



Anhui Expressway Company Limited

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

(Stock Code : 0995)

ANNUAL REPORT
2015



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This document is originally prepared in Chinese. In the event of discrepancies between the Chinese and the English version, and the Chinese version shall prevail.

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 legal responsibility as to the truthfulness, accuracy and completeness of its contents.
2. All of the directors of the Company attended the Board meetings.
3. PricewaterhouseCoopers Zhong Tian LLP (PRC Accountant) and PricewaterhouseCoopers (Hong Kong Accountant) have issued standard unqualified audit opinions on the financial statements of the Company.
4. Mr. Zhou Renqiang, the Chairman, Mr. Xu Zhen, 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 Annual Report are true, accurate and complete.
5. **The profit appropriation plan or transfers of share capital from capital reserves plan for the period under review approved by the Board of Directors:**

As the statutory reserve fund has reached over 50% of the total capital and therefore no appropriation is required this year. The Company's net profit as shown on the 2015 financial statements prepared in accordance with the PRC accounting standards was RMB 974,217 thousand. The Company's net profit as shown on the 2015 financial statements prepared in accordance with the Hong Kong accounting standards was RMB 947,248 thousand. Consequently, the profit available for distribution to shareholders was RMB 974,217 thousand and RMB 947,248 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 or the Hong Kong accounting standards. Accordingly, the profit available for distribution to shareholders for year 2015 was RMB 947,248 thousand. The board of directors of the Company recommended the payment of a final dividend of RMB 381,480.30 thousand on the basis of RMB 2.30 for every 10 shares (tax included) based on the total share capital outstanding at the end of 2015 of 1,658,610,000 shares. In 2015, 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, please refer to Section IV Report of the Board of Directors. The related future plan, development strategy and other forward-looking descriptions do not constitute commitments to the investors. The investors should invest rationally and pay attention to the investment risk.

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

No

8. **Was there provision of guarantees in violation of specified decision-making procedure?**

No

9. **Major Risk Notice**

The major risks have been concretely described in the report, please refer to Section IV Report of the Board of Directors for the possible risk factors and the corresponding tackling measures as set out in the discussion and analysis in respect of the future development of the Company.

I. Definitions

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

“the Company”, “Company”	Means	Anhui Expressway Company Limited
“the Group”	Means	The Company, its subsidiaries and associated companies
“ATHC” or “Anhui Transportation Group”	Means	Anhui Transportation Holding Group Company Limited (formerly known as Anhui Expressway Holding Group Company Limited and Anhui Expressway Holding Corporation)
“SSE”	Means	Shanghai Stock Exchange
“SEHK”	Means	The Stock Exchange of Hong Kong Limited
“China Merchants Highway”	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., Limited
“Xin’an Capital”	Means	Anhui Xin’an Capital Operating Management Group Co., Limited
“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
“Wantong Pawnshop” or “Wantong Pawn”	Means	Hefei Wan Tong Pawnshop Co., Limited
“Wantong Micro Credit”	Means	Hefei Wantong MicroCredit Company Limited
“Huatai Group”	Means	Hefei Huatai Group Corporation Limited
“HK Subsidiary”	Means	Anhui Expressway (H.K.) Limited
“Anlian Company”	Means	Anlian Expressway Co., Ltd.
“Expressway Petrochemical”	Means	Anhui Expressway Petrochemical Co., Ltd.
“Xiandai Transportation”	Means	Anhui Modern Transportation Facilities Co., Ltd.
“Bangning Property”	Means	Hefei Bangning Property Management Company

Section II Corporate Profile and Main Financial Indicators

1. Company Information

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

2. Contact Person and Contact Details

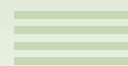
	Secretary to the Board of the Company	Representative of Securities Affairs
Name	Han Rong	Ding Yu
Contact address	520 Wangjiang West Road, Hefei, Anhui, the PRC	520 Wangjiang West Road, Hefei, Anhui, the PRC
Telephone	0551-65338697	0551-63738923, 63738922, 63738989
Fax	0551-5338696	0551-5338696
Email Address	wtgs@anhui-expressway.net	wtgs@anhui-expressway.net

3. Introduction of Basic Information

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

4. Information Disclosure and Addresses for Keeping Report

Newspapers designated for publishing report	China Securities Post, Shanghai Securities Post
Websites designated for disclosure of annual report assigned by CSRC	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
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 before alteration
A Shares	Shanghai Stock Exchange	Anhui Expressway	600012	—
H Shares	The Stock Exchange of Hong Kong Limited	Anhui Expressway	0995	—

6. Other Related Information

PRC Accountant (domestic)	Name	PricewaterhouseCoopers Zhong Tian LLP
	Office Address	11th Floor, PricewaterhouseCoopers Center, 202 Hubin Road, Shanghai
	Signing Accountant	Zhou Zhe, Liu Wei
Hong Kong Accountant (overseas)	Name	PricewaterhouseCoopers
	Office Address	22nd Floor, Prince's Building, Central, Hong Kong
	Signing Accountant	PricewaterhouseCoopers
PRC Legal Adviser	Name	Anhui AnTaida Lawyer's Office
	Office Address	7th Floor, Chengjian Mansion, Yingshang Road, Hefei, Anhui, the PRC
Hong Kong Legal Adviser	Name	Gallant Y.T. Ho & Co.
	Office Address	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
	Office Address	Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

Section II Corporate Profile and Main Financial Indicators

7. Main Accounting Data and Financial Indicators

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

(1) Main Accounting Data

Unit: yuan Currency: RMB

Main Accounting Data	2015	2014	Change of the current period over the same period of last year (%)	2013
Operating income	2,427,004,934.21	2,339,569,536.60	3.74	2,330,104,247.29
Net profit attributable to shareholders of the Company	937,866,859.94	860,865,567.67	8.94	847,910,073.18
Net profit after extraordinary items attributable to shareholders of the Company	939,137,601.33	830,491,624.27	13.08	845,813,722.11
Net cash flows from operating activities	1,520,718,342.55	1,595,801,803.64	-4.71	1,493,126,682.05

	As at the end of 2015	As at the end of 2014	Change of the current period over the same period of last year (%)	As at the end of 2013
Net assets attributable to shareholders of the Company	8,116,573,929.83	7,601,958,513.24	6.77	7,059,531,947.53
Total assets	12,140,702,151.14	11,532,440,474.24	5.27	12,202,968,076.01
Ordinary share capital at the end of the reporting period	1,658,610,000.00	1,658,610,000.00	0	1,658,610,000.00

(2) Main Financial Indicators

Financial indicators	2015	2014	Change of the current period over the same period of last year (%)	2013
Basic earnings per share (RMB/share)	0.5655	0.519	8.96	0.511
Diluted earnings per share (RMB/share)	0.5655	0.519	8.96	0.511
Basic earnings per share after extraordinary items (RMB/share)	0.5662	0.501	13.01	0.510
Returns on net assets (weighted average) (%)	11.95	11.83	An increase of 0.12 percentage point	12.54
Returns on net assets after extraordinary items (weighted average) (%)	11.97	11.41	An increase of 0.56 percentage point	12.50

Section II Corporate Profile and Main Financial Indicators

Prepared in accordance with accounting principles generally accepted in Hong Kong (“the Hong Kong Accounting Standards” or “HKFRS”)

Summary of Results

For the year ended 31 December

Unit: '000 yuan Currency: RMB

	2015	2014	2013	2012	2011 (Restated)
Revenue	3,158,404	3,036,589	3,403,817	3,122,350	3,052,074
Operating profit before income tax	1,249,385	1,159,629	1,196,666	1,102,985	1,268,607
Profit attributable to owners of the Company	929,377	852,105	839,142	752,152	861,185
Basic earnings per share (RMB)	0.5603	0.5137	0.5059	0.4535	0.5192

Summary of assets

As at 31 December

Unit: '000 yuan Currency: RMB

	2015	2014	2013	2012	2011 (Restated)
Total assets	12,246,075	11,630,793	12,299,277	11,447,514	10,582,951
Total liabilities	3,265,650	3,098,728	4,314,268	4,027,027	3,736,252
Total net assets (deducting minority shareholders' interests)	8,190,498	7,684,452	7,150,796	6,643,376	6,465,831
Net assets per share (deducting minority shareholders' interests) (RMB)	4.9382	4.6331	4.3113	4.0054	3.8983

Section II Corporate Profile and Main Financial Indicators

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

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

Applicable Not applicable

(2) **Difference of net profit and net assets attributable to shareholders of the Company between the Hong Kong Accounting Standards and the PRC Accounting Standards**

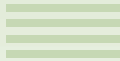
Applicable Not applicable

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	937,867	860,866	8,116,574	7,601,959
Items and amount adjusted according to Hong Kong Accounting Standards:				
Valuation, depreciation/ amortization and related deferred taxes	-8,490	-8,761	73,924	82,493
Hong Kong Accounting Standards	929,377	852,105	8,190,498	7,684,452

(3) **Explanation on the major difference between financial statements prepared in accordance with PRC Accounting Standards and Hong Kong Accounting Standards**

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 valuated by the international certified public valuer is higher than the PRC certified public valuer's result by RMB 319,000,000. Such differences have impacts on the business performance (i.e. the depreciation and amortization figures of the highway franchise, fixed assets, and land use right) and the related deferred tax effect of the Group and the Company, which have resulted in the above adjustments.



9. Main Financial Statistics of 2015 on a quarterly basis

Unit: yuan Currency: RMB

	the first quarter (Jan.-Mar.)	the second quarter (Apr.-Jun.)	the third quarter (Jul.-Sep.)	the fourth quarter (Oct.-Dec.)
Revenue	629,514,950.60	572,433,228.80	623,969,222.14	601,087,532.67
Net profit attributable to shareholders of the Company	223,296,323.15	247,599,090.69	231,590,170.16	235,381,275.94
Net profit after extraordinary items attributable to shareholders of the Company	222,757,069.43	248,931,569.80	230,047,902.82	237,401,059.28
Net cash flows from operating activities	426,580,463.02	306,658,575.99	443,678,225.03	343,801,078.51

Explanation on the difference between quarterly information and information disclosed in regular reports

Applicable Not applicable

Section II Corporate Profile and Main Financial Indicators

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

√ Applicable □ Not applicable

Unit: yuan Currency: RMB

Extraordinary items	Amount of 2015	Note (if applicable)	Amount of 2014	Amount of 2013
Gains and losses from disposals of non-current assets	-4,094,019.97	Gains and losses from disposals of fixed assets	-35,616.19	-209,721.37
Government subsidies charged to the current gains/losses, (excluding those closely related to the Company's normal operations, subsidized continuously in accordance with the applicable standards and in compliance with the government policies or regulations)	2,172,787.68	Being 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 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) received in 2010 amortised in the reporting period	2,172,787.68	2,172,787.68
In addition to effective hedging business related to the normal business of the Company, investment returns from tradable financial assets, profit or loss from changes in the fair value of the tradable financial liabilities, and the disposal of trading financial assets, transactional financial liabilities and financial assets available for sale			39,000,000.00	
Other non-operating income	274,875.10		310,880.60	1,036,393.63
Other non-operating expenses	-218,595.87		-1,019,682.19	-215,268.95
Effects of minority shareholders' interests	127,973.41		52,665.97	8,207.83
Effect of income tax	466,238.26		-10,107,092.47	-696,047.75
Total	<u>-1,270,741.39</u>		<u>30,373,943.40</u>	<u>2,096,351.07</u>

