<b>Year ended 31 December 2014</b>							
Opening net book amount	361,218	210,869	36,416	21,786	29,969	49,418	709,676
Additions	—	370	807	3,722	2,712	34,318	41,929
Disposals	—	—	(1)	(275)	(78)	—	(354)
Transfers	8,630	—	21,401	—	608	(30,639)	—
Depreciation	(15,205)	(41,718)	(9,297)	(4,986)	(13,139)	—	(84,345)
Closing net book amount	<u>354,643</u>	<u>169,521</u>	<u>49,326</u>	<u>20,247</u>	<u>20,072</u>	<u>53,097</u>	<u>666,906</u>
<b>At 31 December 2014</b>							
Cost	470,782	656,071	159,096	79,163	138,116	53,097	1,556,325
Accumulated depreciation	(116,139)	(486,550)	(109,770)	(58,916)	(118,044)	—	(889,419)
Net book value	<u>354,643</u>	<u>169,521</u>	<u>49,326</u>	<u>20,247</u>	<u>20,072</u>	<u>53,097</u>	<u>666,906</u>

Depreciation expenses of RMB 71,673 thousand have been charged in “cost of sales” (2013: RMB 60,642 thousand); depreciation expenses of RMB 12,672 thousand have been charged in “administrative expenses” (2013: RMB 16,002 thousand).

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 9 Investment properties

### Group

	<b>Buildings</b>
<b>At 1 January 2013</b>	
Cost	411,674
Accumulated amortisation	(85,570)
Net book amount	<u>326,104</u>
<b>Year ended 31 December 2013</b>	
Opening net book amount	326,104
Transferred in from property, plant and equipment (Note 8)	68,868
Amortisation expenses (Note 29)	(16,963)
Closing net book amount	<u>378,009</u>
<b>At 31 December 2013</b>	
Cost	486,124
Accumulated amortisation	(108,115)
Net book amount	<u>378,009</u>
<b>Year ended 31 December 2014</b>	
Opening net book amount	<b>378,009</b>
Transferred in from property, plant and equipment (Note 8)	<b>11,857</b>
Disposals	<b>(23)</b>
Amortisation expenses (Note 29)	<b>(17,671)</b>
Closing net book amount	<u><b>372,172</b></u>
<b>At 31 December 2014</b>	
Cost	<b>497,464</b>
Accumulated amortisation	<b>(125,292)</b>
Net book amount	<u><b>372,172</b></u>

Amortisation expenses of RMB 17,671 thousand have been charged in “cost of sales” (2013: RMB 16,963 thousand).

The fair values for the investment properties of the Group as at 31 December 2014 totalled RMB 540,321 thousand.

The fair values have been arrived based on the open market valuation performed by Anhui Guoxin Assets Valuation Company Limited (“安徽國信資產評估有限責任公司”, the “Valuer”). The valuation including the use of inputs that are not based on an observable market data (that is, level 3 assets). The Valuer is an independent qualified professional firm not connected with the Group and has appropriate qualifications and relevant experience in the valuation of similar properties in the relevant locations.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 9 Investment properties (continued)

The valuations were arrived at using the approach of (i) applying capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence and (ii) by making reference to comparables as available in the relevant market.

All of the Group's property interests held under operating leases to earn rentals are measured using the cost model and are classified and accounted for as investment properties.

### (a) Amounts recognised in profit and loss for investment properties

	As at 31 December	
	2014	2013
Rental income	51,796	48,593
Direct operating expenses from property that generated rental income	(25,857)	(23,361)
	<u>25,939</u>	<u>25,232</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 9 Investment properties (continued)

### (a) Amounts recognised in profit and loss for investment properties (continued)

#### Company

	<b>Buildings</b>
<b>At 1 January 2013</b>	
Cost	398,105
Accumulated amortisation	(79,411)
Net book amount	<u>318,694</u>
<b>Year ended 31 December 2013</b>	
Opening net book amount	318,694
Transferred in from property, plant and equipment (Note 8)	68,868
Amortisation expenses	(16,587)
Closing net book amount	<u>370,975</u>
<b>At 31 December 2013</b>	
Cost	472,554
Accumulated amortisation	(101,579)
Net book amount	<u>370,975</u>
<b>Year ended 31 December 2014</b>	
Opening net book amount	<b>370,975</b>
Amortisation expenses	<b>(16,984)</b>
Closing net book amount	<u><b>353,991</b></u>
<b>At 31 December 2014</b>	
Cost	<b>472,554</b>
Accumulated amortisation	<b>(118,563)</b>
Net book amount	<u><b>353,991</b></u>

Amortisation expenses of RMB 16,984 thousand have been charged in "cost of sales" (2013: RMB 16,587 thousand).

The fair values for the investment properties of the Company as at 31 December 2014 totalled RMB 486,217 thousand. The fair values have been arrived based on the open market valuation performed by Anhui Guoxin Assets Valuation Company Limited.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 10 Intangible assets

### Group

	<b>Computer Software</b>
<b>At 1 January 2013</b>	
Cost	4,991
Accumulated amortisation	(2,465)
Net book amount	<u>2,526</u>
<b>Year ended 31 December 2013</b>	
Opening net book amount	2,526
Additions	3,466
Amortisation expenses (Note 29)	(3,502)
Closing net book amount	<u>2,490</u>
<b>At 31 December 2013</b>	
Cost	8,457
Accumulated amortisation	(5,967)
Net book amount	<u>2,490</u>
<b>Year ended 31 December 2014</b>	
Opening net book amount	<b>2,490</b>
Additions	<b>107</b>
Amortisation expenses (Note 29)	<b>(899)</b>
Closing net book amount	<u><b>1,698</b></u>
<b>At 31 December 2014</b>	
Cost	<b>8,564</b>
Accumulated amortisation	<b>(6,866)</b>
Net book amount	<u><b>1,698</b></u>

Amortisation expenses of RMB 899 thousand have been charged in “administrative expenses” (2013: RMB 3,502 thousand).

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 10 Intangible assets (continued)

### Company

	<b>Computer Software</b>
<b>At 1 January 2013</b>	
Cost	1,673
Accumulated amortisation	(1,015)
Net book amount	<u>658</u>
<b>Year ended 31 December 2013</b>	
Opening net book amount	658
Additions	3,446
Amortisation expenses	(3,146)
Closing net book amount	<u>958</u>
<b>At 31 December 2013</b>	
Cost	5,119
Accumulated amortisation	(4,161)
Net book amount	<u>958</u>
<b>Year ended 31 December 2014</b>	
Opening net book amount	<b>958</b>
Additions	<b>107</b>
Amortisation expenses	<b>(545)</b>
Closing net book amount	<u><b>520</b></u>
<b>At 31 December 2014</b>	
Cost	<b>5,226</b>
Accumulated amortisation	<b>(4,706)</b>
Net book amount	<u><b>520</b></u>

Amortisation expenses of RMB 545 thousand have been charged in “administrative expenses” (2013: RMB 3,146 thousand).

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 11 Investments in subsidiaries - Company

	As at 31 December	
	2014	2013
Investments, at cost:		
Unlisted shares	920,185	864,326

The following is a list of the subsidiaries at 31 December 2014:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Paid in, issued and fully paid share capital ('000)	Interest directly held by the Company (%)
Xuan Guang Expressway Company Limited (“宣廣高速公路有限責任公司”, “Xuan Guang”) (a)	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB 111,760	55.47%
Anhui Ningxuanhang Expressway Investment Company Limited (“安徽寧宣杭高速公路投資有限公司”, “Ningxuanhang”) (b)	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB 300,000	51.00%
Xuancheng Guangci Expressway Co., Ltd. (“宣城市廣祠高速公路有限責任公司”, “Guangci”) (c)	The PRC, limited liability company	Management and operation of expressway in Anhui province, the PRC	RMB 56,800	55.47%
Wan Tong Pawn (d)	The PRC, limited liability company	Pawn, small loan and related services in Anhui province, the PRC	RMB 210,000	71.43%
Anhui Expressway (H.K.) Limited (“安徽皖通高速公路股份(香港)有限公司”, “AEHK”) (e)	Hong Kong, limited company	Management and operation of expressway outside Mainland China	—	100%



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## 11 Investments in subsidiaries - Company (continued)

The movements of the investments in subsidiaries of the Company are as follows:

	Year ended 31 December 2014					Total
	Xuan Guang (Note a)	Ningxuanhang (Note b)	Guangci (Note c)	Wan Tong Pawn (Note d)	AEHK (Note e)	
Balance at 1 January 2014	61,995	543,195	109,136	150,000	—	864,326
Changes in the year	—	55,859	—	—	—	55,859
Balance at 31 December 2014	<u>61,995</u>	<u>599,054</u>	<u>109,136</u>	<u>150,000</u>	<u>—</u>	<u>920,185</u>

	Year ended 31 December 2013					Total
	Xuan Guang (Note a)	Ningxuanhang (Note b)	Guangci (Note c)	Wan Tong Pawn (Note d)	AEHK (Note e)	
Balance at 1 January 2013	61,995	332,781	109,136	150,000	—	653,912
Changes in the year	—	210,414	—	—	—	210,414
Balance at 31 December 2013	<u>61,995</u>	<u>543,195</u>	<u>109,136</u>	<u>150,000</u>	<u>—</u>	<u>864,326</u>

### (a) Investment in Xuan Guang

Xuan Guang is a co-operative joint venture established by the Company and Xuancheng Communication Investment Co., Ltd. (“宣城市交通投资有限公司”, “XCIC”, formerly named “Xuancheng Highway Management Company”) in July 1998 with an operating period of 30 years. The Company invested in total RMB 366,600 thousand in Xuan Guang, in the forms of capital contribution of RMB 36,660 thousand and long-term loan of RMB 329,940 thousand. Long-term loan represented the Company’s share of the total investment in Xuan Guang in excess of the Company’s share of its registered capital. It was free of interest charge. According to the joint venture contract, annual distribution (the “distribution”) equalling net profit plus amortisation of its concession intangible assets and depreciation of its fixed assets (the “amortisation and depreciation”) are to be made wholly to the Company till the total distribution received by the Company equal to its long-term loan to Xuan Guang. Thereafter, the distribution will be shared by the Company and XCIC in proportion to their respective contributions to Xuan Guang’s registered capital. The net profit portion of the distribution received is accounted for as dividend income while the amortisation and depreciation and amortisation portion of the distribution received is accounted for as repayments to the long-term loan advanced to Xuan Guang.

Pursuant to a capital injection contract between the Company and XCIC dated 11th August 2003, XCIC contributed Xuanguang Expressway (Nanhuan section) to Xuan Guang at an agreed price of RMB 398,800 thousand in the form of capital contribution of RMB 39,880 thousand and long-term loan of RMB 358,920 thousand. The long-term loan was interest free as well.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 11 Investments in subsidiaries - Company (continued)

### (a) Investment in Xuan Guang (continued)

Pursuant to a share transfer agreement dated 11 September 2003 subsequently entered into by the Company and XCIC, the Company acquired XCIC's interests in Xuan Guang (in the forms of paid-in-capital of RMB 25,335 thousand and shareholder's loan of RMB 228,015 thousand) at a total consideration of RMB 253,350 thousand. After the acquisition, the Company holds 55.47% interest in Xuan Guang. The profit distribution arrangement of Xuan Guang mentioned above remains unchanged.