11. 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	Amount affecting profit
Financial assets available for sale	276,926,524.23	221,125,677.07	-55,800,847.16	0
Total	276,926,524.23	221,125,677.07	-55,800,847.16	0

12. Corporate Profile

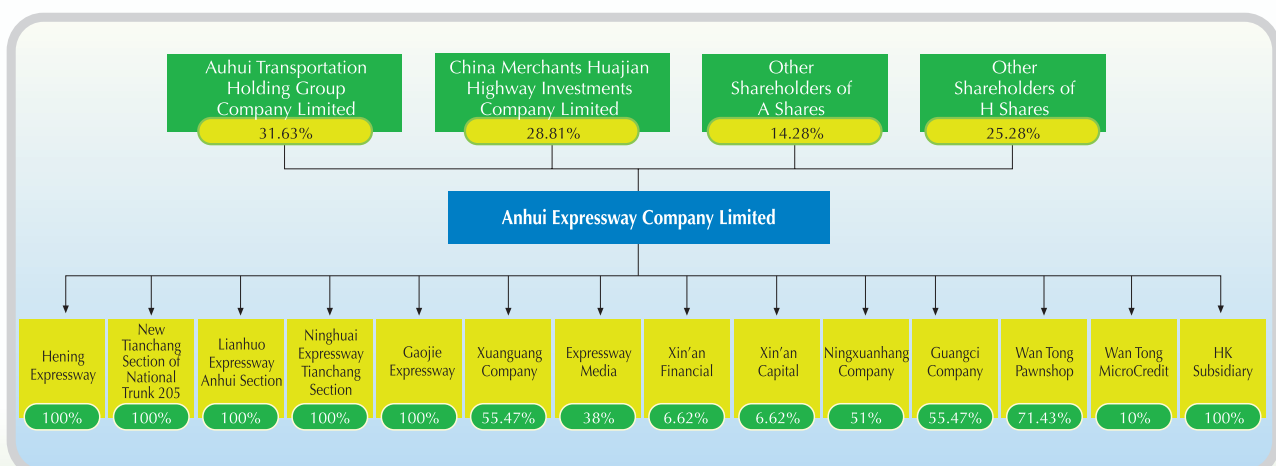
Anhui Expressway Company Limited (the “Company”) was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People’s Republic of China (the “PRC”). The registered capital is RMB 1,658,610,000.

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

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

The core business of the Company is the investment, construction, operation and management of toll roads. The Company owns the entire or partial equity interest of Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Xuanguang Section), Ninghuai Expressway Tianchang Section, Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section) and Ningxuanhang Expressway, which are toll highways in Anhui Province. As of 31 December 2015, the operation mileage which the Company managed had reached 526km and the total assets was about RMB 12,140,702 thousands.

As of 31 December 2015, the structure of the Company, its subsidiaries and associated companies (the “Group”):



Section III Corporate Business Summary

I. Explanation on the principal business engaged by the Company, business model and industry information during the reporting period

1. Principal business engaged by the Company during the reporting period

The Company participates in the highway transportation industry, and our principal business include investment, construction, operation and management of toll roads within and outside Anhui province. The Company acquires operating highway assets through various means such as investment and construction, acquisition or co-operative management. The Company provides toll service for all vehicles, receives vehicles toll free according to the charging standard and maintains, repairs and carries on safety maintenance for the operating expressways.

During the reporting period, the Company continued to operate and manage 7 expressways, i.e. Hening Expressway, Gaojie Expressway, Xuanguang Expressway, Guangci Expressway, Lianhuo Expressway Anhui Section, Ninghuai Expressway Tianchang Section and Ningxuanhang Expressway, and a national trunk, New Tianchang Section of National Trunk 205, while the Company continued to speed up the investment and construction of the third phase of Lixuan Section of Ningxuanhang Expressway. As of 31 December 2015, the total mileage of toll roads operated and managed by the Company amounted to 526 km, of which the mileage of expressway amounted to 496 km, accounting for 11.63% of the total mileage of expressways opened to traffic in Anhui province. In 2015, the Company has realized total toll revenue of RMB 2.33 billion, accounting for 96.01% of operating revenue.

During the reporting period, the Company continued to uphold development strategy of “highlighted principal business, diversified development path, effective operation and management, notable brand effect”. In addition to focusing on optimizing and enhancing our principal business, we continued to improve operation and management of quasi-financing service such as pawn. We also timely adjusted the operating strategy and mind-set according to the market environment and risk, in order to ensure the risk of diversified business is controllable.

2. Operating model

The construction and operation of expressways in the PRC are broadly categorized into two models, i.e. operating toll road and expressway built with loans to be repaid by the government. We adopt the operating toll road model. Meanwhile, in consideration of the limit of concession period granted for toll roads, the Company proposes to moderately progressing diversification, which focuses on quasi-financing business. It is mainly due to consideration of support from national policy and certain competitive barriers. We have been investing in Xin'an Financial, Wantong Pawn and Wantong Micro Credit. The business model of our quasi-financing service: facing market and client, accepting loan application from client by warranty such as mortgage, pledging and guarantee, advancing loan after the internal approval process, receiving interest of fund according to the interest rate level stipulated by the State, and proceeding debt recovery from client in reliance of relevant contract and warranty measure upon default by client.

3. Explanation on industry

As of the end of 2015, the PRC total mileage of expressway reached 123,400 km, and the national and regional expressway network was basically completed. Currently, the expressway industry has passed the stage of extensive construction and has gradually stepped forward to a stage of quality enhancing and network improving. The expressway construction will focus on intensifying parallel sections and connection of regional expressways in the future. Meanwhile, listed expressway companies are currently entering into a stage of mature principal business operation and stable growth in business.

The expressway business is closely relevant to the national economic development. Since the reform and opening-up, the continuous development in the PRC economy and the rapid increase in car ownership has created a good external condition for the development of expressway industry. However, since 2012, the growth of macro-economy has slowed down, and the growth of cargo transport volume, cargo turnover volume, investment in expressway construction and industry revenue have shown a downtrend.

Vehicles in the expressway can be categorized into cargo truck and passenger car, among which the characteristics of growth in car truck volume according to the economic cycle is relatively obvious. Having observed for a long period of time, the growth in cargo truck volume is consistent with the growth in GDP. Currently, the PRC economy is still on the downtrend, it is expected that the decrease in the growth of cargo truck volume will also maintain for a certain period of time. Comparably, the fluctuation in the growth of passenger car is relatively stable and it shows a solid demand, mainly due to the effect of the gradual increase in car ownership volume annually.

Section III Corporate Business Summary

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

Table of financial information of major listed companies in the same industry

Unit: RMB' 00,000,000

Ranking	Abbreviation	Operating revenue	Operating profit	Net profit	Total assets	Total liabilities	Owners' equity	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities
Average level of the industry (arithmetic mean)		22.52	7.27	5.80	169.95	89.65	80.29	7.87	-6.01	-2.16
Medium of the industry		17.64	4.80	4.08	119.19	65.43	53.62	8.20	-1.19	-0.63
1	Anhui Expressway	18.26	9.54	7.30	117.29	30.48	86.80	11.77	-7.89	-4.64
2	Jiangsu Expressway	66.56	28.48	25.36	373.45	162.69	210.77	32.09	-16.07	-19.26
3	Xiandai Investment	49.37	4.48	3.37	184.48	116.61	67.87	11.42	-4.45	2.37
4	Sichuan Expressway	48.18	10.22	8.44	308.32	177.90	130.42	8.27	-30.77	8.85
5	Shandong Expressway	47.33	23.10	15.97	433.62	202.35	231.27	11.33	7.18	-24.47
6	Shandong Luqiao	40.33	2.75	2.05	97.94	69.31	28.63	-1.96	-0.14	-0.50
7	Zhongyuan Expressway	35.84	13.99	11.06	444.64	325.01	119.63	18.44	-54.75	34.06
8	Ganyue Expressway	35.07	6.98	4.23	303.01	160.83	142.19	16.45	-10.52	-17.88
9	Shenzhen Expressway	24.38	11.21	8.99	236.75	106.10	130.65	9.78	15.43	-14.25
10	Fujian Expressway	19.23	8.53	6.27	189.42	92.29	97.13	18.37	-11.95	-4.11
11	Guangzhou Wuzhou	17.02	0.71	0.30	130.71	99.00	31.71	10.12	1.70	-13.64
12	Yue Expressway A	11.35	5.13	4.53	121.10	61.56	59.54	8.13	2.71	-8.86
13	Chutian Expressway	9.38	3.94	3.92	90.06	49.49	40.57	5.66	-2.56	-3.73
14	Dongguan Holdings	7.85	7.24	6.09	75.29	31.54	43.75	-12.02	-0.22	10.66
15	Huabei Expressway	7.30	2.09	1.92	62.77	15.07	47.70	2.18	-2.15	0.86
16	Jilin Expressway	3.89	2.01	1.60	61.33	32.65	28.68	1.23	-7.78	7.81
17	HLJ Trans	3.86	2.45	2.11	45.67	10.11	35.56	2.68	-0.10	-0.76
18	Chongqing Road & Bridge	2.40	1.80	1.74	70.24	40.28	29.95	2.78	1.44	4.83
19	Hainan Expressway	1.62	0.78	0.65	32.70	4.55	28.15	-0.41	0.78	-0.01
20	Hunan Investment	1.25	0.04	-0.01	20.13	5.24	14.88	1.12	-0.13	-0.48

Note: Source from Wind Info, and the information were up to 30 September 2015.

II. Explanation on material change in major assets of the Company during the reporting period

Unit: RMB' 000

Item	31 December 2015	31 December 2014	+/-	Explanation on change
Cash	906,246	559,945	61.85%	Mainly due to increase in toll revenue received by the Company during the reporting period;
Other receivables	283,931	191,159	48.53%	Mainly due to increase in wealth management products purchased by the Company from the banks during the reporting period;
Construction in progress	85,362	55,642	53.41%	Mainly due to increase in mechanical and electrical upgrade work carried on by the Company during the reporting period when compare to the corresponding period of last year;
Short-term borrowings	250,000	400,000	-37.50%	Mainly due to certain bank borrowings repaid by the Company during the reporting period;
Other payables	101,100	218,638	-53.76%	Mainly due to the land premium of RMB 111 million (outstanding as at the end of last year) paid by Ningxuanhang Company, a subsidiary of the Group, during the reporting period;
Non-current liabilities due within one year	143,865	73,591	95.49%	Mainly due to loan payable of HK\$ 100.536 million as at the end of the reporting period;
Other comprehensive income	4,594	46,445	-90.11%	Mainly due to change in fair value of available-for-sale financial assets during the reporting period.

Among which assets of 2,034,076.19 (Unit: RMB) are in overseas, representing 0.02% of total assets.