In 2007, pursuant to a resolution at the Board of Directors' 9th meeting of Xuan Guang, cash repayment amount with respect to depreciation and amortisation portion of the distribution was determined to repay the short-term borrowings of Xuan Guang in priority before settlement of long-term payables to the Company and XCIC since 2007, until the short-term borrowings are fully repaid.

According to the contracts, agreements and board resolution mentioned above, for the year ended 31 December 2014, the net profit portion of the distribution attributable to XCIC amounted to RMB 70,719 thousand (2013: RMB 70,832 thousand); the depreciation and amortisation portion of the distribution attributable to XCIC amounted to RMB 31,078 thousand in 2014 (2013: RMB 31,078 thousand).

### (b) Investment in Ningxuanhang

Ningxuanhang is a co-operative joint venture established by the Company and Xuancheng Communication Construction Co., Ltd. ("宣城市交通建設投資有限公司", "XCCC") in April 2008. The original registered capital of Ningxuanhang was RMB 100,000 thousand. The Company and XCCC's equity interest in Ningxuanhang were 70% and 30% respectively. The official operating period will be granted after toll road construction is completed.

Pursuant to a share transfer agreement dated in January 2012 between XCCC and XCIC, XCIC acquired XCCC's equity interests in Ningxuanhang. XCCC also transferred its shareholder's loan to XCIC.

Pursuant to a capital injection agreement among the Company, Anhui Expressway Holding Co., Ltd. ("安徽省高速公路控股集團有限公司", "AEHC", parent company of the Company), and XCIC dated 20th August 2012, the Company made cash contribution of RMB 129,362 thousand to Ningxuanhang in the forms of paid-in capital of RMB 83,000 and capital surplus of RMB 46,362 thousand; AEHC made cash contribution of RMB 182,353 thousand to Ningxuanhang in the forms of paid-in capital of RMB 117,000 thousand and capital surplus of RMB 65,353 thousand. After the cash contribution, the Company, AEHC and XCIC's equity interest in Ningxuanhang changed to 51%, 39% and 10%, respectively.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 11 Investments in subsidiaries - Company (continued)

### (b) Investment in Ningxuanhang (continued)

The Company, AEHC and XCIC also provided funding to Ningxuanhang in the form of long-term shareholders' loans. Details of the undiscounted long-term shareholders' loans in 2014 are as follows:

	The Company		AEHC		XCIC		Total
	Interest free	Interest bearing	Interest free	Interest bearing	Interest free	Interest bearing	
Beginning of the year	536,608	499,500	410,347	160,000	102,180	—	1,708,635
Additions	51,000	185,040	132,300	74,290	32,638	—	475,268
Ending of the year	<u>587,608</u>	<u>684,540</u>	<u>542,647</u>	<u>234,290</u>	<u>134,818</u>	<u>—</u>	<u>2,183,903</u>

The interest rate of interest bearing long-term loans ranged from 6.22% to 6.55% in 2014 (2013: 6.22% to 6.55%).

According to the agreement among the Company, AEHC and XCIC, annual net profit is to be made as dividends to the Company, AEHC and XCIC. The amortisation and depreciation are to be made as repayments to bank borrowings and long-term shareholders' loans. After all the bank borrowings and long-term shareholders' loans are fully settled, annual net profit and the amortisation and depreciation are distributed to the Company, AEHC and XCIC in proportion to their respective contributions to Ningxuanhang's paid-in capital.

The interest free loan of the Company is initially recognised at its fair value, which equals the present value of the future cash to be received discounted using the annual interest rate published by the People's Bank of China for long-term bank loans, and is subsequently carried at amortised cost using the effective interest method. The difference between initial fair value and undiscounted amount of RMB 55,859 thousand of the interest free loan was recognised as an addition to the Company's investment in Ningxuanhang in 2014 (2013: RMB 210,414 thousand).

The interest bearing loan of the Company is accounted for by using effective interest rate method as well. As the interest rate is floating and determined by reference to market interest rate, the fair value approximated its carrying amount.

As at 31 December 2014, the Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section is officially opened to traffic (Note 1) and remaining road section is still under construction.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 11 Investments in subsidiaries - Company (continued)

### (c) Investment in Guangci

Guangci is a co-operative joint venture established by AEHC and XCIC in July 2004 with an operating period of 25 years. The total registered capital of Guangci was RMB 56,800 thousand. AEHC and XCIC's equity interest in Guangci were 51% and 49% respectively.

Pursuant to a share transfer agreement dated 21 February 2012 among the Company, AEHC and XCIC, the Company acquired AEHC's and XCIC's interest in Guangci for a purchase consideration of RMB 215,330 thousand and RMB 18,880 thousand respectively, effective of 1 January 2012. After the acquisition, the Company and XCIC's equity interest in Guangci were 55.47% and 44.53% respectively.

### (d) Investment in Wan Tong Pawn

Wan Tong Pawn is a joint venture established by the Company and Hefei Hua Tai Group Co., Ltd. (“合肥華泰集團股份有限公司”, “Hua Tai”) in June 2012 with an operating period of 30 years. The total registered capital of Wan Tong Pawn was RMB 210,000 thousand. The Company invested in RMB 150,000 thousand and held 71.43% equity interest in Wan Tong Pawn. Hua Tai invested in RMB 60,000 thousand and held 28.57% equity interest in Wan Tong Pawn.

In 2014, the net losses attributable to the Company amounted to RMB 18,744 thousand (2013: net profit RMB 21,156 thousand); the net losses attributable to Hua Tai amounted to RMB 7,497 thousand (2013: net profit RMB 8,462 thousand).

### (e) Investment in AEHK

As at 30 September 2013, AEHK was set up in Hong Kong. The registered capital of AEHK is HKD 2,400 thousand. As at 31 December 2014, the Group still has not finished capital injection and AEHK is still in pre-operation stage.

### (f) Material non-controlling interests

The total non-controlling interests as at 31 December 2014 are RMB 847,613 thousand, of which RMB 459,479 thousand is attributed to Ningxuanhang, RMB 239,145 thousand is attributed to Xuan Guang, RMB 94,886 thousand attributed to Guangci, and RMB 54,103 thousand attributed to Wan Tong Pawn.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 11 Investments in subsidiaries - Company (continued)

### (f) Material non-controlling interests (continued)

#### Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

#### Summarised balance sheet

	Ningxuanhang		Xuan Guang		Guangci		Wan Tong Pawn	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Current</b>								
Assets	69,170	30,158	77,465	67,071	8,369	5,527	175,381	251,247
Liabilities	(526,672)	(431,596)	(135,586)	(146,704)	(45,258)	(30,376)	(4,402)	(7,844)
Total current net (liabilities)/ assets	(457,502)	(401,438)	(58,121)	(79,633)	(36,889)	(24,849)	170,979	243,403
<b>Non-current</b>								
Assets	3,687,788	3,064,701	1,077,257	1,155,201	250,004	268,658	18,383	3,957
Liabilities	(2,369,292)	(1,799,879)	(425,422)	(481,215)	—	(34,050)	—	—
Total non-current net assets	1,318,496	1,264,822	651,835	673,986	250,004	234,608	18,383	3,957
Net assets	860,994	863,384	593,714	594,353	213,115	209,759	189,362	247,360

#### Summarised income statement

	Ningxuanhang		Xuan Guang		Guangci		Wan Tong Pawn	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	713,064	1,036,139	413,739	460,823	66,834	68,028	28,429	57,314
(Loss)/profit before income tax	(147,534)	(49,445)	211,840	212,533	40,787	40,254	(34,816)	39,538
Income tax (expense)/income	4,309	1,270	(53,027)	(53,467)	(10,262)	(10,068)	8,574	(9,921)
(Loss)/profit for the year	(143,225)	(48,175)	158,813	159,066	30,525	30,186	(26,242)	29,617
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive (losses)/ income	(143,225)	(48,175)	158,813	159,066	30,525	30,186	(26,242)	29,617
Total comprehensive (losses)/ income allocated to non-controlling interests	(70,180)	(23,606)	70,719	70,832	13,592	13,441	(7,497)	8,462
Dividends paid to non-controlling interests	—	—	71,004	62,176	12,098	4,453	9,073	—

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 11 Investments in subsidiaries - Company (continued)

### (f) Material non-controlling interests (continued)

#### Summarised financial information on subsidiaries with material non-controlling interests (continued)

##### Summarised cash flows

	Ningxuanhang		Xuan Guang		Guangci		Wan Tong Pawn	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Cash flows from operating activities</b>								
Cash (used in)/generated from operations	(590,976)	(939,640)	287,953	301,420	66,081	82,661	36,584	24,742
Interest paid	(67,512)	(29,834)	—	—	(2,522)	(4,944)	—	—
Income tax paid	—	—	(60,492)	(79,413)	(10,164)	(12,498)	(10,678)	(8,674)
Net cash (used in)/generated from operating activities	(658,488)	(969,474)	227,461	222,007	53,395	65,219	25,906	16,068
Net cash (used in)/generated from investing activities	(24)	(2,361)	(923)	(4,520)	132	39	(53)	(47)
Net cash generated from/(used) in financing activities	697,500	726,234	(237,660)	(209,419)	(54,145)	(66,750)	(31,756)	—
Net increase/(decrease) in cash and cash equivalents	38,988	(245,601)	(11,122)	8,068	(618)	(1,492)	(5,903)	16,021
Cash and cash equivalents at beginning of the year	28,026	273,627	53,880	45,812	3,642	5,134	63,553	47,532
Exchange loss on cash and cash equivalents	—	—	—	—	—	—	—	—
Cash and cash equivalents at end of the year	67,014	28,026	42,758	53,880	3,024	3,642	57,650	63,553

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 12 Loans to subsidiaries - Company

	Year ended 31 December	
	2014	2013
<b>Loans to Xuan Guang (Note 11(a))</b>		
Beginning of the year	207,384	232,716
Repayments	(43,383)	(38,713)
Amortisations	11,747	13,381
End of the year	175,748	207,384
<b>Loans to Ningxuanhang (Note 11(b))</b>		
Beginning of the year	720,899	563,673
Additions	192,049	145,694
- interest-free loans	7,009	60,694
- interest-bearing loans	185,040	85,000
Revaluation	(15,876)	—
Amortisations	14,480	11,532
End of the year	911,552	720,899
Loans to subsidiaries - total	1,087,300	928,283
Less: current portion of loans to subsidiaries (Note 15)	(38,713)	(38,713)
	<b>1,048,587</b>	<b>889,570</b>

The carrying amounts and fair values of loans to subsidiaries (including current portion) are as follows:

	Carrying Amounts As at 31 December		Fair Values As at 31 December	
	2014	2013	2014	2013
Loans to Xuan Guang	175,748	207,384	175,230	204,323
Loans to Ningxuanhang	911,552	720,899	923,317	721,265
	<b>1,087,300</b>	<b>928,283</b>	<b>1,098,547</b>	<b>925,588</b>

The above loans are unsecured, and the repayment terms are set out in Note 11(a), (b).

As at 31 December 2014, the undiscounted amount of loans to Xuan Guang was RMB 204,836 thousand (31 December 2013: RMB 248,219 thousand) and to Ningxuanhang was RMB 1,272,148 thousand (31 December 2013: RMB 1,036,108 thousand).