III. Analysis on core competency during the reporting period

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

1. Superior core road section and mature management system

The transportation infrastructure concession is the core business of the Group. Our operating region is located in Anhui province, which is an important province connecting the southeast coastal regions with inland China and central and western China. Our road sections are major transit national trunks across Anhui regions. After development of nearly 20 years, our road assets have entered into a mature stage. Through long time of accumulation, exploration and precipitation, the Company has gradually formed a set of mature expressway management system, and has accumulated ample experience in corporate governance, domestic and external financing, risk management and control and establishment of corporate culture.

2. Diversified business development system

The Company, based on main business, commenced a way of exploring with diversified development which combines economic environment and policy situation during the process of development. Currently, we mainly invest in quasi-financing business, we have from time to time held or partially-held Xin'an Financial, Wantong Pawn and Wantong Micro Credit, quasi-financing companies that provide financing services for SMEs. In the recent two years, affected by industry environment and having considered the risk management and control, the Company appropriately reduced the scale of those businesses and the overall risk are controllable recently. In sum, the financing investment business will still be an important sector of our future diversified development. Besides, the Company also partially held Expressway Media, a road zone economy company, and set up a Hong Kong subsidiary, successfully establishing an overseas platform in order to develop international market business, which formed a diversified business development system. It does not just get rid of the risk of single business, but is also beneficial for the Company to face the international market, expand business sector and explore business transformation as early as possible. The Company will gradually foster market-oriented awareness, competitive awareness and risk awareness, and employ and train professional talents through diversified business development. The Company will also lead its reform, transformation and development onto a scientific and healthy track through connection with international.

3. Stable result and sufficient cash flow

Our principal business has significant, consistent and stable cash flow. The core competency of principal business and solid business foundation provide a solid prop for improving principal business of the Company through construction and acquisition, as well as exploring and investing in new business area.

Good and stable result, continuous and sufficient cash flow are favourable conditions for the Company to commence various domestic and overseas financing and to lower financing cost, which will guarantee the Company to leverage debt financing and equity financing to continuously optimize financing structure, appropriately utilise capital leverage and increase yield level in the future development.

4. Integrity image in the capital market

Since the listing, the Company has showed an openness and integrity image to investors with sufficient information disclosure, and has gained a well social response and influence in the PRC and overseas through active investor relationship management. Our long-term persisting high cash dividend ratio policy also acquires favor and support from market and investors. The Company has a stable investor foundation and good market image in the domestic and overseas capital market.

5. Superb word of mouth in peers

The “smile culture” innovated by the Company and the unique corporate culture are highly appraised in expressway industry and traffic and transportation industry. Leverage on smile service management, our internal culture and atmosphere are also positive and sound, united and harmony. The Company strictly executes each exemption policy for ensuring every people-benefited measure is firmly implemented, which is also praised by the community. Such initiative also actively contributes to the harmonious community and serves people’s livelihood, and also affirms a superb word of mouth for the Company. Also, the Company has been maintaining sound communication and interaction with the shareholders, regulatory authorities, investors, other listed companies in the industry and financing institutions, and always organizes or participates in industry conference, forum to exchange ideas and learn from peers, which cultivates a good partnership relationship and bonding of mutual support.

Section IV Report of the Board of Directors

I. Management Discussion and Analysis

During the reporting period, under complicated economic and financial environment and increasing pressure of economic downturn, the Company adhered to the development strategy of “Focus on principal businesses with diversified development” and closely followed the work plan set at the beginning of the year, i.e., seeking progress in stability for restless innovation. With the joint efforts of all staff, we have successfully achieved all our work objectives and missions.

(A) Steady progress of construction and management of new road segments

During the reporting period, the investment and construction of the Ningxuanhang Expressway Project proceeded steadily. With further accelerated construction of the second and third phrase of the Ningxuanhang Expressway Project, the Ningqian Section of the second phrase has completed delivery and passed the acceptance check ahead of schedule and opened to traffic and operation by the end of 2015.

During the reporting period, the Company closely tracked the dynamics of financial market, actively expanded financing channels, and made timely allocation of construction funds by entrusted loans and other means, hence ensuring the steady construction of the Ningxuanhang Expressway. Meanwhile, our system and experience in management have become increasingly mature through continuous improvement in the staff allocation, rules and regulations formulation as well as toll maintenance management and so forth of the management office of the Ningguo Section. Through active preparation prior to the opening to traffic of the Ningqian Section, we have properly solved key difficulties before the second phase construction opened to traffic and effectively achieved the seamless connection of construction and management.

(B) Significantly improved operation level of old road sections

During the reporting period, the Company has done a proper job in the toll management of all sections seriously, consistently implemented policies benefiting the public, such as exemption in Green Channels and on holidays for small cars and ensured smooth road traffic; continuously applied technological and innovative inspection methods to carry out inspection and special control for enhancing capability of plugging loopholes; emphasizing the effectiveness of on-site service with a smile, optimizing assessment standards for continuous improvement of service quality; increasing investment in road maintenance for enhancing road standards to usher in successful completion of national inspection; emphasizing production safety management, accident prevention and emergency response capabilities to ensure road safety and smoothness; implementing protection of information as well as development and construction of electrical and mechanical management information system, propelling systematic dispatch and maintenance and overall upgrade and renovation of OA system, optical cable transformation and surveillance digitalization, so as to further improve the information management of the Company.

(C) Taking initiatives to reduce the scale of financing business

In recent years, affected by economic downturn and industrial restructuring, SMEs within the region had difficulties in survival while liquidity risks kept increasing. In view of the adverse situation of the risk aggregated and default-prone financing industry, the Company proceeded to reduce the scale of its financing business for control of investment risks. Following completion of transfer of 300 million shares in Xin'an Financial in August 2014, in September 2015, based on the current operating condition and existing risks of Xin'an Pawn, the Board of Directors of the Company agreed to reduce the registered capital of Anhui Pawn from RMB210 million to RMB157.50 million pursuant to the relevant provisions of "Measures for the Administration of Pawning (典當管理辦法)". The capital reduction was completed during the reporting period.

(D) Enhancing control over joint stock companies and share holding companies (參控股公司)

During the reporting period, to give full play to its supervisory role as a controlling shareholder, the Company continued to strengthen management and control of joint stock companies and share holding companies while moderately participated in the operation and management of subsidiaries. Firstly, the Company increased its says in the joint stock companies and share holding companies by adjusting the composition of directors, supervisors and senior management in Xuanguang Company, Expressway Media and Wantong Pawn considering the operation characteristics of each joint stock company and share holding company. Secondly, focus was put on strengthening prevention and control of risks of financing business, increasing supervision and tracking of the pawn company's business, and propelling the disposal and collection of non-performing loans. Through appointment of professionals to serve as directors and supervisors of subsidiaries and participate in their decision-making, the Company has effectively achieved scientific decision-making of subsidiaries and strategic synergy between parent companies and subsidiaries, which is beneficial to protecting the interests of the Company and preventing risks. Thirdly, the Company kept improving its approaches on management and control over joint stock companies and share holding companies through budget management, target assessment management, asset and investment management and financial management as the main starting points, with economic responsibility audit and internal audit as the major means of supervision to further strengthen supervision of joint stock companies and share holding companies.

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(E) Successful listing of Xin'an Financial on the National Equities Exchange and Quotations ("NEEQ")

In June 2015, the listing of Xin'an Financial on the "NEEQ" was formally put on the agenda. According to relevant provisions for listing of the Equity Exchange Center (股轉中心), as there is no precedent for listing of P2P and pawn businesses which formed part of Xin'an Financial's then existing businesses, Xin'an Financial should be split into two companies, i.e., Anhui Xin'an Financial Group Co., Ltd. and Anhui Xin'an Capital Operation Management Co., Ltd., by way of "split-off". Xin'an Capital Operation Management Co., Ltd. has taken up the businesses operated by Xin'an Loans Financing Service Co., Ltd., Anhui Nanxiang Pawn Co., Ltd., Anhui Xin'an Pawn Co., Ltd., Anhui Xin'an Financing Investment Management Co., Ltd. and Anhui Xin'an Information Technology Co., Ltd. The original company, Xin'an Financial, continued to exist and became the listing vehicle on the NEEQ. Since then, Xin'an Financial Group, in which the Company has invested, has been divided into Xin'an Financial (the listing vehicle) and Xin'an Capital, in each of which the Company holds 6.62% equity interest. On 6 November, 2015, Xin'an Financial received a letter from the equity exchange system agreeing its listing on the NEEQ, with agreed transfer as the way of transfer. On 2 December 2015, as the relevant procedures of listing had fully completed, the shares of Xin'an Financial formally got listed.

(F) Investment and financing management has yielded fruitful results

During the reporting period, the Company strengthened its dynamic cash flow forecast and vigorously promoted efficient use of stock funds to enhance return on capital on the basis of ensuring capital safety. The Company paid close attention to financial market condition and obtained low-cost loans with benchmark interest rate less 10% to replace pre-project loans, and followed the practice of the "bonus credit" business to save financing costs in light of its reality of operation. The Company also actively innovated financing channels by strengthening coordination with the Anhui Province Administration of Foreign Exchange, and has successfully secured funds by way of foreign financing to realize the opportunity of pilot operation under the trial record filing policy.

In terms of investment, the Company actively looked for quality investment projects, and has carried out preliminary market research for various investment projects to actively explore the characteristics and paths for diversified industrial development, which has not only laid a solid foundation for future diversified development, but also provided powerful endogenous motivation for the sustainable growth of the Company.

(G) Effectively enhanced standards of corporate governance

During the reporting period, the Company implemented standardized operation by management under shareholders' general meeting, the Board of Directors and the supervisory committee. According to the requirement of business development, the Company has formed a new team of senior management, adjusted its organizational structure and functions of departments, and optimized its internal control system on an ongoing basis, hence further improving its standards of corporate governance.

Despite a better results of development during the reporting period, the Company still has certain disadvantages:

(1) Growth of principal businesses is limited, while non-principal business lacks adequate development advantages

Growth of principal businesses was affected by many factors: slowing economic growth and decreasing proportion of trucks in the vehicle structure resulting in decreased toll revenue growth; most sections managed by the Company have relatively long operation hours which led to increased road maintenance costs, while the opening for traffic of the new road sections has not yet formed a road network effect, and the expenses of depreciation and amortization and interest costs has led to serious losses which has affected the results and performance of the Company; the amount of exemption of all kinds of policies kept rising, while the management costs for implementing the green channel policies and major holidays payment free policy are also increasing; growing popularity of transportation such as EMU, high-speed rails and air transport has affected passenger and cargo volume, and the diversion of traffic away from road sections managed by the Company due to changes in networks within Anhui Province and the surrounding areas.

Meanwhile, affected by economic situation and industry environment, financing business such as the Wantong Pawn, a share holding company and joint stock company of the Company, has not yet formed scale advantages and professional advantages while the operation risks are relatively high and profitability is not strong, with income accounting for a relatively small proportion of profits of the Company and the structure of investment in diversified business is relatively simple.

(2) Relatively small asset size and weak foundation for sustainable development

The Company has a relatively small total mileage of road sections under operation, which accounts for only approximately 12% of the total mileage of highways in Anhui Province, and most sections have operated for over half of their operating lives. The small asset size and the issue of operating period are not conducive to the sustainable development of the Company.

II. Major operation status during the reporting period

During the reporting period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB 2,427,005 thousand (2014: RMB 2,339,570 thousand), representing an increase of 3.74% over the corresponding period of the previous year; total profit of RMB1,260,870 thousand (2014: RMB 1,171,532 thousand), representing an increase of 7.63% over the corresponding period of the previous year; net profit attributable to shareholders of the Company of RMB 937,867 thousand (2014: RMB 860,866 thousand), representing an increase of 8.94% over the corresponding period of the previous year; basic earnings per share of RMB0.5655 (2014: RMB 0.5190), representing an increase of 8.96% over the corresponding period of the previous year. The increase in net profit was mainly due to a stable increase in the Group's toll income from toll highway operation in this year and a significant decrease in finance costs compared with that of the corresponding period of last year.

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During the reporting period, in accordance with the Hong Kong Accounting Standards, the Group achieved an operating income of RMB 3,158,404 thousand (2014: RMB 3,036,589 thousand), representing an increase of 4.01% over the corresponding period of the previous year; total profit of RMB 1,249,385 thousand (2014: RMB 1,159,629 thousand), representing an increase of 7.74% over the corresponding period of the previous year; profit attributable to the equity owners of the Company of RMB 929,377 thousand (2014: RMB 852,105 thousand), representing an increase of 9.07% over the corresponding period of the previous year; basic earnings per share of RMB0.5603 (2014: RMB 0.5137), representing an increase of 9.07% over the corresponding period of the previous year.

For details of the Group's major core businesses during the reporting period, please see Section 3 "Corporate Business Summary".

Summary of Performance of Toll Highways (according to PRC Accounting Standards)

During the reporting period, the Group achieved a toll income of RMB 2,330,197 thousand in total, representing an increase of 4.78% over the corresponding period of the previous year.

The principal factors affecting the Group's toll income remained to be economic downturn, policy of exemption and road networks, etc.

In 2015, China's GDP amounted to RMB 67,670.8 billion, representing an increase of 6.9% year on year, which was the lowest growth rate within 25 years; and it was also the first time for China to record a growth rate of below 7% since 1990. Anhui province's GDP in 2015 amounted to RMB 2,200.56 billion, representing an increase of 8.7% year on year, which decreased by 0.5% compared with that of last year and was the lowest growth rate in the last decade. The Company's performance was affected by the slowdown of China's economy, reflecting a 0.35% year on year decrease in truck traffic flow at all sections.

During the reporting period, with various policies and measures of exemption being implemented continuously, the Group's amounts of exemption continued to increase rapidly. The amounts of exemption totaled RMB 593 million (2014: RMB 562 million), increasing by 5.52% against the same period of the previous year, of which:

The amount of exemption in Green Channel was about RMB 347 million (2014: RMB 339 million), representing an increase of 2.36% year on year, with over 1.0587 million vehicles being exempted;

The amount of exemption on holidays was RMB 179 million (2014: RMB 168 million), representing an increase of 6.55% year on year, with over 4.1952 million vehicles being exempted;

The preferential and discount amount of Anhui Province traffic cards was approximately RMB 35 million (2014: RMB 23 million), increasing by 52.17% compared with the same period of last year;

Other amounts of exemption amounted to approximately RMB 32 million (2014: RMB 32 million).

Furthermore, the operating performance of toll highways are also affected by other factors, including changes in competing or collaborative neighboring road networks and renovation and expansion of connected or parallel roads, and the extent of such impact will depend on each single road project.

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Details of the operation of toll highways in 2015 were as follows:

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		2015	2014	Change	2015	2014	Change
Hening Expressway	100%	24,571	23,508	4.52%	947,591	931,329	1.75%
New Tianchang Section of National Trunk 205	100%	4,913	4,631	6.09%	52,420	47,602	10.12%
Gaojie Expressway	100%	11,634	10,200	14.06%	495,808	444,561	11.53%
Xuanguang Expressway	55.47%	18,779	17,654	6.37%	430,593	408,739	5.35%
Lianhuo Expressway							
Anhui Section	100%	11,259	10,493	7.30%	207,274	212,800	-2.60%
Ninghuai Expressway							
Tianchang Section	100%	30,489	27,427	11.16%	99,618	98,141	1.50%
Guangci Expressway	55.47%	17,932	16,675	7.54%	69,356	65,034	6.65%
Ningxuanhang Expressway	51%	3,026	1,655	82.84%	27,537	15,587	76.67%

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per kilometer and per day (RMB)		
		2015	2014	2015	2014	Change (%)
Hening Expressway	100%	72:28	70:30	19,374	19,042	1.74%
New Tianchang Section of National Trunk 205	100%	34:66	35:65	4,788	4,347	10.14%
Gaojie Expressway	100%	61:39	59:41	12,349	11,073	11.52%
Xuanguang Expressway	55.47%	74:26	72:28	14,044	13,331	5.35%
Lianhuo Expressway						
Anhui Section	100%	69:31	64:36	10,516	10,797	-2.60%
Ninghuai Expressway						
Tianchang Section	100%	79:21	76:24	19,495	19,206	1.50%
Guangci Expressway	55.47%	77:23	75:25	13,572	12,727	6.64%
Ningxuanhang Expressway	51%	75:25	84:16	1,822	929	96.12%

Notes: 1. Ningqian section of Ningxuanhang Expressway was officially open for trial operation on December 2015.

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.

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During the reporting period, under the influence of diversion due to the opening of Ma'anshan Yangtze River Bridge and the expressway from Ma'anshan to Chaohu, the toll revenue of Longxi interchange to Jiangsu Section of Hening Expressway decreased by 5.4% compared with that of the corresponding period of last year, while the toll revenue of Nanhuan section of Hening Expressway increased by 15.47% compared with that of the corresponding period of last year due to the influence of regional economy. During the reporting period, the total revenue of Hening Expressway increased by 1.75% compared with that of the corresponding period of last year.

During the reporting period, with the improvement of road traffic condition and enhancement of network, vehicles diverged to Ninghuai Expressway due to traffic limit of Nanjing Yangtze River Second Bridge had been reflowed to National Trunk 205. Thus, the toll revenue of New Tianchang Section of National Trunk 205 increased by 10.12% compared with that of the corresponding period of last year.

During the reporting period, as a result of the influence of regional economy, vehicle volume of Lianhuo Expressway decreased by 8.29% compared with that of the corresponding period of last year, and toll revenue decreased by 2.60% compared with that of the corresponding period of last year.

During the reporting period, the toll revenue of Ningxuanhang Expressway increased by 76.67% compared with that of the corresponding period of last year, of which, Xuanning Section was officially opened to traffic in September 2013, and was in its growth stage. Also, due to the opening of Ningji Expressway and Jiangsu Section of Liwu Expressway, the toll revenue of Xuanning Expressway increased by 75.12% compared with that of the corresponding period of last year.

In the third quarter of 2014, a number of vehicles diverged from Gaojie Expressway as a result of the pavement maintenance performed in Taigan Section of DaGuang Expressway, which caused a decrease in the toll revenue of Gaojie Expressway. During the reporting period, due to the completion of reconstruction, the vehicles began to flow back and the toll revenue of Gaojie Expressway increased by 11.53% compared with that of the corresponding period of last year.

The toll revenue of other roads recorded slight and natural growth.

General achievements of the pawn business

In June 2012, the Company and Huatai Group jointly set up Hefei Wantong Pawn Company Limited, in which the Company injected capital in the sum of RMB150 million, accounting for 71.43% of its registered capital; Huatai Group invested RMB60 million, accounting for 28.57% of its registered capital. In September 2015, both shareholders agreed to reduce capital of Hefei Wantong Pawn Company Limited for risk control purpose, whose registered capital was therefore reduced from RMB210 million to RMB157.5 million, with respective shareholding percentages of both shareholders in the company remained unchanged.

During the reporting period, Wantong Pawn realized the operating income of RMB 9,390 thousand, mainly due to the overdue interest withholding capital and the slowdown of business development under the macroeconomic decline. The provision for impairment for the year reached RMB 27,690 thousand, and the accumulated provision reached RMB98,740 thousand, which is the main cause of the loss of the Wantong Pawn. During the reporting period, Wantong Pawn achieved a total profit of RMB-20,130 thousand, and achieved a loss-mitigation of RMB14,680 thousand year-on-year. The net profit was RMB-15,180 thousand, and achieved a loss-mitigation of RMB11,060 thousand year-on-year.

(a) Analysis of Principal Business (According to PRC Accounting Standards)

Analysis of changes in certain items in income statement and cash flow statement

Unit: RMB

Item	Amount for the reporting period	Amount for the same period of last year	Year-on-year increase/decrease (%)
Operating revenue	2,427,004,934.21	2,339,569,536.60	3.74
Operating cost	970,673,106.94	929,091,302.91	4.48
Administrative expenses	89,115,528.90	91,001,236.54	-2.07
Finance costs	64,008,911.05	134,270,556.74	-52.33
Impairment loss of assets	27,693,405.37	58,014,517.20	-52.26
Investment gain	74,401,949.84	127,013,222.57	-41.42
Non-operating expense	4,371,543.64	1,378,111.34	217.21
Net cash flows from operating activities	1,520,718,342.55	1,595,801,803.64	-4.71
Net cash flows from investing activities	-1,014,423,053.56	196,746,125.87	-615.60
Net cash flows from financing activities	-259,994,538.16	-1,875,273,142.50	86.14

1. Analysis on Revenue and Costs

The increase in operating income was mainly due to the overall growth in traffic flow on the toll highways of the Group;

The increase in operating costs is mainly due to increased repair and maintenance expense for the toll highways of the Company during the reporting period and increased amortization of intangible assets after Ningqian Section of Ningxuanhang Expressway was open for traffic in December 2015;

The decrease in administrative expense was mainly due to the slightly reduced number of management staff of the Group during the reporting period as compared with the same period of last year;

The decrease in financing cost was mainly due to interest of RMB100 million incurred for corporate bonds of the Company of RMB2 billion during the reporting period of last year while there was no such expense during this reporting period;

The decrease in impairment loss of assets was mainly due to decreased provision for impairment loss of pawn loans made for Anhui Pawn during the reporting period as compared with the corresponding period last year;

The decrease in investment income was mainly due to the transfer of 300 million shares by the Company during the corresponding period last year and decreased payment of cash dividends from Xin'an Financial during the reporting period as compared with the corresponding period last year;

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The increase in non-operating expense was mainly due to increased loss on retirement of fixed assets of the Group during the reporting period as compared with the corresponding period last year;

The decrease in net cash flow from operating activities was mainly due to increased payment of various taxes by the Group during the reporting period as compared with the corresponding period last year;

The substantial decrease in net cash flow from investing activities was mainly due to receipt of RMB339 million from Xin'an Financial for equity transfer and the recovery of fixed deposits and wealth management products totaling RMB400 million in the corresponding period last year;

The substantial decrease in net cash flow from financing activities was mainly due to the Company's repayment of principal and interest totaling RMB2,100 million for its corporate bonds in the corresponding period of last year.