The fair values of the loans are based on cash flows discounted using 6.15%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 31 December 2014 (31 December 2013: 6.55%).

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 13 Investments in an associate

### Group

	As at 31 December	
	2014	2013
Beginning of the year	55,973	41,316
Share of an associate's result:		
- Profit before income tax	21,984	20,344
- Income tax expenses	(5,770)	(5,687)
End of the year	<u>72,187</u>	<u>55,973</u>

The Group's interests in its associate which is unlisted, were as follows:

Name	Particulars of issued shares held	Country of incorporation	Assets	Liabilities	Revenue	Net Profit	% of Interest held
<b>2014</b>							
Anhui Expressway Advertisement Co., Ltd. ("安徽高速傳媒有限公司", "AEAC")	Equity capital	PRC	<u>102,982</u>	<u>30,795</u>	<u>47,471</u>	<u>16,214</u>	<u>38%</u>
<b>2013</b>							
AEAC	Equity capital	PRC	<u>95,889</u>	<u>39,916</u>	<u>46,451</u>	<u>14,657</u>	<u>38%</u>



# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 13 Investments in an associate (continued)

### Group (continued)

Set out below are the summarised financial information of AEAC:

#### *Summarised balance sheet*

	AEAC As at 31 December	
	2014	2013
<b>Current</b>		
Assets	69,577	32,014
Liabilities	(81,042)	(105,040)
Total current net liabilities	(11,465)	(73,026)
<b>Non-current</b>		
Assets	201,430	220,324
Liabilities	—	—
Total non-current net assets	201,430	220,324
<b>Net assets</b>	<b>189,965</b>	<b>147,298</b>

#### *Summarised statement of comprehensive income*

	AEAC Year ended 31 December	
	2014	2013
Revenue	124,924	122,236
Profit for the year	42,667	38,571
Total comprehensive income for the year	42,667	38,571
Dividends	—	—

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 13 Investments in an associate (continued)

### Group (continued)

#### Reconciliation of summarised financial information

	AEAC	
	Year ended 31 December	
	2014	2013
Beginning of the year	147,298	108,727
Profit for the year	42,667	38,571
End of the year	189,965	147,298
Equity interests in associate (38%)	72,187	55,973

### Company

	As at 31 December	
	2014	2013
Unlisted equity in AEAC, at cost	18,999	18,999

## 14 AFS financial assets

### Group and Company

	Equity interest in unlisted companies		
	AXFG (a)	WTMC (b)	Total
Beginning of the year	500,000	15,000	515,000
Disposal	(339,000)	—	(339,000)
Gains recognised in income statement (Note 28)	39,000	—	39,000
Fair value gains on AFS financial assets recognised in other comprehensive income	61,927	—	61,927
End of the year	261,927	15,000	276,927

- (a) In 2014, the Group disposed 10% equity interests in Anhui Xin'an Financial Group Co., Ltd. (“安徽新安金融集團股份有限公司”, “AXFG”) and gains from disposal amounting to RMB 39,000 thousand were recognised in “Other gains – net”. As at 31 December 2014, AFS financial assets represented 6.67% (31 December 2013:16.67%) equity interests in AXFG and the fair values are RMB 261,927 thousand (31 December 2013: RMB 500,000 thousand).
- (b) AFS financial assets represented 10% equity interests in Hefei Wan Tong Microcredit Co., Ltd. (“合肥市皖通小額貸款有限公司”, “WTMC”).

# Notes to the consolidated financial statements

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## 15 Trade and other receivables

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
Pawn loans to customers (a)	<b>186,195</b>	199,104	—	—
Toll roll income receivable (c)	<b>63,915</b>	67,632	<b>63,915</b>	67,632
Interests receivable	<b>2,012</b>	4,002	<b>57,103</b>	31,427
Financial products	—	130,000	—	130,000
Dividends receivable (b)	—	35,000	—	43,668
Current portion of loans to subsidiaries (Note 12)	—	—	<b>38,713</b>	38,713
Others	<b>12,221</b>	17,459	<b>9,250</b>	16,298
	<b>264,343</b>	453,197	<b>168,981</b>	327,738
Less: Provision for impairment (a)	<b>(71,043)</b>	(13,028)	—	—
	<b>193,300</b>	440,169	<b>168,981</b>	327,738

### (a) Pawn loans to customers

At 31 December 2014 and 2013, the analysis of pawn loans to customers is as follows:

Group	As at 31 December	
	2014	2013
Pawn loans to customers		
— Principle	<b>186,195</b>	199,104
— Interest	—	—
	<b>186,195</b>	199,104
Less: Impairment allowances		
— Individually assessed	<b>(60,920)</b>	(5,420)
— Collectively assessed	<b>(10,123)</b>	(7,608)
	<b>(71,043)</b>	(13,028)
Pawn loans to customers, net	<b>115,152</b>	186,076

Pawn loans to customers are arising from the Group's pawn loans business. The loan periods granted to customers are from one to six months and bore fixed interest rates ranging from 21.60% to 26.40% for the year ended 31 December 2014 (31 December 2013: bore fixed interest rates ranging from 24.00% to 26.40%).

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For the year ended 31 December 2014  
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## 15 Trade and other receivables (continued)

### (a) Pawn loans to customers (continued)

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

Group	As at 31 December	
	2014	2013
Beginning of the year	(13,028)	(1,780)
Impairment losses recognised (Note 29)	(58,015)	(11,248)
End of the year	<b>(71,043)</b>	(13,028)

(b) AXFG declared a cash dividend of RMB 70,000 thousand (Note 28) to the Company in 2014, which had been received by the Company along with cash dividend of RMB 35,000 thousand to the Company declared in 2013; WTMC declared a cash dividend of RMB 1,800 thousand (Note 28) to the Company in 2014, which had been received by the Company in 2014.

(c) At 31 December 2014, toll roll income receivables mainly represented receivable from Anhui Expressway Network Operations Co., Ltd. of RMB 62,822 thousand (31 December 2013: RMB 66,183 thousand) for uncollected toll road income.

At 31 December 2014 and 2013, the ageing analysis of the trade and other receivables is as follows:

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
Up to 1 year	132,001	430,943	126,220	284,236
1 to 2 years	112,594	21,952	1,594	4,790
2 to 3 years	19,504	201	2,455	—
Over 3 years	244	101	38,712	38,712
	<b>264,343</b>	453,197	<b>168,981</b>	327,738

As at 31 December 2014 and 2013, all trade and other receivables balances were denominated in RMB. Except for pawn loans to customers which are analysed in Note (a), all trade and other receivables balances were fully performing.

As at 31 December 2014 and 2013, the fair values of the trade and other receivables of the Group and the Company, except for the prepayments which are not financial assets, approximated their carrying amounts.

## Notes to the consolidated financial statements

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### 16 Inventories

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
Materials for toll road maintenance	<u>2,617</u>	<u>3,824</u>	<u>2,457</u>	<u>3,486</u>

### 17 Cash and cash equivalents and restricted cash

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
Cash at bank and on hand	559,945	904,073	389,498	754,973
Less: restricted cash	<u>(97,000)</u>	<u>(358,403)</u>	<u>(97,000)</u>	<u>(358,403)</u>
Cash and cash equivalents at end of the period	<u>462,945</u>	<u>545,670</u>	<u>292,498</u>	<u>396,570</u>

The weighted average effective interest rate per annum on cash at bank in 2014 was approximately 1.70% (2013: 1.63%).

As at 31 December 2014, the restricted cash is bank deposit with original maturities over three months, including a bank deposit of RMB 97,000 thousand (31 December 2013: RMB 88,400 thousand) pledged as collateral for the Group's borrowings of HKD 120,000 thousand (equivalent to RMB 94,668 thousand) (31 December 2013: HKD 111,186 thousand, equivalent to RMB 88,048 thousand) (Note 22(c)).

The carrying amounts of cash at bank and on hand are denominated in the following currencies:

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
RMB	459,452	537,443	289,005	388,343
HKD (RMB equivalents)	<u>3,493</u>	<u>8,227</u>	<u>3,493</u>	<u>8,227</u>
	<u>462,945</u>	<u>545,670</u>	<u>292,498</u>	<u>396,570</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 18 Ordinary share capital and share premium

	Number of A shares (thousand)	Number of H shares (thousand)	Ordinary share capital	Share Premium	Total
At 1 January 2013	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the year	—	—	—	—	—
At 31 December 2013	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the year	—	—	—	—	—
<b>At 31 December 2014</b>	<b>1,165,600</b>	<b>493,010</b>	<b>1,658,610</b>	<b>1,415,593</b>	<b>3,074,203</b>

The total authorised and issued number of ordinary shares is 1,658,610,000 shares with a par value of RMB 1 per share. All issued shares are fully paid.

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of shares issued, net of transaction cost.

## 19 Other reserves

### Group

	Capital Surplus	Statutory Surplus Reserve Fund (Note 36 (a))	Discretionary Surplus Reserve Fund	Enterprise Safety Fund	Merge Reserve (a)	Excess of the consideration over carrying amount of the non controlling interests acquired	Fair value change of AFS financial assets net of tax (Note 14)	Total
<b>Balance at 1 January 2013</b>	2,243	955,881	658	55,063	(186,362)	(710,116)	—	117,367
Usage of Enterprise Safety Fund	—	—	—	(1,376)	—	—	—	(1,376)
<b>Balance at 31 December 2013</b>	2,243	955,881	658	53,687	(186,362)	(710,116)	—	115,991
Usage of Enterprise Safety Fund	—	—	—	(1,376)	—	—	—	(1,376)
Changes in fair value of AFS financial assets, net of tax	—	—	—	—	—	—	46,445	46,445
<b>Balance at 31 December 2014</b>	<b>2,243</b>	<b>955,881</b>	<b>658</b>	<b>52,311</b>	<b>(186,362)</b>	<b>(710,116)</b>	<b>46,445</b>	<b>161,060</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 19 Other reserves (continued)

### Company

	Statutory Surplus Reserve Fund (Note 36 (a))	Discretionary Surplus Reserve Fund	Enterprise Safety Fund	Fair value change of AFS financial assets, net of tax	Total
<b>Balance at 1 January 2013</b>	898,724	658	49,301	—	948,683
Usage of Enterprise Safety Fund	—	—	(1,376)	—	(1,376)
<b>Balance at 31 December 2013</b>	898,724	658	47,925	—	947,307
Usage of Enterprise Safety Fund	—	—	(1,376)	—	(1,376)
Changes in fair value of AFS financial assets, net of tax	—	—	—	46,445	46,445
<b>Balance at 31 December 2014</b>	<b>898,724</b>	<b>658</b>	<b>46,549</b>	<b>46,445</b>	<b>992,376</b>

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

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

For enterprise safety fund, please refer to Note 2.27.

- (a) The merge reserve as at 31 December 2013 and 2014 represented the excess of consideration over the Company's share of paid-in capital of Guangci acquired under common control (Note 11(c)).