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

(Unit: RMB)

Principal businesses in terms of industries

In terms of industries	Operating income	Operating cost	Gross profit rate (%)	Change in operating income (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year) (%)
Toll highway business	2,364,367,116.63	935,107,046.78	60.45	4.71	4.42	An increase of 0.10 percent point
Pawn business	9,386,956.43	0	100	-66.98	NA	NA

Principal businesses in terms of products

In terms of products	Operating income	Operating cost	Gross profit rate (%)	Change in operating income (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year) (%)
Hening Expressway	965,276,571.47	355,240,394.75	63.20	1.71	5.65	A decrease of 1.37 percent point
New Tianchang Section of National Trunk 205	52,419,500.00	36,623,804.16	30.13	10.12	-4.97	An increase of 11.10 percent point
Gaojie Expressway	507,558,758.58	150,924,757.53	70.26	11.23	-4.51	An increase of 4.90 percent point
Xuanguang Expressway	430,593,321.19	152,236,881.11	64.64	5.35	9.89	A decrease of 1.47 percent point
Lianhuo Expressway Anhui Section	209,583,682.65	98,607,599.39	52.95	-2.57	11.49	A decrease of 5.89 percent point
Ninghuai Expressway Tianchang Section	102,042,518.36	31,780,465.95	68.86	1.47	6.77	An increase of 2.76 percent point
Guangci Expressway	69,355,577.30	19,144,926.42	72.40	6.64	-1.12	An increase of 2.17 percent point
Ningxuanhang Expressway	27,537,187.08	90,548,217.47	-228.82	76.67	10.10	An increase of 198.80 percent point
Wantong Pawn	9,386,956.43	0	100	-66.98	NA	NA
Total	2,373,754,073.06	935,107,046.78	60.60	3.82	4.42	A decrease of 0.23 percent point

Principal businesses in terms of regions

In terms of regions	Operating income	Operating cost	Gross profit rate (%)	Change in operating income (compared with the previous year) (%)	Change in operating cost (compared with the previous year) (%)	Change in gross profit rate (compared with the previous year) (%)
Anhui Province	2,373,754,073.06	935,107,046.78	60.60	3.82	4.42	A decrease of 0.23 percent point

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(2) Cost analysis statement

Unit: RMB

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 highways business	Depreciation and amortization	607,043,966.43	62.54	603,228,523.05	64.93	0.63	
	Roads repairing expenses	101,615,952.21	10.47	79,386,824.71	8.54	28.00	
	Other cost	262,013,188.30	26.99	246,475,955.15	26.53	6.30	
	Total	970,673,106.94	100	929,091,302.91	100	4.48	
Pawn business	0	0	0	0	0	0	
Total cost	Total	970,673,106.94	100	929,091,302.91	100	4.48	

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 highways business	Depreciation and amortization	607,043,966.43	62.54	603,228,523.05	64.93	0.63	
	Roads repairing expenses	101,615,952.21	10.47	79,386,824.71	8.54	28.00	
	Other costs	262,013,188.30	26.99	246,475,955.15	26.53	6.30	
	Total	970,673,106.94	100	929,091,302.91	100	4.48	
Pawn business	0	0	0	0	0	0	
Total cost	Total	970,673,106.94	100	929,091,302.91	100	4.48	

Notes: For the reason that the products involved in the operation of the pawn industry are quite special, the monetary financing expenditure is accounted for in the principal business cost, while daily operation expenditure is accounted for in the administrative expenses and other expenditure items. During the reporting period, Wantong Pawn did not obtain financing, thus no principal business cost occurred and adjustment has been made to the cost expenditure based on the same standard.

2. Expenses

Administrative expenses

In 2015, the Group's administrative expenses were RMB 89,115,528.90, representing a decrease of 2.07% as compared to the same period in 2014 (2014: RMB91,001,236.54). Such decrease was mainly due to the decrease in the number of administrative staff of the Group as compared to that of the corresponding period of last year.

Finance costs

In 2015, the Group's finance costs were RMB 64,008,911.05, representing a decrease of 52.33% as compared to the same period in 2014(2014: RMB134,270,556.74). Such decrease was mainly due to interest of RMB100 million incurred for corporate bonds of the Company of RMB2 billion in the same period last year while there was no such expense during this reporting period.

Income tax

During the year, except for HK Subsidiary, applicable income tax of the Company, the Company's subsidiaries and affiliates were 25% (HK Subsidiary: 16.5%).

In 2015, the Group's income tax expenses were RMB 293,410,110.98, representing a decrease of 3.44% as compared to the corresponding period in 2014. The decrease in income tax expenses was mainly due to the decreased deferred income taxes of the Company in this reporting period as compared with that of the corresponding period of last year.

3. Cash flows

In 2015, the Group's net cash inflows from operating activities were RMB1,520,718,342.55, representing an decrease of 4.71% as compared with that of the corresponding period last year, mainly due to the increase in various taxes compared with that of the corresponding period of last year.

In 2015, the Group's net cash outflows from investing activities were RMB1,014,423,053.56, representing an increase in net outflows of RMB1,211,169,179.43 over 2014, mainly because the Company received from Xin'an Financial payment of equity transfer of RMB339 million together with the recovery of principal and interest of fixed deposits and wealth management products totaling RMB400 million in the corresponding period of last year.

In 2015, the Group's net cash outflows from financing activities were RMB259,994,538.16, representing a decrease in net outflows of RMB1,615,278,604.34 over 2014, mainly due to the Company's repayment of principal and interest totaling RMB2,100 million for its corporate bonds in the corresponding period of last year.

In 2015, the Group obtained bank loans in the aggregated sum of RMB558,131,688.09. At the end of the reporting period, the balance of bank loans were RMB1,415,436,188.09, of which balance of short-term loans was RMB250,000,000.00 with lending rate 4.815%; the balance of long-term loans was RMB1,165,436,188.09, which mainly comprised a floating rate loan with a weighted average annual interest rate of 4.2988% borrowed from a bank for the construction of Ningxuanhang Expressway. The principal will be repaid between 2016 and 2035.

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The Group was awarded with good credit ratings. In 2015, the total credit facilities granted during the year was RMB 8,099 million, and the facilities not yet utilized amounted to RMB 7,436 million.

(b) Analysis of assets and liabilities

Assets and Liabilities

Unit: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of last period	Amount at the end of last period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period	Notes
					(%)	
Cash and cash equivalents	906,245,561.74	7.46	559,944,810.91	4.86	61.85	
Interest receivable	8,552,111.30	0.07	2,011,739.58	0.02	325.11	
Dividend receivable	18,211,806.06	0.15	0	0	N/A	
Other receivables	283,931,438.03	2.34	191,159,114.18	1.66	48.53	
Available for sale financial assets	221,125,677.07	1.82	276,926,524.23	2.40	-20.15	
Fixed assets	950,548,376.77	7.83	820,517,126.56	7.11	15.85	
Short-term loan	250,000,000.00	2.06	400,000,000.00	3.47	-37.50	
Interest payable	9,226,522.99	0.08	2,280,514.38	0.02	304.58	
Long-term loan	1,052,648,888.09	8.67	851,436,500.00	7.38	23.63	
Long-term payables	956,263,721.37	7.88	749,815,328.73	6.50	27.53	

Other explanations:

The increase in cash and cash equivalents was mainly due to increased toll revenue of the Group during the reporting period;

The increase in interest receivable was mainly due to increased interest receivable arising from fixed deposits receivable during the reporting period;

The increase in dividends receivable was mainly due to payment of 2015 dividends receivable from Xin'an Financial as at the end of the reporting period;

The increase in other receivables was mainly due to the balance of wealth management products from banks of RMB85 million as at the end of the reporting period;

The decrease in available for sale financial assets was mainly due to reduced fair value of Xin'an Financial as a result of its distribution of dividends during the reporting period;

The increase in fixed assets was mainly due to reclassification of part of the assets as fixed assets after the Ningqian Section of the Ningxuanhang Expressway was open for traffic during the reporting period;

The decrease in short-term borrowings was mainly due to repayment of part of the short-term bank borrowings during the reporting period;

The increase in interest payable was mainly due to increase in newly incurred long-term bank borrowings during the reporting period;

The increase in long-term borrowings was mainly due to increased long-term borrowings of Ningxuanhang Company, a subsidiary of the Company, during the reporting period;

The increase in long-term payables was mainly because Ningxuanhang Company, a subsidiary of the Company, received borrowing from minority shareholders during the reporting period.

(c) Analysis of operation information of the industry

1. Policies for industry development is becoming clear

In 21 July 2015, a revised consultation draft of the “Regulations for Administration of Toll Roads” (《收費公路管理條例》(修正案徵求意見稿)) was issued to seek opinions from the public. The consultation draft specified that the concessions of toll roads are determined by the principle of investment recovery with reasonable return, which shall be controlled by ways such as dynamic adjustment to toll standards and revenue adjustment, and for toll expressways with significant huge investment and long payback period, the concessions may exceed 30 years upon approval.

In case of necessary reconstructions and lane-expansion works for upgrading class 1 highways to expressways or improving traffic capacity of expressways for social and economic development requirement which will increase local government debts and investments, the debt service periods or concessions are allowed to be re-determined.

In case of early termination of concession contract by the government for public interest or implementation of toll fee exemption policy which causes operators’ loss in lawful revenues, the respective competent transportation department together with the finance department at the same level shall report to the decision making government department for administrative compensation.

Currently the “Regulations for Administration of Toll Roads” (《收費公路管理條例》) has not yet been formally introduced.

2. Diversified development is imminent as investment return is declining

At present, new highway construction projects yield significantly reduced investment return due to rising costs of labor and material together with toll-free and diversion policies. Regarding acquisition of mature road capacity, better performed sections tend to be greatly appreciated in valuation, and under the current environment of ample liquidity in the market, competition for quality road capacity has led directly to soaring transaction prices resulting in greatly reduced investment yields.

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From the perspective of the industry as a whole, many of the toll roads have survived more than half of their operating periods. Approaching expiry will continue to exert pressure on highway enterprises with toll revenue as the core source of income. Affected by factors such as expiring concession and decreasing marginal return on investment, diversification has become a strategic choice for many companies within the industry, and all listed companies have embarked on diversified expansion.

3. Well established controlling shareholders and huge space for reform of state-owned enterprise

From the industry's perspective, most controlling shareholders of listed highway companies are large provincial enterprises, having advantage no matter in terms of asset size, capital strength and core competitiveness. As a result, there presents a feature of "large groups, small companies" between majority shareholders and the shareholding listed companies.

The report of the 18th National Congress of the Communist Party of China has clearly pointed out the needs of deepening reforms of state-owned enterprises and constantly enhancing the vitality, dominance and influence of state-owned economies. The Anhui provincial government has also requested the state-owned enterprises in the province to strive towards the major direction of developing a mixed ownership system with overall listing, mergers and restructuring as the major forms, so to further deepen the reform of state-owned enterprises, actively introduce strategic investors, improve corporate governance structures, and constantly enhance the vitality of enterprise development. In recent years, China has significantly accelerated its pace of capital market reform and innovation. A multi-level capital market system has initially formed with expanding depth and breadth of serving the real economy. The reform of state-owned enterprises are in a period of better policies and market opportunities. In this context, more local state-owned enterprise reform programs have confirmed that listing highway companies and their controlling shareholders will embark on subsequent equity incentive, asset securitization, restructuring and upgrading and other kinds of reform plans.