The Company's share of paid-in capital of Guangci  
Less: consideration paid to the then equity owner for acquisition  
of Guangci under common control

Merge reserve

<b>As at 31 December 2013 and 2014</b>
<b>28,968</b>
<b>(215,330)</b>
<b>(186,362)</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 20 Deferred income

### Group and Company

	As at 31 December	
	2014	2013
Government grants	37,279	39,453

Deferred income represents government grants relating to assets and is amortised over 25 years (Note 2.21).

Amortisation of RMB 2,174 thousand (2013: RMB 2,173 thousand) has been charged in “other gains - net” (Note 28).

## 21 Trade and other payables

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
Payables on acquisition of concession intangible assets	541,546	481,089	65,594	82,924
Payables on repair and maintenance projects	2,476	2,234	2,287	2,103
Deposits for construction projects	69,769	94,186	30,075	41,290
Toll road income received:	10,286	15,117	51,035	28,463
- on behalf of Xuan Guang	—	—	33,819	12,045
- on behalf of Guangci	—	—	5,345	1,885
- on behalf of Ningxuanhang	—	—	1,739	—
- on behalf of other entities	10,286	15,117	10,132	14,533
Other taxation payables	16,908	12,913	14,306	10,552
Staff salaries and welfare	25,964	27,659	19,203	20,818
Dividends payable	—	6,959	—	—
Current portion of long-term payables (Note 24)	31,078	31,078	—	—
Interest payable	2,281	3,034	462	1,045
Others	16,347	17,767	12,767	9,650
	716,655	692,036	195,729	196,845

As at 31 December 2014, trade and other payables of RMB 243,678 thousand were aged over one year (2013: RMB 175,010 thousand). These payables were mainly for construction projects and will be settled after project completion.

As at 31 December 2014 and 2013, all trade and other payables were denominated in RMB.

As at 31 December 2014 and 2013, the fair values of trade and other payables, except for staff salaries and welfare, approximated their fair values.



# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 22 Borrowings

### Group

	As at 31 December 2014		As at 31 December 2013	
	Interest rate per annum	Amount	Interest rate per annum	Amount
<b>Non-current</b>				
Long-term bank borrowings denominated in RMB - secured				
– Pledged (b)	—	—	5.76%-6.40%	34,050
– Guaranteed (d)	5.843%-6.550%	579,781	6.40%-7.05%	362,000
Long-term bank borrowings denominated in HKD - secured				
– Pledged (RMB equivalents) (c)	1.74%	94,668	—	—
Long-term bank borrowings denominated in RMB				
– Unsecured (d)	5.535%-5.895%	176,989	5.90%-6.35%	181,000
		<u>851,438</u>		<u>577,050</u>
<b>Current</b>				
Corporate bonds denominated in RMB (a)	—	—	5.00%	1,993,729
Short-term bank borrowings denominated in HKD - secured				
– Pledged (RMB equivalents) (c)	—	—	1.60%	88,048
Short-term bank borrowings denominated in RMB				
– unsecured	5.040%-5.150%	400,000	4.62%	70,000
Current portion of long-term bank borrowings denominated in RMB				
– Pledged (b)	5.760%-6.400%	34,050	5.76%-6.40%	11,350
– Guaranteed (d)	5.843%-6.550%	6,248	—	—
– Unsecured (d)	5.535%-5.895%	2,215	—	—
		<u>442,513</u>		<u>2,163,127</u>
<b>Total borrowings</b>		<u><u>1,293,951</u></u>		<u><u>2,740,177</u></u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 22 Borrowings (continued)

### Company

	As at 31 December 2014		As at 31 December 2013	
	Interest rate per annum	Amount	Interest rate per annum	Amount
<b>Non-current</b>				
Long-term bank borrowings denominated in HKD - secured – Pledged (c)	1.74%	<u>94,668</u>	—	<u>—</u>
<b>Current</b>				
Corporate bonds denominated in RMB (a)	—	—	5.00%	1,993,729
Short-term bank borrowings denominated in HKD - secured – Pledged (RMB equivalents) (c)	—	—	1.60%	88,048
Short-term bank borrowings denominated in RMB – unsecured	5.040%-5.150%	<u>400,000</u>	4.62%	<u>70,000</u>
<b>Total borrowings</b>		<u><b>494,668</b></u>		<u><b>2,151,777</b></u>

- (a) As approved by the China Securities Regulatory Commission on 28 August 2009, the Company issued corporate bonds of RMB 2,000,000 thousand for a term of 5 years, bearing interest at 5% per annum on 17 December 2009. Interest is payable annually and the principal is repayable in full upon maturity. On 16 December 2014, the Company repaid all the principle amount and interest of corporate bonds.
- (b) The bank borrowings of RMB 34,050 thousand were pledged by service concession arrangements of Guangci Expressway as at 31 December 2014 (31 December 2013: RMB 45,400 thousand) (Note 6).
- (c) The bank borrowings of HKD 120,000 thousand (equivalent to RMB 94,668 thousand) were pledged by bank deposit of RMB 97,000 thousand as at 31 December 2014 (31 December 2013: HKD 111,186 thousand (equivalent to RMB 88,048 thousand) were pledged by bank deposit of RMB 88,400 thousand) (Note 17).
- (d) The bank borrowings of RMB 167,000 thousand were guaranteed by XCIC, a non-controlling interest of subsidiaries; RMB 419,029 thousand were guaranteed by the AEHC; and RMB 179,204 thousand were guaranteed by the Company as at 31 December 2014 (31 December 2013: RMB 152,000 thousand were guaranteed by XCIC, a non-controlling interest of subsidiaries; RMB 210,000 thousand were guaranteed by the AEHC; and RMB 181,000 thousand were guaranteed by the Company).

## Notes to the consolidated financial statements

For the year ended 31 December 2014  
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### 22 Borrowings (continued)

At 31 December 2014 and 2013, the Group's and the Company's borrowings are repayable as follows:

#### Group

	Bank borrowings As at 31 December		Corporate bonds As at 31 December	
	2014	2013	2014	2013
Within 1 year	442,514	169,398	—	1,993,729
Between 1 and 2 years	106,919	34,050	—	—
Between 2 and 5 years	145,842	—	—	—
Over 5 years	598,676	543,000	—	—
	<u>1,293,951</u>	<u>746,448</u>	<u>—</u>	<u>1,993,729</u>

#### Company

	Bank borrowings As at 31 December		Corporate bonds As at 31 December	
	2014	2013	2014	2013
Within 1 year	400,000	158,048	—	1,993,729
Between 1 and 2 years	94,668	—	—	—
	<u>494,668</u>	<u>158,048</u>	<u>—</u>	<u>1,993,729</u>

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

	As at 31 December	
	2014	2013
Expiring within one year	<u>5,971,310</u>	<u>2,657,899</u>

The exposure of the Group's and Company's bank borrowings to interest rate changes and the contractual repricing dates at the end of reporting period are as follows:

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
Within 1 year	<u>1,293,951</u>	<u>746,448</u>	<u>494,668</u>	<u>158,048</u>

As at 31 December 2014 and 2013, the fair values of current and non-current borrowings approximated their carrying amounts as the discounting impact is not significant.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 23 Provision - maintenance/resurfacing obligations (Note 4(b))

	Group	Company
Balance at 1 January 2014	17,638	17,373
Addition of provision	79,387	51,306
Utilisation of provision	(83,962)	(55,882)
Balance at 31 December 2014	<u>13,063</u>	<u>12,797</u>

## 24 Long-term payables - Group

	As at 31 December	
	2014	2013
<b>Long-term payables to XCIC (Note 11(a) (b))</b>		
Beginning of the year	347,164	370,719
Additions	5,881	3,300
– interest - free loans	5,881	3,300
– interest - bearing loans	—	—
Repayments	(34,826)	(46,078)
Revaluation	1,116	(991)
Amortisation - capitalised in concession intangible assets (Note 6)	37	786
Amortisation - charged to income statement (Note 31)	21,275	19,428
End of the year	<u>340,647</u>	<u>347,164</u>
<b>Long-term payables to AEHC (Note 11(b))</b>		
Beginning of the year	328,242	152,325
Additions	96,968	171,187
– interest - free loans	22,678	11,187
– interest - bearing loans	74,290	160,000
Revaluation	3,340	(5,550)
Amortisation - capitalised in concession intangible assets (Note 6)	4,615	8,517
Amortisation - charged to income statement (Note 31)	7,081	1,763
End of the year	<u>440,246</u>	<u>328,242</u>
<b>Long-term payables - total</b>	<b>780,893</b>	675,406
Less: current portion of long-term payables (Note 21)	<u>(31,078)</u>	<u>(31,078)</u>
	<u><b>749,815</b></u>	<u>644,328</u>

The interest rate of interest bearing long-term loans ranged from 6.22% to 6.55% in 2014 (2013: 6.22% to 6.55%).

## Notes to the consolidated financial statements

For the year ended 31 December 2014  
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### 24 Long-term payables - Group (continued)

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

	Carrying Amounts As at 31 December		Fair Value As at 31 December	
	2014	2013	2014	2013
Long-term payables to XCIC	340,647	347,164	341,372	339,161
Long-term payables to AEHC	440,246	328,242	452,669	329,585
	<u>780,893</u>	<u>675,406</u>	<u>794,041</u>	<u>668,746</u>

The fair values of long-term payables are based on cash flows discounted using 6.15%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 31 December 2014 (31 December 2013: 6.55%).

The undiscounted amounts of long-term payables (including current portion) are as follows:

	As at 31 December	
	2014	2013
Long-term payables to XCIC	516,829	519,018
Long-term payables to AEHC	776,937	570,347
	<u>1,293,766</u>	<u>1,089,365</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 25 Deferred tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred taxes relate to the same tax authority. The deferred income tax balance before offsetting are as follows:

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
Deferred tax assets:				
– Deferred tax to be realised after more than 12 months	43,431	22,766	8,777	6,878
– Deferred tax to be realised within 12 months	10,150	14,708	8,454	15,983
	<u>53,581</u>	<u>37,474</u>	<u>17,231</u>	<u>22,861</u>
Deferred tax liabilities:				
– Deferred tax to be settled after more than 12 months	(206,529)	(161,023)	(45,376)	(31,133)
– Deferred tax to be settled within 12 months	(9,878)	(8,278)	(2,851)	(2,853)
	<u>(216,407)</u>	<u>(169,301)</u>	<u>(48,227)</u>	<u>(33,986)</u>

The movements on the Group's deferred income tax assets and liabilities, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 25 Deferred tax assets and liabilities (continued)

	Accounting for government grants	Provision	Accrued bonus	Accounting for interest bearing shareholder's loans	Total
<b>Deferred income tax assets</b>					
<b>Balance at 1 January 2013</b>	13,457	2,152	6,341	8,076	30,026
Deferred taxation (debited)/credited to income statement	(3,594)	5,515	—	5,527	7,448
<b>Balance at 31 December 2013</b>	9,863	7,667	6,341	13,603	37,474
Deferred taxation (debited)/credited to income statement	(543)	13,360	—	3,290	16,107
<b>Balance at 31 December 2014</b>	<b>9,320</b>	<b>21,027</b>	<b>6,341</b>	<b>16,893</b>	<b>53,581</b>