4. Strengthened level of informatization and extensive prospect of the "Internet +" policy

During the "12th Five-Year Plan" period, the level of informatization of China's highways kept strengthening. As of September 2015, 25 provinces in China have activated ETC (電子不停車收費系統) networks covering almost 90% of total highway mileage with total users reaching 21.05 million. China's ETC networking areas have accumulated construction of 11,000 ETC lanes (ETC 專用車道) and 51,000 MTC lanes (人工刷卡車道). All networking provinces have set up over 14,000 service points and established with banks and other agencies an extensive network of co-branded prepaid card issuance and recharging services, with over 27,000 units of terminals for various services within the region. The use of ETC has effectively improved vehicular traffic rate, enhanced experience of the public, and also promoted energy conservation. As the construction of the nationwide expressway toll collection network has basically completed, the next step for the industry should be conduction of information collection and expanded application to enhance the service standards for car owners.

Apart from the growth in volume, future development of ETC will present new trends including realization of ETC pre-installation (ETC前裝), strengthening data integration and multidimensional applications, and leading vehicle networking applications. With the development of highway networking toll collection and networking surveillance, network data will become increasingly huge, and how to integrate existing data and conduct in-depth excavation to provide customers with more useful information prediction is right the focus and breakthrough for the next stage of development of highway informatization.

Looking forward, listed companies will have promising prospects in areas such as vehicle networking, big data, maps navigation and security monitoring.

(d) Investment Analysis

1. Overall analysis of external equity investments of the Company

(Unit: RMB'000)

The amount of the Company's equity investment during the reporting period	0
Increase/decrease of the amount of investment in 2015	0
The amount of equity investment of the corresponding period last year	0
Change in the amount of investment during the reporting period (%)	0

(1) Material equity investments

During the reporting period, there was no equity investment of the Company.

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(2) Material non-equity investments

(Unit: RMB'00,000,000)

Name of project	Basic information of the project	Project amount	Progress of the project	Amount of investment for the year	Aggregate actual amount of investment	Revenue from the project
Ningxuanhang Expressway Ningguo-Qianqiu Section	about 40 km in length	29.28	The construction of the project began in March 2011.	7.29	20.87	The project has been open to traffic as a trial operation in December 2015
Ningxuanhang Expressway Liqiao-Xuancheng Section	about 31 km in length	21.33	The construction of the project began in January 2015.	2.13	3.60	Under construction
Total		50.61	/	9.42	24.47	/

(3) Financial assets measured at fair value

Unit: RMB

Name of project	Opening balance	Changes in fair value during this period	Ending balance
Measured at fair value			
- available for sale equity instruments			
- Xin'an Financial	261,926,524.23	-55,800,847.16	129,681,717.36
- Xin'an Capital			76,443,959.71
- Wantong Micro Credit	15,000,000.00	0.00	15,000,000.00
Total	<u>276,926,524.23</u>	<u>-55,800,847.16</u>	<u>221,125,677.07</u>

Note: Change in fair value of Xin'an Financial and Xin'an Capital in financial assets measured at fair value during the reporting period was mainly due to their payment cash dividends for prior year. The Group has recognized the portion of cash dividends attributable to the Group in investment gain during the reporting period.

(e) Material asset and equity disposal

During the reporting period, there was no material asset and equity disposal of the Group.

(f) Analysis of main shares holding companies and joint stock companies

(Unit: RMB'000)

Name of company	Equity interest the Group possesses	Registered Capital	31 December 2015		2015		Main business
			Total assets	Net assets	Operating income	Net profit	
Xuanguang Company	55.47%	111,760	1,126,857	600,438	433,487	165,834	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	4,468,755	881,466	28,205	-113,846	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	243,076	221,534	71,156	35,634	The construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	336,314	238,915	138,725	48,950	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	4,166,484	2,600,819	734,984	436,058	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	1,266,247	1,239,821	61,126	71,037	Internet financial services, network information services, pawn business, etc.
Wantong Pawn	71.43%	157,500	124,593	121,686	9,387	-15,177	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service
Wantong Micro Credit	10%	150,000	130,230	128,527	13,822	-29,394	Distributing petty loans, small size enterprises management consulting and financial advisory
Anhui Expressway (H.K.) Limited	100%	1,981	2,012	1,919	0	-62	Highway enterprises; its business covers relevant consultation and technology service for building, investment and operation of road abroad, and currently, the operation has yet to begin

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Due to the implementation of share incentive plan, the total share capital of Anhui Xin'an Financial Group Co., Ltd. is 3,020,000 thousand shares, of which the Company holds 200,000 thousand shares, representing 6.62% of the total share capital. After the spin-off, the share capital of Anhui Xin'an Financial Group Co., Ltd. is 1,900,000 thousand shares and the Company holds 125,827,814 shares, representing 6.62% of the total share capital. The share capital of Anhui Xin'an Capital Operation Management Co., Ltd. is 1,120,000 thousands shares and the Company holds 74,172,186 shares, representing 6.62% of the total share capital.

On 2 December 2015, as all relevant procedures for the listing of shares of Xin'an Financial had been fulfilled, the shares of Xin'an Financial officially listed with stock name: Xin'an Financial, and stock code: 834397.

III. Discussion and Analysis on Future Development

(A) Industry competition environment and development trend

1. Competition landscape of the industry

China's highway construction has taken off in pace with its economic development which has in turn further boosted its economic growth. In December 1984, the State Council issued the "maintenance by making loans and repayment of the loans by collecting toll (貸款修路、收費還貸)" toll road policy, breaking the bondage of the mechanism that highway construction relies solely on financial investment and opening the curtain of highway construction and operation in China.

(1) Relatively high barrier for access to the industry

The highway industry is a capital-intensive industry, with long construction period, large and relatively concentrated initial investment, long payback period and poor liquidity of assets, which at a certain extent determined the relatively high access barrier of the highway industry from the perspective of the market.

(2) Repair and construction as planned with no direct competition among road sections

All highway constructions are subject to project creation and approval by the government, and shall comply with national or regional road network construction plans, while the road network plans have fully taken into consideration factors such as synergies of and competitiveness among the road networks. Therefore, in general, there exists no strong competition among all road sections within the road networks.

(3) *Industry competitions are mainly competition with other modes of transports*

With the rapid advancement of national railway network construction, high-speed, motor car and intercity crack will greatly shorten the transit time between two places, and have certain influence on highway passenger transport. However, as the operating revenue from passenger car accounts for an insignificant proportion in toll revenue, highway passenger transport still maintained its price and flexibility advantage, so the Company believes that high-speed and other modes of transport, though having certain impacts, will not cause great fluctuations of highway passenger transport.

2. Development trends of the industry

The Company believes that future development of the highway industry mainly have the following trends and characteristics: 1) Highway construction has advanced moderately ahead to well play the role of road construction supporting and ensuring economic development while driving investment; 2) National highway networks have basically taken shape, and the future focus will be improvement of road network structure to strengthen balanced development; 3) The revenue growth of highway companies will be in pace with economic growth, in particular the performance of cargo transport will be in line with economic growth, while passenger transport has certain degree of rigidity; and 4) Under the current policy and economic environment, diversification is the direction of industry development.

In summary, development of the highway industry and performance of the Company are mainly affected positively or negatively by the following factors: 1) The development of national and regional economies; 2) The change in monetary policies and the level of interest rates; 3) The adjustment and upgrade of industrial structures; 4) The change in growth of car ownership; 5) The change in industry policies; 6) The effect of road network improvement on attraction or diversion of traffics; and 7) The competition from rail and air transports towards road transport.

(B) Development strategy of the Company

During the “13th Five-year Plan” period, the Company will improve management structure and optimize asset allocation simultaneously to enhance capital operation capability, expand the path of development, expand and strengthen principal business and actively develop new profit growth points, building the Company into a well-known highway enterprise with “prominent principal business, diversified development channels, efficient operation and management as well as significant brand effect”.

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Prominent principal business. With expansion of the principal business of highway operation as the starting point to expand the overall asset size of the Company to provide solid support for diversified development and capital operation. Through internal and external expansion of the highway industry to keep strengthening the competitiveness of the Company in the highway industry. Internal expansion includes actively seeking the support of the Anhui Transportation Group for acquisition of high-quality highways within the province to improve the proportion of high-quality assets; based on the highway development plans of China and Anhui Province to accelerate new construction and expansion of highways so as to increase the existing highway mileage. External expansion includes actively seeking policy support to acquire excellent toll road assets outside the province and in the world by various effective ways, so as to add new impetus to the development of principal business.

While making expansion, focus will be put on enhancing service quality by continuous improvement and enhancement of the quality and level of road production operation; further enhancing highway operation and management with efforts on toll collection and ensuring smooth traffic; strengthening informatization infrastructure construction to improve the management level of informatization; enhancing road production management to keep road production facilities intact; strengthening the capability of ensuring road safety to improve the standards and efficiency of principal business.

Diversified development channels. On the basis of developing the highway principal business, the Company will realize horizontal industrial and geographical expansion. Firstly, for the purpose of enhancing our core competitiveness, we will adopt to new norm of economic environment and fully leverage our advantage in principal business development to keep identifying and nurturing new business modes, and further studying national development plans based on the principle of “market hot topics + advantage of the Company”. Under the premises of strict control and management of investment risks, we will explore the development of panoramic digital highways, develop highway big data application, financial investment and other diversified development projects to further enhance the level of diversification. Secondly, we will use remitted funds by way of foreign financing to implement operation under the trial filing system policy, and to obtain low cost foreign funds through the HK Subsidiary to explore markets outside the province and overseas markets for development of international business to cope with the states “One Belt, One Road” development strategy.

Efficient operation management. Efforts will be put on strengthening the Party’s political core role and improving corporate governance structure; further improving the management and control systems of the parent company so as to enhance the Company’s management and control capability and optimize the management procedures; strengthening construction of organization structure as well as re-designing and innovating the management organs starting from efficiency construction to achieve management objectives such as reasonable structure, resource optimization and management efficiency; optimizing and improving the system construction for functions such as financial management, human resources and operation management of the Company to cope its development strategies for forming a good environment of scientific management, free flow of information and efficient decision-making; and optimizing construction of talent personnel for a first-class team of capital operation and management.

Significant brand effect. On the basis of clarifying our core value of “重道篤行,通達致遠”, we will form our own brand awareness for promotion of brand strategy; strengthen construction of corporate culture from the three major aspects of corporate spirit, corporate system and staff behavior to enhance internal cohesion and strengthen the soft power of corporate culture; and form an industry pattern with own characteristics, forging the “Anhui Expressway” into a well-known brand of expressway in China and abroad.

(C) Business plan

Expecting no significant change in the operating environment, the Group has set the 2016 target for overall toll revenue of about RMB2.397 billion (actual amount in 2015: RMB2.33 billion); as the Ningqian Section has opened for traffic, the financial costs, maintenance costs, labor costs and administrative expenses for 2016 will record different degree of increase compared with 2015.