	Valuation of assets and depreciation – toll roads	Valuation and amortisation of toll roads related land use rights	Accounting for interest free long-term payables	Amortisation difference between accounting and tax regulations	Fair value change of available-for sale financial assets (Note 14)	Others	Total
<b>Deferred income tax liabilities</b>							
<b>Balance at 1 January 2013</b>	(29,768)	(4,681)	(92,847)	(17,905)	—	(3,145)	(148,346)
Deferred taxation (debited)/credited to income statement	2,163	345	5,297	(8,714)	—	474	(435)
Deferred taxation debited to equity (a)	—	—	(20,520)	—	—	—	(20,520)
<b>Balance at 31 December 2013</b>	(27,605)	(4,336)	(108,070)	(26,619)	—	(2,671)	(169,301)
Deferred taxation (debited)/credited to income statement	2,163	345	7,090	(8,713)	—	472	1,357
Deferred taxation debited to other comprehensive income	—	—	—	—	(15,482)	—	(15,482)
Deferred taxation debited to equity (a)	—	—	(32,981)	—	—	—	(32,981)
<b>Balance at 31 December 2014</b>	<b>(25,442)</b>	<b>(3,991)</b>	<b>(133,961)</b>	<b>(35,332)</b>	<b>(15,482)</b>	<b>(2,199)</b>	<b>(216,407)</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
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## 25 Deferred tax assets and liabilities (continued)

- (a) Deferred taxation charged to equity represented the deferred tax liability arising from the temporary difference between carrying amount and undiscounted amount for the long-term payables to XCIC and AEHC (Note 24), which was treated as shareholder contribution and recorded as a credit item in the equity.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. In 2014, the Group did not recognise deferred income tax assets of RMB 32,545 thousand (2013: RMB 11,010 thousand) in respect of losses amounting to RMB 130,178 thousand (2013: RMB 44,042 thousand) that can be carried forward against future taxable income. Carrying forward of these tax losses will expire, if unused, between 2018 and 2019.

The movements on the Company's deferred income tax assets and liabilities, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

Deferred income tax assets	Accounting for Government		Accrued bonus	Accounting for interest free		Total
	grants	Provision		loan		
<b>Balance at 1 January 2013</b>	13,457	1,640	4,711	10,173		29,981
Deferred taxation (debited)/credited to income statement	(3,594)	2,703	—	(6,229)		(7,120)
<b>Balance at 31 December 2013</b>	9,863	4,343	4,711	3,944		22,861
Deferred taxation debited to income statement	(543)	(1,143)	—	(3,944)		(5,630)
<b>Balance at 31 December 2014</b>	<b>9,320</b>	<b>3,200</b>	<b>4,711</b>	<b>—</b>		<b>17,231</b>

Deferred income tax liabilities	Valuation of assets and depreciation – toll roads	Valuation and amortisation of toll roads related land use rights	Fair value change of available-for sale financial assets	Accounting for interest free loan	Others	Total
<b>Balance at 1 January 2013</b>	(29,767)	(4,682)	—	—	(2,390)	(36,839)
Deferred taxation credited to income statement	2,162	346	—	—	345	2,853
<b>Balance at 31 December 2013</b>	(27,605)	(4,336)	—	—	(2,045)	(33,986)
Deferred taxation (debited)/credited to income statement	2,163	345	—	(1,610)	343	1,241
Deferred taxation debited to other comprehensive income	—	—	(15,482)	—	—	(15,482)
<b>Balance at 31 December 2014</b>	<b>(25,442)</b>	<b>(3,991)</b>	<b>(15,482)</b>	<b>(1,610)</b>	<b>(1,702)</b>	<b>(48,227)</b>



# Notes to the consolidated financial statements

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## 25 Deferred tax assets and liabilities (continued)

Offsetting of deferred tax assets and liabilities:

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
Deferred tax assets	<u>(24,671)</u>	(37,474)	<u>(17,231)</u>	(22,861)
Deferred tax liabilities	<u>24,671</u>	37,474	<u>17,231</u>	22,861

The net values of deferred assets and liabilities taking into consideration the offsetting of balances are set out as follows:

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
Deferred tax assets	<u>28,910</u>	—	<u>—</u>	—
Deferred tax liabilities	<u>(191,736)</u>	(131,827)	<u>(30,996)</u>	(11,125)

## 26 Retirement benefit obligations - Group

The Group participates in the Anhui Provincial Retirement Scheme managed by Anhui Social Security Management Bureau ("the Bureau"). Pursuant to the relevant provisions, the Group is required to make a monthly contribution equivalent to the 20% (2013: 20%-23%) of the basic monthly salary, subject to certain ceiling, in respect of its employees. The Bureau is responsible for pension payments to the retired employees of the Group and the Group has no further obligations.

In addition to the above pension plans, the employees of the Group also entered into a supplementary pension scheme on a voluntary basis. The Group is required to make an annual contribution to an independent fund management company equivalent to the basic monthly salary, subject to certain ceiling, in respect of its employees. The Group is also required to pay RMB 230 every month to those employees, who have retired or will retire before 31 December 2015. As at 31 December 2014, the retired employees of the Group were 59 (31 December 2013: 54).

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## 27 Revenue - Group

	Year ended 31 December	
	2014	2013
Toll income from toll roads operation	2,223,793	2,188,382
Revenue from construction or upgrade work under Service Concessions	697,019	1,073,713
Rental income	51,796	48,593
– from toll gas stations (a)	25,890	25,890
– from toll road service sectors (b)	10,080	9,000
– from other investment properties	15,826	13,703
Service income from roads emergency assistance	20,735	10,052
Service income from management of toll roads (Note 39(b))	13,437	23,730
Interest income from pawn loans to customers	28,429	57,314
Others	1,380	2,033
	<b>3,036,589</b>	<b>3,403,817</b>

- (a) Pursuant to a lease agreement with Anhui Expressway Petrochemical Co., Ltd. (“安徽省高速石化有限公司”, “AEPC”), the Company’s gas stations were leased to AEPC with annual rental fee of RMB 25,890 thousand. The lease period was from 1 April 2012 to 31 March 2015.
- (b) Pursuant to a lease agreement with Anhui Yida Toll Road Service Sector Management Co., Ltd. (“YTMC”, “安徽省驛達高速公路服務區經營管理有限公司”), the Company’s toll road service sectors were leased to YTMC with annual rental fee of RMB 8,280 thousand. The lease period was from 1 January 2014 to 31 December 2016.

Pursuant to a lease agreement with YTMC, Guangci’s toll road service sectors were leased to YTMC with annual rental fee of RMB 1,800 thousand. The lease period was from 1 August 2009 to 20 July 2029.

# Notes to the consolidated financial statements

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## 28 Other gains - net - Group

	Year ended 31 December	
	2014	2013
Dividend income	71,800	73,999
Interest income	39,052	11,691
Gains from disposal of AFS financial assets (Note 14)	39,000	—
Amortisation of government grants relating to assets (Note 20)	2,174	2,173
Loss from disposal on property, plant and equipment (Note 37)	(12)	(209)
Loss from disposal on investment properties (Note 37)	(23)	—
Others	(713)	821
	<b>151,278</b>	<b>88,475</b>

## 29 Expenses by nature - Group

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

	Year ended 31 December	
	2014	2013
Costs payable to vendors for construction or upgrade work under the Service Concessions (Note 2.6)	697,019	1,073,713
Depreciation and amortisation expenses (Notes 6,7,8,9,10)	628,202	599,737
Employee benefit expenses (Note 30)	232,291	212,837
Taxes related to revenue (a)	84,101	82,920
Repair expenses	79,387	84,039
Auditor's remuneration	2,400	2,300
Impairment for pawn loans to customers (Note 15)	58,015	11,248
Others	90,348	98,661
	<b>1,871,763</b>	<b>2,165,455</b>

### (a) Taxes related to revenue

The Group is subject to Business Tax ("BT") at the rate of 3% for toll income and of 5% for others respectively. Revenue from construction or upgrade work under the Service Concessions is not subject to BT.

In addition to BT, the Group is subject to the following supplemental turnover taxes:

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

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 30 Employee benefit expenses - Group

	Year ended 31 December	
	2014	2013
Salaries and wages	166,889	152,094
Supplementary pension insurance	4,867	4,735
Other welfares	60,535	56,008
	<u>232,291</u>	<u>212,837</u>

As at 31 December 2014, the number of employees was 1,579 (31 December 2013: 1,748).

### (a) Directors' emoluments

The remuneration of every Director of the Company for the year ended 31 December 2014 is set out below:

Name of Director	Fees	Salaries	Bonus	Contribution		Total
				Other benefits	to pension scheme	
<b>Executive Directors</b>						
Mr. Zhou Renqiang	—	—	—	—	—	—
Mr. Tu Xiaobei* (retired)	—	—	—	—	—	—
Mr. Li Junjie	—	—	—	—	—	—
Mr. Li Jiezhi* (retired)	—	—	—	—	—	—
Mr. Chen Dafeng*	—	—	—	—	—	—
Mr. Xie Xinyu*	—	458	—	—	40	498
<b>Non Executive Directors</b>						
Mr. Meng Jie	—	127	—	—	—	127
Mr. Wu Xinhua	—	—	—	—	—	—
<b>Independent Directors</b>						
Mr. Cui Yunfei* (retired)	85	—	—	—	—	85
Mr. Yang Mianzhi	35	—	—	—	—	35
Mr. Hu Bin	80	—	—	—	—	80
Mr. Jiang Yifan*	80	—	—	—	—	80
	<u>280</u>	<u>585</u>	<u>—</u>	<u>—</u>	<u>40</u>	<u>905</u>

\* Mr. Li Jiezhi retired from the position on 28 March 2014 and Mr. Tu Xiaobei, and Mr. Cui Yunfei retired from the position on 16 August 2014. Thereafter Mr. Chen Dafeng, Mr. Xie Xinyu and Mr. Jiang Yifan were appointed as directors effective from 17 August 2014.

Since most of executive directors also have positions in the parent company, AEHC, their emoluments have been taken by AEHC as effective from 1 January 2014.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 30 Employee benefit expenses - Group (continued)

### (a) Directors' emoluments (continued)

The remuneration of every Director of the Company for the year ended 31 December 2013 is set out below:

Name of Director	Fees	Salaries	Bonus	Other benefits	Contribution to pension scheme	Total
<b>Executive Directors</b>						
Mr. Zhou Renqiang	—	720	60	—	36	816
Mr. Tu Xiaobei	—	504	42	—	36	582
Mr. Li Junjie	—	504	42	—	36	582
Mr. Li Jiezhi	—	504	42	—	36	582
<b>Non Executive Directors</b>						
Mr. Liu Xianfu* (retired)	—	—	—	—	—	—
Mr. Meng Jie	—	—	—	—	—	—
Mr. Wu Xinhua*	—	—	—	—	—	—
<b>Independent Directors</b>						
Mr. Cui Yunfei	120	—	—	—	—	120
Mr. Yang Mianzhi	80	—	—	—	—	80
Mr. Hu Bin	80	—	—	—	—	80
	<u>280</u>	<u>2,232</u>	<u>186</u>	<u>—</u>	<u>144</u>	<u>2,842</u>

\* Mr. Liu Xianfu retired from the position on 16 May 2013 and Mr. Wu Xinhua was appointed as director effective from 16 May 2013.

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for 2014 include one director, whose emoluments are reflected in the analysis present above and two employees whose emoluments amounted to RMB 630 thousand each, one employee whose emoluments amounted to 430 thousand and other one employee whose emoluments amounted to 429 thousand (2013: four directors, whose emoluments are reflected in the analysis presented above, and one employees whose emoluments amounted to RMB 582 thousand).

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 31 Finance costs - Group

	Year ended 31 December	
	2014	2013
Interest expense on:		
– bank borrowings	38,062	17,683
– corporate bonds	106,271	105,954
– interest paid	100,000	100,000
– amortisation of corporate bonds	6,271	5,954
– amortisation of long-term payables (Note 24)	28,356	21,191
	<u>172,689</u>	<u>144,828</u>

## 32 Taxation - Group

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

	Year ended 31 December	
	2014	2013
Current taxation - CIT (a)	318,354	295,408
Deferred taxation credited to the consolidated income statement (Note 25)	(17,464)	(7,013)
	<u>300,890</u>	<u>288,395</u>

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

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

The Company and its subsidiaries, associated companies determine and pay the PRC Corporate Income Tax ("CIT") in accordance with the CIT Law as approved by the National People's Congress on 16 March 2007. Under the CIT Law, the CIT rate applicable to the Company and its subsidiaries, associated companies is 25%.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 32 Taxation - Group (continued)

### (b) Withholding tax (“WHT”) for dividend paid to foreign investors

Pursuant to Cai Shui [2008] Circular 1 jointly issued by the Ministry of Finance and the State Administration of Taxation, where the Company declares dividend in or after 2008 and beyond out of the cumulative retained earnings as of 31 December 2007 (i.e. 2007 retained earnings), such dividends earned by the foreign shareholders are exempted from WHT; For dividend which arises from the Company’s profit earned after 1 January 2008, WHT is levied on the foreign institute shareholders. Pursuant to the new CIT law and the detailed implementation regulations, foreign shareholders are subject to a 10% WHT for the dividend repatriated by the Company starting from 1 January 2008. For certain treaty jurisdictions such as Hong Kong which has signed tax treaties with the PRC, the WHT rate is 5%. The Company has fulfilled the obligation of WHT for dividends related to 2013 which was paid to foreign institute shareholders until 31 December 2014.

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

	Year ended 31 December	
	2014	2013
Profit before income tax	1,159,629	1,196,666
CIT rate	25%	25%
Tax calculated at the CIT rate	289,907	299,167
Expenses not deductible for tax purpose	411	314
Income not subject to income tax	(22,003)	(22,164)
Tax adjustment made after tax filing by tax bureau	30	68
Deductible tax losses not recognised as deferred tax assets during the year	32,545	11,010
Tax Charges	300,890	288,395

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 33 Profit attributable to shareholders of the Company

The profit attributable to shareholders is dealt with in the financial statements of the Company to the extent of approximately RMB 935,312 thousand (2013: RMB 811,676 thousand).

### (a) The movements of retained earnings

For the movements of retained earnings for the Group, please refer to consolidated statement of changes in equity.

The movements of retained earnings for the Company are as following:

	<b>Year ended 31 December 2014</b>
Beginning of the year	3,322,938
Profit for the year	935,312
Appropriation to Enterprise Safety Fund	1,376
Dividends relating to 2013 (Note 35)	(364,894)
End of the year	<u><u>3,894,732</u></u>

## 34 Earnings per share

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

	<b>Year ended 31 December</b>	
	<b>2014</b>	2013
Profit attributable to equity holders of the Company	<b>852,105</b>	839,142
Weighted average number of ordinary shares in issue (thousand)	<b>1,658,610</b>	1,658,610
Basic earnings per share (expressed in RMB per share)	<u><u>0.5137</u></u>	<u>0.5059</u>



# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 35 Dividends

The dividends paid during the years ended 31 December 2014 and 2013 were RMB 364,894 thousand (RMB 0.22 per share) and RMB 331,722 thousand (RMB 0.20 per share) respectively. A final dividend in respect of 2014 of RMB 0.23 per share, amounting to a total dividend of RMB 381,480 thousand will be proposed at the Annual General Meeting in May 2015. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2014	2013
Proposed final dividend of RMB 0.23 (2013: RMB 0.22) per ordinary share	<u>381,480</u>	<u>364,894</u>

## 36 Appropriation

### (a) Statutory Surplus Reserve Fund

In accordance with the PRC Company Law, the Company and its subsidiaries shall appropriate 10% of their annual statutory net income (after offsetting any prior years' losses) to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of a company's share capital or registered capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares/paid-in capital. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of share capital/registered capital after such utilisation.

The balance of statutory surplus reserve has reached 50% of the Company's share capital. As a result, the Company did not appropriate statutory surplus reserve fund in 2014 in accordance with the PRC Company Law.

### (b) Dividends distribution

According to the Articles of Association of the Company, the dividends distribution by the Company to its shareholders is based on the lower of the retained earnings in the Company's statutory financial statements and in the Company's financial statements prepared in accordance with HKFRS.

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 37 Notes to consolidated cash flow statement

Reconciliation from profit before income tax to net cash inflow from operating activities:

	Year ended 31 December	
	2014	2013
Profit before income tax	<u>1,159,629</u>	<u>1,196,666</u>
Adjustments for:		
Settlement of revenue in form of concession intangible assets	(697,019)	(1,056,262)
Amortisation of concession intangible assets (Note 6)	503,795	490,958
Depreciation of property, plant and equipment (Note 8)	105,037	87,628
Depreciation of investment property (Note 9)	17,671	16,963
Amortisation of land use rights (Note 7)	800	686
Amortisation of intangible assets (Note 10)	899	3,502
Impairment for pawn loans to customers (Note 15)	58,015	11,248
Loss on disposal of property, plant and equipment (Note 28)	12	209
Loss on disposal of investment properties (Note 28)	23	—
Share of profit of an associate (Note 13)	(16,214)	(14,657)
Dividend income (Note 28)	(71,800)	(73,999)
Gain from disposal of AFS financial assets (Note 28)	(39,000)	—
Interest income	(38,753)	(7,531)
Interest expenses (Note 31)	172,689	144,828
Operating profit before working capital changes	<u>1,155,784</u>	<u>800,239</u>
Decrease/(increase) in inventories	1,207	(270)
(Decrease)/increase in provision	(4,575)	10,812
Decrease/(increase) in trade and other receivables	81,869	(28,564)
Increase/(decrease) in trade and other payables	1,642	(65,305)
Cash generated from operating activities	<u>1,235,927</u>	<u>716,912</u>

### Non-cash transaction

Non-cash transaction refers to the settlement of revenue in form of concession intangible assets.

## 38 Commitments - Group

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

	Year ended 31 December	
	2014	2013
Concession intangible assets - Contracted but not provided for	<u>944,971</u>	<u>582,499</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 39 Related party transactions

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

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include AEHC and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and AEHC as well as their close family members.

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

Name	Relationship with the Group
AEHC	Parent company
Xuan Guang	Subsidiary
Ningxuanhang	Subsidiary
Guangci	Subsidiary
Wan Tong Pawn	Subsidiary
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
AEAC	Associate
WTMC	Subsidiary of AEHC
YTMC	Subsidiary of AEHC
AEPC	Subsidiary of AEHC
Anlian Expressway Co., Ltd. ("安徽省安聯高速公路有限公司", "ALEC")	Subsidiary of AEHC
Anhui Fuzhou Expressway Co., Ltd. ("安徽省阜周高速公路有限公司", "AFEC")	Subsidiary of AEHC
Anhui Wuyan Expressway Co., Ltd. ("安徽省蕪雁高速公路有限公司", "AWEC")	Subsidiary of AEHC
Anhui Expressway Project Management Co., Ltd. ("安徽省高等級公路工程監理有限公司", "AEPMC")	Subsidiary of AEHC
Anhui Modern Transportation Facilities Co., Ltd. ("安徽省現代交通設施工程有限公司", "MTFC")	Subsidiary of AEHC
Anhui Expressway Finance Lease Co., Ltd. ("安徽高速融資租賃有限公司", "AWFC")	Subsidiary of AEHC
Anhui Expressway Experiment Research Centre ("安徽省高速公路試驗檢測科研中心", "AERC")	Subsidiary of AEHC
Hefei Bangning Property Management Company ("合肥市邦寧物業管理有限公司", "BNMC")	Subsidiary of AEHC
Anhui New Tongji Expressway Project Experiment Co., Ltd. ("安徽新同濟公路工程試驗檢測有限公司", "ATPEC")	Subsidiary of AEHC
Anhui Expressway Construction Headquarter ("安徽省高等級公路建設指揮部", "AECH")	Subsidiary of AEHC

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 39 Related party transactions (continued)

### (b) Related party transactions

Same as disclosed elsewhere in this report, during the years ended 31 December 2014 and 2013, the Group had the following significant transactions with related parties:

#### (i) Service income from management of toll roads

	Year ended 31 December	
	2014	2013
AEHC	9,598	21,260
ALEC	2,497	1,467
AFEC	1,003	1,003
AWEC	339	—
	<u>13,437</u>	<u>23,730</u>

#### (ii) Rental income

	Year ended 31 December	
	2014	2013
AEPC	26,362	26,288
YTMC	11,074	9,991
AEHC	2,334	2,272
AECH	1,909	1,909
AEAC	735	735
MTEC	707	742
ALEC	573	507
AWFC	444	—
WTMC	193	180
BNMC	17	—
	<u>44,348</u>	<u>42,624</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 39 Related party transactions (continued)

### (b) Related party transactions (continued)

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

	Year ended 31 December	
	2014	2013
MTFC	4,650	23,937
AEPMC	4,095	4,956
BNMC	3,175	3,671
AERC	3,047	6,472
	<u>14,967</u>	<u>39,036</u>

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

#### (iv) Rental expenses

	Year ended 31 December	
	2014	2013
XCIC	<u>400</u>	<u>—</u>

#### (v) Interest expenses for interest bearing long-term payables

	Year ended 31 December	
	2014	2013
AEHC	4,760	3,184
XCIC	—	551
	<u>4,760</u>	<u>3,735</u>

#### (vi) Paid and payable for advertisement service

	Year ended 31 December	
	2014	2013
AEAC	<u>60</u>	<u>170</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 39 Related party transactions (continued)

### (b) Related party transactions (continued)

#### (vii) Guarantee received

The long-term bank borrowings of RMB 167,000 thousand and RMB 419,028 were guaranteed by XCIC and AEHC respectively (Note 22).