Measures for the plan

Continue to enhance highway construction and management

To continue to speed up the third phase construction of Lixuan Section of Ningxuanhang Expressway in a stable manner; to further strengthen operation management, complete the stop loopholes, the green channel inspection, road maintenance production claim etc; to strengthen the tunnels and pavement maintenance, and improve road traffic quality and safety standards; to continue to do a good job of service with smiles, increase the inspection and supervision, and effectively improve the quality of service; to properly complete the connection between construction and management of Ningqian Section, and intensify Ningxuanhang Expressway network marketing, continuously perfect the road signs, and guide the traffic effectively; to strengthen the study of policies regarding toll highways, improve the “Internet + traffic” awareness, promote the development of convenient transportation comprehensive service based on internet platform, and develop smart transportation operation system.

Continue to explore diversified development path

To turn the risks arising from macroeconomic downturn into opportunities, make good use of the financing facility and strong capital advantages inherent in a listed company, enhance market research both domestically and abroad, explore high quality investment project and extend the diversified business.

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Continue to strengthen the management and control of joint stock companies and the share holding companies

To continuously and closely supervise the operation of Xin'an Financial and effectively control the investment risk in the financial stake. To actively supervise and promote the disposal of non-performing loans by pawn company; and at the same time, to strengthen the management and control of business risk, attract and train technical talents and enhance the overall risk prevention and control capabilities.

Continue to explore channels of innovation financing

To allocate funds reasonably and practically satisfy the fund demand of project under construction. To make full use of domestic financing channels and overseas financing platforms, explore low-cost and low-risk financing tools, and improve financing efficiency. To pay close attention to the updates on the financial market, and issue short-term financing bonds or corporate bonds timely to lock the middle- and short-term financing cost.

(D) Possible risks

In the future strategic development, the Company will pay close attention to the following risk issues and actively take effective measures:

Change in macroeconomic environment and industry policies

The toll road industry is sensitive to change in macro-economy. Macroeconomic change directly affects the demand for highway transport, which in turn affects the traffic flow performance of all toll projects and results of operation of the Group. Economic downturn has become the "new normal" which results in weakened demand for goods circulation, while increasing utilization of relief policies leads to rising relieved amount, increasing cost input and diversifying modes of transports leading to slow growth in toll fees.

Measures to be taken: Protect the interests of the Company and its investors to the greatest extent possible through analysis and research on adjustment to relevant industry policies and active communication and coordination with government authorities; determine the impact of macroeconomic trends on road transportation demand through analyzing the current economic situation and the targets of regulation, and regularly collect information on the economic development in Anhui Province and the surrounding areas for analysis of the characteristics of change in traffic volume and vehicle structure in the road network so to minimize the negative impact of economic and environmental change on the operation of the Company; continue to conclude the management experience from previous toll-free arrangement for small vehicles during major holidays to improve the management model for emergency toll collection, enhance the capacity of toll transport and ensure the orderly passage of vehicles during periods of toll-free arrangement and peak traffic volume.

Diversified travel modes and road network changes

With the rapid advance of construction of national railway networks, high-speed and intercity crack will greatly shorten the transit time between two places, which will have certain influence on highway passenger transport. On the other hand, with the further perfected encryption of highway networks, parallel routes and alternative routes will continue to increase, and network diversion will have a negative impact on the growth of toll revenue of the Company. Meanwhile, reconstruction, renovation and expansion of roads surrounding toll road projects, and administration of overloading of surrounding road and bridge projects and restricted traffic on foreign vehicles will lead to change in traffic volume on the road network, hence having an impact on the operating results of the Group's toll road projects.

Measures to be taken: All road sections of the Group were the trunk highway across the Anhui region. Fully leveraging the traffic advantages of the Anhui region and through improving road signs, enhancing marketing campaign and continuously promoting service with a smile, the Group will strengthen the toll collection efficiency, road traffic capacity and service level to enhance its competitiveness in the road networks. Meanwhile, the Group will timely understand road network planning and projects construction to carry out advanced road network topic analysis, reasonably forecast the impact of related projects on the traffic volume of existing projects of the Company.

The risk of the expiry of franchise

Toll road assets have a relative nature of monopoly due to their franchise mode of operation. However, their franchise are subject to a certain toll collection period after the expiration of which the road operation enterprises will face significant challenge in their sustainable development. In the current policy environment, the Company has relatively great difficulties in restructuring the highway assets of the parent company and expansion of the principal business is severely restricted; and as the Company's principal road production resources has entered a mature period, subject to (among others) restricted investment and financing scale, the Company is unable to secure new highway construction projects and stock highway transfer projects, the revenue growth of its principal business will be slow.

Measures to be taken: For the purpose of seeking long-term development, the Group will, based on a serious review of its implementation of the major objectives during the 12th five-year strategy period, and factoring in industry policies, market environment and its own conditions, determine its future development goals as soon as possible.

Facing difficulties in non-principal business development

Due to the impact of factors such as relatively single investment direction, higher investment concentration and unfavorable industry operating environment, intensifying market competition and inherently high industrial risks, the risks of the Group's financial investment projects are becoming prominent. Besides, comparing with the principal business, the profitability of share holding companies and joint stock companies, including Wantong Pawn, Wantong Micro Credit and other small enterprises are not strong. Especially in recent years, small loan companies, Internet finance and commercial banks have vigorously pursued new financing business, imposing greater impact on the pawn industry.

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Measures to be taken: To prevent financial investment risks, according to Wantong Pawn's current business situation and existing investment risks, during the report period, with the consideration and approval at the 9th meeting of the seventh session of Board of Directors of the Company, shareholders of Wantong Pawn have agreed to carry out capital reduction on pro-rata basis. For the next step, the Company will draw on the experience in investment and management of financing business in recent years, to fully research and demonstrate industry rules and gradually particularise its development strategy, so as to further enhance its ability of risk resistance.

IV. Failure of the Company to disclose according to requirement due to inapplicable standards or other special reasons

Applicable Inapplicable

V. Active fulfillment of social responsibility

The Company faithfully fulfills social responsibilities, including environmental protection, major social security problems and compliance with relevant laws and regulations. During the reporting period, the Company did not have major environmental protection or other major social security problems. For details of the Company's fulfillment of social responsibilities, please refer to "Social Responsibility Report".

An overview of the Company's protection of stakeholder interests through continuous improvement in corporate governance structure, please refer to "Social Responsibility Report".

The discussions in the "Social Responsibility Report" form part of the "Report of the Board of Directors".

VI. Names of the Directors during the reporting period

Names	Independent non-executive directors or not	notes
Zhou Renqiang	no	
Li Junjie	no	
Chen Dafeng	no	
Xie Xinyu	no	
Wu Xinhua	no	
Ni Shilin	no	Appointed on 22 May 2015
Hu Bin	yes	
Yang Mianzhi	yes	
Kong Yat Fan	yes	
Meng Jie	no	Resigned on 22 May 2015 due to work adjustment

VII. Fixed Assets

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

VIII. Controlling shareholders' interests in contracts

Save as disclosed in the section "Significant connected transactions" of this Annual Report, none of the Company or its subsidiaries and its parent company or the subsidiaries of the Company's parent company has entered into any contract of significance which have subsisted during the reporting period or at the end of the reporting period.

IX. Reserves

The figure and the details of any significant change in the reserves of the Company during the reporting period are set out in Note 18 to Section XI Consolidated Financial Statements. According to the Articles of Association of the Company, the dividends distribution by the Company to its shareholders are based on the lower of the retained earnings in the Company's statutory accounts prepared in accordance with PRC accounting standards and in the Company's financial statements prepared in accordance with HKFRS. During the reporting period, the retained earnings calculated in accordance with HKFRS amounted to RMB4,998,212 thousand.

X. Capital flow, financial resources and capital structure (According to Hong Kong Accounting Standards)

During the reporting period, the Group's bank loans were RMB 564,000 thousand. At the end of the reporting period, the balance of bank loans were RMB 1,415,000 thousand, of which RMB 250,000 thousand was short-term loan balance with interest rates of 4.815% per annum; RMB 12,250 thousand was long-term loan balance due within one year; RMB 1,153,000 thousand was long-term loan balance, among which RMB 961,000 thousand were floating rate loans borrowed from banks for the construction of Ningxuanhang Expressway with interest rates ranging between 1.758% and 5.535% per annum. The principal will be repaid between 2016 and 2035.

As at the end of the reporting period, among the bank loans, RMB 250,000 thousand bore fixed interest rate of 4.815% per annum; and the remaining loans bore floating interest rates ranging between 1.758% and 5.535% per annum.

Details of currency composition of bank loans has been disclosed in Note 21 to the financial statements prepared according to the Hong Kong Accounting Standards. Details of currency composition of cash and cash equivalents has been disclosed in Note 16 to the financial statements prepared according to the Hong Kong Accounting Standards.

The gearing ratio (net debt divided by total capital) was 15.87% (2014: 15.89%).

The Group's capital management policy is to ensure continuous operation of the Group to provide returns to its shareholders and other stakeholders. In response to the changing external economic environment, the Group will make timely adjustment on capital structure and make necessary strain. In order to maintain or adjust the capital structure, the Group may reduce the debt ratio by issuing new shares or controlling capital expenditure when necessary. The Group uses gearing ratio to monitor its capital.

The Group's strategy in 2015 as compared with 2014 remained unchanged and the Group was able to maintain gearing ratio under 30% with credit rating of AAA.

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XI. Charge of assets and contingent liabilities

On 31 December 2015, RMB 197,000 thousand cash or collateral were used to secure the long-term bank loans (2014: RMB 97,000 thousand) and there were no contingent liabilities (2014: Nil).

XII. Major investment, acquisition and sale

During the reporting period, the Company did not have any major investment and acquisition or sale of its subsidiaries, associated companies and joint ventures.

XIII. Risks of currency and interest rate

As the Group's revenue and expenses are mainly denominated in RMB, the Group does not expect its operating activities will lead to material currency risk.

Details of the financial risks and management of such risks are disclosed in note 3 to the financial statements prepared according to Hong Kong Accounting Standards.

XIV. Staff Members

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

XV. Principal customers and suppliers

During the reporting period, the five largest customers and five largest suppliers of the Group accounted for less than 30% of revenue and purchases of the Group respectively.

XVI. Liability insurance for Directors, Supervisors

In accordance with the Listing Rules in Hong Kong, since 2012, the Company has made proper insurance arrangement for the legal actions possibly faced by the Company's management staff by purchasing liability insurance annually for directors, supervisors and senior management of the Company. The Company's shareholders, at general meeting, had authorized the executive directors of the Company or the secretary of the Board of Directors to handle subsequent annual renewal of insurance on the basis that there is no significant adjustment of liability limits and premiums budget, etc.

XVII. Items after the reporting period

Items after the reporting period has been disclosed in Section V.

XVIII. The profit appropriation plan or transfers of share capital from capital reserves plan

The profit appropriation plan or transfers of share capital from capital reserves plan has been disclosed in Section V.

XIX. Charitable Donations

During the year ended 31 December 2015, the Group made charitable donations of approximately RMB210,000.

I. 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 always insisted on providing returns to shareholders and has been continuously distributing cash dividends for 20 years. According to the requirements of the relevant regulatory agencies 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 perfected the Company's cash dividend policy and standardized the decision-making mechanism and procedures of the Company's profit distribution plans. The revised decision-making procedures and systems for the profit distribution mainly include: when the Board makes 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 cost of social capital, external financing environment and other factors. The Company's profit distribution plan should be drawn up by the Secretary to the Board of Directors and the financial officers, submitted to the Board of Directors for consideration after agreement from 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 and then submit to the general meeting for approval.