#### (viii) Key management compensation

Key management includes directors (executive and non-executive), the Company Secretary, the head of Internal Audit and the head of Finance Department. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2014	2013
Salaries and other short-term employee benefits	1,959	3,949

### (c) Related party balances

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

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
YTMC	79	—	79	—
AEPC	—	87	—	87
	<u>79</u>	<u>87</u>	<u>79</u>	<u>87</u>

#### (ii) Trade payables

	Group As at 31 December		Company As at 31 December	
	2014	2013	2014	2013
MTFC	5,798	19,739	4,309	246
AEPMC	2,132	5,718	573	689
AERC	1,667	6,750	674	1,215
AEPC	960	1,920	—	—
AEAC	85	85	85	85
BNMC	30	152	30	152
	<u>10,672</u>	<u>34,364</u>	<u>5,671</u>	<u>2,387</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 39 Related party transactions (continued)

### (c) Related party balances (continued)

#### (iii) Other payables

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
YTMC	8,411	1,211	161	161
MTFC	586	30	556	30
XCIC	500	7,510	—	—
AEHC	495	3,638	—	—
AETMC	139	139	—	—
AERC	100	100	—	—
ATPEC	100	100	—	—
WTMC	100	100	100	100
AEPC	6	6	6	6
AEAC	2	2	2	2
Xuan Guang	—	—	33,819	12,045
Guangci	—	—	5,345	1,885
Ningxuanhang	—	—	1,739	2,021
Wan Tong Pawn	—	—	100	100
	<u>10,439</u>	<u>12,836</u>	<u>41,828</u>	<u>16,350</u>

#### (iv) Long-term payables (including current portion)

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
AEHC	440,246	328,242	—	—
XCIC	340,647	347,164	—	—
	<u>780,893</u>	<u>675,406</u>	<u>—</u>	<u>—</u>

# Notes to the consolidated financial statements

For the year ended 31 December 2014  
(All amounts in Renminbi thousand unless otherwise stated)

## 39 Related party transactions (continued)

### (c) Related party balances (continued)

#### (v) Loans to subsidiaries (including current portion)

	Group		Company	
	As at 31 December		As at 31 December	
	2014	2013	2014	2013
Xuan Guang	—	—	175,748	207,384
Ningxuanhang	—	—	911,552	720,899
	—	—	1,087,300	928,283

As at 31 December 2014 and 2013, amounts due from and due to the related parties as aforementioned, except for long-term payables to XCIC and AEHC as disclosed in Note 24 and loans to subsidiaries as disclosed in Note 12, mainly arose from the above transactions and payments made by the Group/Company and related parties on behalf of each other. These amounts are unsecured, interest-free and are repayable within 1 year.

## 40 Events after the balance sheet date

- (a) Pursuant to a resolution of the Board of Meeting on 27 March 2015, a cash dividend of RMB 381,480 thousand was proposed for the year ended 31 December 2014. Please refer to Note 35 for details.



## Section XIII Documents Available for Inspection

### I. Including the following documents:

1. The original copy of the Annual Report signed by the Chairman;
2. The accountant's report, signed by the legal representative, accountant director in charge of accounting, and accounting director and stamped with corporate seal;
3. The original copy of auditor's report, sealed by PricewaterhouseCoopers Zhongtian CPAs, signed by the public accountant; the financial statement prepared in accordance with the Chinese Accounting Standards and the original copy of auditor's report signed by PricewaterhouseCoopers CPAs and the financial statement prepared in accordance with the Hong Kong Accounting Standards;
4. The original copies of corporate documents and announcements published in the Shanghai Securities Post and China Securities Post.
5. The Articles of Association.

Place of inspection:

The Office of the Secretary to the Board of Directors

520 Wangjiang West Road, Hefei, Anhui, the PRC

### II. Information Disclosure Index

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H Share Announcement-Xuancheng-Ningguo Expressway Was Open To Traffic		2 January 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-01	Announcement-Xuancheng-Ningguo Expressway Was Open To Traffic	China Securities Journal, The Shanghai Securities News	3 January 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-02	Announcement Of The Controlling Shareholders To Take Larger Shares	China Securities Journal, The Shanghai Securities News	11 January 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-03	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	16 January 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> ,
2014-04	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	30 January 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-05	Announcement Of The Fulfillment Of Commitments Of The Company And Related Subject	China Securities Journal, The Shanghai Securities News	15 February 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> ,
	H Share Announcement-The Date Of The Convening Of The Board Meeting		10 March 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-2013 Annual Results		30 March 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-The Resignation Of Directors		30 March 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-List Of The Board Of Directors And Its Roles And Functions		30 March 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-2013 Annual General Meeting Notice		30 March 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports		Publishing Date	Website Designated For Disclosure Of Reports
2014-06	Announcement Of The Resolutions Of The 22nd Meeting Of The 6th Board	China Securities Journal, The Shanghai Securities News		31 March 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-07	Announcement Of The Resolutions Of The 12th Meeting Of The 6th Supervisory Committee	China Securities Journal, The Shanghai Securities News		31 March 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-08	Announcement Of The Notice Of 2013 Annual General Meeting	China Securities Journal, The Shanghai Securities News		31 March 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-09	Announcement Of Estimating 2014 Daily Connected Transaction	China Securities Journal, The Shanghai Securities News		31 March 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> ,
2014-10	Announcement Of The Resignation Of Directors	China Securities Journal, The Shanghai Securities News		31 March 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-11	The Complementary Announcement Of The Resolutions Of The 22nd Meeting Of The 6th Board	China Securities Journal, The Shanghai Securities News		1 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-12	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	1 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-13	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	2 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-14	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	11 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-The Date Of The Convening Of The Board Meeting		14 April 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-15	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	22 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-16	Result For Tracking And Evaluating "09 Anhui Expressway Bond"	China Securities Journal, The Shanghai Securities News	26 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H Share Announcement-Continued Connected Transaction		29 April 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-2014 First Quarterly Report of hong kong limited:		29 April 2014	website of the stock exchange <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-17	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	30 April 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-The Voting Result Of The Annual General Meeting Held On 16 May 2014		16 May 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-18	Announcement Of The Resolutions Of The 2013 Annual General Meeting	China Securities Journal, The Shanghai Securities News	17 May 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-Announcement Pursuant To Rule 13.09(2)A		19 May 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-19	Announcement Of The Change Of Equities Shareholders	China Securities Journal, The Shanghai Securities News	20 May 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H Share Announcement- Notice Of 2014 First General Meeting		27 June 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
	H Share Announcement- Resignation Of Deputy General Manager		27 June 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-20	The Resolutions Of The 24th Meeting Of The 6th Board	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-21	Announcement Of Resignation Of Deputy General Manager	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-22	Announcement Of The Resolutions Of The 14th Meeting Of The 6th Supervisory Committee	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-23	Announcement Of The Election Of The Employee Representative Supervisor	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-24	Announcement Of Notice Of 2014 First General Meeting	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-25	Announcement Of The Fulfillment Of Commitments Of The Company And Related Subject	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-26	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	28 June 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
	H Share Announcement-Discloseable Transaction		3 July 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-27	Announcement Of Implementation of profit distribution of 2013	China Securities Journal, The Shanghai Securities News	7 July 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
	H Share Announcement-Continued Connected Transaction		8 July 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-28	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	11 July 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H Share Announcement- Supplemental Announcement		15 July 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-29	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	25 July 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement- (1) Proposed Application For The Issuance Of Short-Term Financing Bills (2) Proposed Issuance Of Corporate Bonds		25 July 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-30	Announcement Of The Resolutions Of The 25th Meeting Of The 6th Board	China Securities Journal, The Shanghai Securities News	26 July 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-31	Announcement that Apply to issue short- term financing bonds	China Securities Journal, The Shanghai Securities News	26 July 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-32	Announcement Of Bond issuance plan	China Securities Journal, The Shanghai Securities News	26 July 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>



## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H Share Announcement- Supplemental Circular To The Company's Circular To Shareholders Dated 27 June 2014 (Relating To The Proposed Application For The Issuance Of Short-Term Financing Bills And Proposed Issuance Of Corporate Bonds) And Supplemental Notice Of The First Egm In 2014		29 July 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-33	Announcement of the Additional Proposal in the 2014 Annual General Meeting & Complementary Notice of the 2014 Annual General Meeting	China Securities Journal, The Shanghai Securities News	30 July 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-34	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	2 August 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
	H Share Announcement- The Date Of The Convening Of The Board Meeting		5 August 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
	H Share Announcement- Results Of The Resolutions Passed By Poll At The First Extraordinary General Meeting In 2014 Held On 15 August 2014		15 August 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-35	Announcement Of resolution of The first extraordinary shareholders' general meeting of 2014	China Securities Journal, The Shanghai Securities News	16 August 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement- (1) Change Of Directors, Vice-Chairman Of The Board And Secretary To The Board, (2) Change Of Chairman Of The Supervisory Committee, And (3) Change Of The Members Of The Board Committees		18 August 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement- List Of Directors And Their Role And Function		18 August 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-36	Announcement Of The Resolutions Of The First Meeting Of The 7th Board	China Securities Journal, The Shanghai Securities News	19 August 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-37	Announcement Of The Resolutions Of The First Meeting Of The 7th Supervisory Committee	China Securities Journal, The Shanghai Securities News	19 August 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-38	Announcement Of replacement of Board Secretary	China Securities Journal, The Shanghai Securities News	19 August 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
	H Share Announcement- Announcement Of Interim Results For The Six Months Ended 30 June 2014		24 August 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-39	Announcement Of The Resolutions Of The Second Meeting Of The 7th Board	China Securities Journal, The Shanghai Securities News	25 August 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
	H Share Announcement- Continued Connected Transaction		29 August 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-40	Announcement Of Related commitments to fulfill open state for control shareholder to the company	China Securities Journal, The Shanghai Securities News	30 August 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk

## Section XIII Documents Available for Inspection

Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-41	Announcement that continue to support entrusted loan for Ningxuanhang Company	China Securities Journal, The Shanghai Securities News	30 August 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-42	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	4 September 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-43	Announcement Of The Resolutions Of The Third Meeting Of The 7th Board	China Securities Journal, The Shanghai Securities News	30 September 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-44	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	1 October 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk
	H Share Announcement-The Date Of The Convening Of The Board Meeting		13 October 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-45	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	17 October 2014	website of the shanghai stock exchange: www.sse.com.cn, website of the stock exchange of hong kong limited: www.hkex.com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-46	Announcement Of Redemption Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	22 October 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-47	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	24 October 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
	H Share Announcement- 2014 Third Quarterly Report		29 October 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-48	Announcement Of The Resolutions Of The 4th Meeting Of The 7th Board	China Securities Journal, The Shanghai Securities News	30 October 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-49	Announcement Of The Resolutions Of The Third Meeting Of The 7th Supervisory Committee	China Securities Journal, The Shanghai Securities News	30 October 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-50	Announcement Of Changes Of Accounting Policy	China Securities Journal, The Shanghai Securities News	30 October 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-51	Announcement Of Purchasing Bank Financial Products	China Securities Journal, The Shanghai Securities News	30 October 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-52	Announcement Of Connected Transaction	China Securities Journal, The Shanghai Securities News	31 October 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-53	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	1 November 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-54	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	6 November 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
2014-55	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	22 November 2014	website of the shanghai stock exchange: <a href="http://www.sse.com.cn">www.sse.com.cn</a> , website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
	H Share Announcement-Voluntary Announcement		27 November 2014	website of the stock exchange of hong kong limited: <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>

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Number	Items	Newspapers Designated For Publishing Reports	Publishing Date	Website Designated For Disclosure Of Reports
2014-56	Announcement Of allowed Registration of issuing short-term financing bonds	China Securities Journal, The Shanghai Securities News	28 November 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-57	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	29 November 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-58	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, The Shanghai Securities News	3 December 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-59	Announcement Of 09 Wantong debt principal redemption and delisting	China Securities Journal, The Shanghai Securities News	8 December 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk
2014-60	H Share Announcement- Announcement  Announcement Of the recombination between controlling shareholder and Anhui province traffic investment group co., LTD	China Securities Journal, The Shanghai Securities News	24 December 2014	website of the stock exchange of hong kong limited: www.hkex.com.hk
2014-60	Announcement Of the recombination between controlling shareholder and Anhui province traffic investment group co., LTD	China Securities Journal, The Shanghai Securities News	25 December 2014	website of the shanghai stock exchange: www.sse. com.cn, website of the stock exchange of hong kong limited: www.hkex. com.hk

## I. Profile of the highways

Name of roads	Length (km)	Number of lanes	Number of toll stations	Number of service areas	Terms of operation
Hening Expressway	134	4 (part of 8 Lanes)	8	4	Commencing from 16 August 1996 to 15 August 2026
New Tianchang Section of National Trunk 205	30	4	1	—	Commencing from 1 January 1997 to 31 December 2026
Gaojie Expressway	110	4	3	4	Commencing from 1 October 1999 to 30 September 2029
Xuanguang Expressway	84	4	4	2	Commencing from 1 January 1999 to 31 December 2028 (South Ring Road: Commencing from 1 September 2003 to 31 December 2028)
Lianhuo Expressway Anhui Section	54	4	5	1	Commencing from 1 January 2003 to 30 June 2032
Guangci Expressway	14	4	1	—	Commencing from 20 July 2004 to 20 July 2029
Ninghuai Expressway Tianchang Section	14	6	1	1	Commencing from 18 December 2006 to 17 June 2032
Ningxuanhang Expressway (Anhui Section)	122	4			As at 31 December 2014, it was under construction.

Note: The first-stage-project of Ning-Xuan-Hang Expressway which refers to the expressway from Xuancheng to Ningguo has been open to the traffic as a trial operation on 8 September 2013. The operation period with fee is decided to be as long as five years temporarily. The formal deadline will be determined according to the evaluation and relative rules. The total length of the sections is 45.96 km. along the road, two toll gates and one service zone are set up. On 31 December 2014, other sections are still being built.

### Hening Expressway (G40 Hushan Expressway Hening Section)

Hening Expressway is a 134km long dual carriageway four-lane expressway owned by the Company in Anhui Province linking Dashushan and Zhouzhuang (the Dashushan to Longxi Overpass Section is of eight-lane). This expressway forms an integral part of the “Two Verticals and Two Horizontals” National Trunk Highway from Shanghai to Chengdu in Sichuan Province, which also forms part of the National Trunk 312 linking Shanghai and Yining in Xinjiang. It is currently a major source of profit and cash flow for the Company.

### The New Tianchang Section of National Trunk 205

The New Tianchang Section of National Trunk 205 is a dual carriageway four-lane vehicular highway of Class 1 standard of 30km long situated in Tianchang in Anhui Province. Tianchang Section is a part of National Trunk 205, which starts in Shanhaiguan, Hebei Province and ends in Guangzhou, Guangdong Province. This national trunk also forms part of the highway linking Lianyungang and Nanjing in Jiangsu Province.



## Appendix

### **Ninghuai Expressway Tianchang Section**

Ninghuai Expressway Tianchang Section is an important road section of Ninghuai Expressway, with a whole length of 13.989km, and has the standard of dual carriageway six-lane expressway. It was completed and opened to traffic on 18 December 2006. The road runs through Tianchang city east of Anhui Province, starting from the terminal of the Jiangsu Nanjing Section of Ninghuai Expressway in Tianchang city, and ending at the Jiangsu Huaian Section of the Ninghuai Expressway. It is an important part in the key highway and national “7918” expressway network from Changchun to Shenzhen for the economic development of the eastern Anhui and the whole of northern Jiangsu, at the same time is also an important part in the key backbone in the trunk road network in Anhui Province. It directly or indirectly links various National Trunks of Hurong, Jinghu, Tongshan, Lianhuo, Ninghang and national key planned highway constructions of Jiayin to Nanping, Shanghai to Luoyang.

### **Gaojie Expressway (G50 Huyu Expressway Gaojie Section)**

The Gaohe to Jiezidun Expressway, with a length of approximately 110km, is an existing dual carriageway four-lane expressway that forms part of the “Two Verticals and Two Horizontals” National Trunk System between Shanghai to Chengdu in Sichuan. The Expressway, originating from Gaohe Town, Huaining County, Anhui Province, links up with the Hening Expressway, operated by the Company, through Heife- Anqing Highway and terminates at the border between Hunan and Anhui at Jiezidun, Susong County, Anhui Province. It further runs westward to link up with cities like Wuhan, Chongqing and Chengdu and is an important trunk road that links up the central and western region with the southeastern coastal region.

### **Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section)**

The Xuanzhou to Guangde Expressway is an existing dual carriageway four-lane expressway located in the south-eastern part of Anhui Province with total mileage of 84km constructed in two phases. Xuanzhou-guangde section, which is about 67km long, was opened to traffic in September 1997. Xuanzhou south ring road is a 17km long expressway, which links Xuanguang Expressway near Shuangqiao, Xuanzhou, and was opened to traffic in July 2001 and merged into the Company in August 2003. This expressway starts from Xuanzhou in Anhui Province and ends near Jiepai, Guangde in Anhui Province and forms part of the National Trunk 318 extending from Shanghai to Nielamu in Tibet. National Trunk 318 is a key transport artery, linking the coastal regions with the inland and the western boarder of the PRC.

### **Guangci Expressway (G50 Huyu Expressway Guangci Section)**

Guangci Expressway is an important part of Hefei-Hangzhou Highway, as well as a significant component of “one of the horizontal roads” designed in the highway network of Anhui province – “two roads along the rivers, three vertical roads, six horizontal roads and nine roads between cities”. The 14km-long route starts from Xuanguang Expressway, and stretches all the way to Cishangang-Jiepai Expressway which has been open to traffic with its whole length within the territory of Guangde County. Guangci Expressway is an inter-provincial highway connecting Hefei to Hangzhou, Shanghai, Jiangsu to Mount Huangshan and Hangzhou, which plays an important role in promoting the opening up and development as well as the economic growth of Wan-nan Area of Anhui province, and in strengthening the cooperation and exchange among Anhui, Jiangsu, Zhejiang and Shanghai provinces.

### **Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section)**

Lianhuo Expressway Anhui Section is a 54km long dual carriage four-lane expressway, part of the “Two Verticals and Two Horizontals” National Trunk between Lianyungang and Huoerguosi in Anhui Province. Connecting with the highways located in Henan and Jiangsu Province and the expressways between Beijing and Fuzhou, it plays an important role in China’s politics, economy, military affairs and National Truck Networks.

### Ningxuanhang Expressway Anhui Section

Ningxuanhang Expressway Tianchang Section is a 122km long dual carriage four-lane expressway with asphalt concrete road surface, which starts at the border between Anhui and Jiangsu at Jinshankou, passing through Xuancheng and Ningguo, terminates at the boarder between Anhui and Zhejiang at Qianqiuguan. This expressway forms an important part of the “Four Verticals and Eight Horizontals” of expressway network in Anhui Province, which is the tie communicating Anhui and Zhejiang and linking two big economic regions of Nanjing and Hangzhou. This expressway is planned to construct by three sections, the first is Xuancheng to Ningguo section, the second is Gaochun to Xuancheng section and the third is Ningguo to Qianqiuguan section.

## II. Vehicles classification and toll Rates (effective from 0:00 a.m 10 November 2010)

- Vehicles classification and toll rates for expressways (Ninghuai Expressway Tianchang Section excluded)

Unit: vehicle km

Vehicles type	Passenger vehicles	Toll rates
Type 1	7 seats or below (including 7 seats)	RMB 0.45
Type 2	Between 8 seats and 19 seats	RMB 0.80
Type 3	Between 20 seats and 39 seats	RMB 1.10
Type 4	40 seats or above (including 40 seats)	RMB 1.30

- Vehicles Classification and Toll Rates of Ninghuai Expressway Tianchang Section (effective from 0:00 a.m 10 January 2012)

Vehicles type	Passenger vehicles	Toll rates (RMB/km)	Minimum toll collection
Type 1	7 seats or below (including 7 seats)	0.45	5
Type 2	Between 8 seats and 19 seats	0.675	10
Type 3	Between 20 seats and 39 seats	0.90	10
Type 4	40 seats or above (including 40 seats)	0.90	10

### Toll rates of New Tianchang Section of National Trunk 205

Type of Vehicles	Toll Rates
Motor bicycles and tricycles	RMB 3 per vehicle
Small tractors (including manual tractors) and other four-wheeled small and simple mechanical vehicles	RMB 5 per vehicle
Passenger wagons below 20 seats	RMB 10 per vehicle
Passenger wagons between 20 and 50 seats (including 50 seats)	RMB 15 per vehicle
Passenger wagons over 50 seats	RMB 25 per vehicle

# Appendix

## III. Toll rates applicable to goods vehicles with reference to their weight

### – Toll rates applicable to goods vehicles with reference to their weight on expressways

#### 1. Weight toll rates for expressways

Gross weight of goods vehicle	≤10 tonnes	10 tonnes < Gross weight of goods vehicle < 40 tonnes	>40 tonnes
Basic toll rate	RMB 0.09/tones for every km	RMB 0.09/tonnes for every km and will be for every km linearly reduced to RMB 0.05/tonnes for every km	RMB 0.05/tones for every km

- Notes
1. Vehicles, which weight less than 5 tonnes, shall be charged according to 5 tonnes scale
  2. If the toll chargeable is less than RMB 20, RMB 20 shall be charged
  3. The toll charges less than RMB 2.5 will be rounded down, for RMB 2.51-RMB 7.5 will be rounded down to the nearest RMB 5, and for RMB 7.51-RMB 9.99 will be rounded up to the nearest RMB 10.

#### 2. Toll rates applicable to goods vehicles with reference to their weight of New Tianchang Section of National Trunk 205

Gross weight of goods vehicle	≤10 tonnes	10 tonnes ≤ Gross weight of goods vehicle ≤ 40 tonnes	>40 tonnes
Basic toll rate	RMB 1.5/ton vehicle	RMB 1.5/ton vehicle and will be linearly reduced to RMB 1.1/ton vehicle	RMB 1.1/ton vehicle

- Notes
1. If the toll chargeable is less than RMB 10, RMB 10 shall be charged
  2. The toll charges will be rounded up. For expressways, less than RMB 2.5 will be rounded down to the nearest RMB 10, for RMB 2.51-RMB 7.5 will be rounded down to the nearest RMB 5, and for RMB 7.51-RMB 9.99 will be rounded up to the nearest RMB 10.

#### Extra tolls to be imposed on overloaded goods vehicles:

1. Overweight within 30% (including 30%), adjusted toll rate is RMB 0.09/tonne per Kilometer.
2. Overweight between 30% and 100% (including 100%), adjusted toll rate is between 3 times of RMB0.09/tonne per kilometer and increased linearly to 6 times of RMB 0.09/tonne per kilometer.
3. Overweight more than 100%, adjusted toll rate is 6 times of RMB 0.09/tonne per kilometer.

The standards for overloaded goods vehicles and extra toll rates as stipulated for expressways will be applicable for New Tianchang Section of National Trunk 205.

# National Trunk Highways



# The Map of the Highway Network of Anhui Province





**Anhui Expressway Company Limited**