After the convening of the meeting of board of directors, the Company should use a variety of methods to actively communicate with minority shareholders and listen to their advice. When the general meeting is held to consider 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 planning 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 as set out in the articles of association, 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 disclosed and the plan should be approved by more than two-thirds of the independent directors, approved by the Board of Directors and then submitted to the general meeting for approval.

When the general meeting considers the adjustment of the profit distribution plan, the Company should provide the network voting platform, and resolutions should be approved by 2/3 of the shareholders who attend the general meeting.

The 2015 annual profit distribution plan (including cash bonus scheme) formulated by the Company conforms to the relevant requirements of the articles of association. In the process of making the plan and decision-making, the independent directors carefully studied and analyzed the related factors and published opinions independently, and the Company was also able to listen to the opinions of the independent directors and shareholders through various channels, and paid attention to small and medium-sized investors' demands and their legitimate rights and interests.

The 2014 profit appropriation plan of the Company has been accomplished in July 2015.

Section V Major Events

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 (RMB) (including tax)	Amount of cash dividend (including tax)	Net profit attributable to shareholders of the Company in consolidated financial statements of the distributed years	The rate of the net profit attributable to shareholders of the Company in consolidated financial statements (%)
2015	2.3	381,480.30	937,866.86	40.68
2014	2.3	381,480.30	860,865.57	44.31
2013	2.2	364,894.20	847,910.07	43.03

3. During the report period, earnings and profits of parent company available for distribution for ordinary shareholders remained positive, Company should disclose in detail about the reason of not proposing an ordinary share cash profit allocation plan, and disclose the purpose and plan in using the undistributed profits.

Applicable Not applicable

II. Implementation of Undertakings

Applicable Not applicable

1. The commitments for listed companies, shareholders, actual controllers, purchasers, directors, supervisors, senior management and other related parties during the reporting period or subsisting until the reporting period.

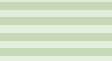
Background of Commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Whether there is time limit for performance	Whether strictly comply in a timely manner
Commitment Related to the share reform	Other	Anhui Transportation Holding Group Company Limited	Continue 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
Commitment Related to the share reform	Other	Anhui Transportation 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 within the industry	Anhui Transportation Holding Group Company Limited	Promise not to participate in any of the Company's actual businesses or other business activities from time to time which may constitute direct or indirect competition to the Company.	12 October 1996, long-term effective	No	Yes

Section V Major Events

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
Other Commitment	Other	Anhui Transportation Holding Group Company Limited	Commitment to continue to increase the holdings of the Company's shares in the secondary market in 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 shareholding increasing period and the statutory period.	Term of overweight: 9 January 2014 to 8 January 2015; Term of underweight: there is prohibitive during the term of overweight and six months after completing overweight.	Yes	Yes
Other Commitment	Other	Anhui Transportation Holding Group Company Limited	There is prohibitive underweight through the secondary market for a term of six months after 10 July 2015; not to reduce shareholding through the secondary market. Actively fulfill their duties of substantial shareholders and strive to improve the quality of listed companies, establish and improve a long-term mechanism for investors' return, continuously improve the level of investor returns.	Not to reduce shareholding during the six months from 10 July 2015.	Yes	Yes

III. Extraordinary use of funds and progress on settlement during the reporting period

Applicable Not applicable



IV. Explanation by the Board of accounting firm's "Non-standard audit report"

1、 Explanation by the Board and Supervisory Committee of accounting firm's "Non-standard audit report"

Applicable Not applicable

2、 Analysis and explanation by the Board of the reasons and impacts of changes in accounting policy, accounting estimation or auditing method

Applicable Not applicable

3、 Analysis and explanation by the Board of the reasons and impacts of corrections to major previous errors

Applicable Not applicable

Section V Major Events

V. Appointment and Dismissal of Accountants

(Unit: RMB 0'000)

	Current Employment	
The name of PRC Accountant	PricewaterhouseCoopers Zhong Tian LLP	
Compensation of PRC Accountant		143
Term of audit of PRC Accountant		14
The name of Hong Kong Accountant	PricewaterhouseCoopers	
Compensation of Hong Kong Accountant		70
Term of audit of Hong Kong Accountant		14
	Name	Compensation
Accountant for internal control and audit	PricewaterhouseCoopers Zhong Tian LLP	35

Overview of Appointment and Dismissal of Accountants

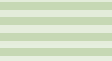
Applicable Not applicable

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 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 were approved to be appointed as the PRC auditors and Hong Kong auditors for 2015 respectively at the 2014 Annual General Meeting. As at 2015, they have provided services to the Company for 14 years and changed the signing CPA in 2006, 2011, 2012 and 2015.

VI. Exposure to the risk of suspension of listing

Applicable Not applicable



VII. Significant litigation and arbitration events

Applicable Not applicable

VIII. Punishment for listed companies, directors, supervisors, senior executives, shareholders, actual controllers and purchasers

Applicable Not applicable

IX. Explanation of the credibility of the Company and its controlling shareholders and actual controllers during the report period

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

X. Information on equity-based incentives plan, employee stock ownership plan or other employee incentives and their impacts

Applicable Not applicable

Section V Major Events

XI. Significant Connected Transactions

1. Connected transactions in relation to daily operations

The Group's related party transactions for the year ended 31 December 2015 have been disclosed in Note 37 to the consolidated financial statements. Part of the above-mentioned transactions constituted continuing connected transactions under the Listing Rules of the SEHK and are disclosed as follows.

(1) Continuing connected transactions in relation to daily operations

Unit: RMB'000

Connected parties	Association	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Payment method
Anhui Transportation Group	The parent company of the Company	The Group provides management service of Expressway Networking Toll System	Made by negotiations through fair principles with reference to its costs	19,197	Transfer
Expressway Petrochemical	The subsidiary of the parent company	To lease the gas station within the Company	Evenly recognised over the lease period using the straight-line method	25,890	Transfer
Expressway Petrochemical	The subsidiary of the parent company	To lease Wantong building in New and High-tech Park	Evenly recognised over the lease period using the straight-line method	438	Transfer
Anhui Transportation Group	The parent company of the Company	To lease Wantong building in New and High-tech Park	Evenly recognised over the lease period using the straight-line method	2,334	Transfer
The Construction Headquarters of High-grade Highways	The subsidiary of the parent company	To lease Wantong building in New and High-tech Park	Evenly recognised over the lease period using the straight-line method	1,909	Transfer

Connected parties	Association	Contents of connected transactions	Pricing policies of connected transactions	Amounts of connected transactions	Payment method
Xiandai Transportation	The subsidiary of the parent company	To lease Wantong building in New and High-tech Park	Evenly recognised over the lease period using the straight-line method	597	Transfer
Anlian Company	The subsidiary of the parent company	To lease Wantong building in New and High-tech Park	Evenly recognised over the lease period using the straight-line method	564	Transfer
Xiandai Transportation	The subsidiary of the parent company	To receive construction management service	Made by negotiations through fair principles with reference to its costs	18,016	Transfer
Bangning Property	The subsidiary of the parent company	To receive property management service	Made by negotiations through fair principles with reference to its costs	3,185	Transfer

Section V Major Events

(2) Confirmation by the independent directors regarding continuing connected transaction

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

- a. The transactions were carried out in the normal and usual course of business of the Company;
- b. The transactions were carried out on normal or better commercial terms (as compared with transactions of similar nature carried out by the similar entities in the PRC); and
- c. The transactions were carried out in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company confirmed that it has complied with the disclosure requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, the board hereby engages the auditor for the Company to carry out procedures on the relevant continuing transactions in 2015 of the Group. The auditor has issued his letter confirming that nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions (1) have not been approved by the Board of Directors; (2) were not, 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 not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (4) have exceeded the annual cap as set by the Company. The copy of the letter has been submitted to the Stock Exchange of Hong Kong by the Company.

XII. Material contracts and their Implementation

1. Material custody, subcontracting and leasing items

Applicable Not applicable

2. Material guarantee

Applicable Not applicable

(Unit: RMB'00,000,000)

Guarantees provided by the Company (excluding guarantees provided for the subsidiaries)

Total amount of guarantees during the reporting period (excluding guarantees provided for the subsidiaries)	0
Total balance of guarantees as at the end of the reporting period (A) (excluding guarantees provided for the subsidiaries)	0

Guarantees provided by the Company and its subsidiaries to subsidiaries

Total amount of guarantees provided for the subsidiaries by the Company during the reporting period	-0.02
Total balance of guarantees provided for the subsidiaries as at the end of the reporting period (B)	1.77

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

Total guarantee amount (A+B)	1.77
Total guarantee amount as a percentage of net asset value (%)	2.09
Amongst:	
Guarantee amount provided for shareholders, actual controllers and their related parties (C)	0
Guarantee indebtedness amount directly or indirectly provided for entities whose rate of liability exceeds 70% (D)	0
Amount which the total guarantee amount exceeds 50% of net asset (E)	0
Total of the above 3 guarantee amounts (C+D+E)	0

Explanation of undue guarantee that may undertake settlement responsibility jointly

Overview

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 amounted to RMB 0.177 billion.

Section V Major Events

(I) Entrust others to cash management

1. Finance in trust

√ Applicable □ Not applicable

(Unit: RMB)

Trustee	Type	Amounts	Start date	Expiry date	Method to determine payment	Principal amount of actual recovery	Actual profits	Through the prescribed procedure (yes/no)
Hefei High-tech Zone branch of China Bank	Pledgeable income	50,000,000	14 May 2015	11 June 2015	agreement protocol	50,000,000	122,739.73	Yes
Hefei Xinqiao branch of China Bank	Pledgeable income	50,000,000	14 May 2015	11 June 2015	agreement protocol	50,000,000	122,739.73	Yes
Hefei High-tech Zone branch of China Bank	Pledgeable income	50,000,000	19 June 2015	17 July 2015	agreement protocol	50,000,000	122,739.73	Yes
Hefei Xinqiao branch of China Bank	Pledgeable income	50,000,000	19 June 2015	13 July 2015	agreement protocol	50,000,000	105,205.48	Yes
Hefei High-tech Zone branch of China Bank	Pledgeable income	20,000,000	1 September 2015	12 October 2015	agreement protocol	20,000,000	74,136.99	Yes
Hefei Xinqiao branch of China Bank	Pledgeable income	20,000,000	1 September 2015	12 October 2015	agreement protocol	20,000,000	74,136.99	Yes
Hefei High-tech Zone branch of China Bank	Pledgeable income	15,000,000	23 September 2015	25 November 2015	agreement protocol	15,000,000	90,616.44	Yes
Hefei Changfeng South Road branch of China Bank	Pledgeable income	25,000,000	23 September 2015	4 January 2016	agreement protocol	25,000,000	253,972.60	Yes
Hefei High-tech Zone branch of China Bank	Pledgeable income	20,000,000	30 September 2015	7 January 2016	agreement protocol	20,000,000	195,287.67	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	5,000,000	30 September 2015	4 November 2015	agreement protocol	5,000,000	21,575.34	Yes
Hefei Long River East Road branch of ICBC	Break-even floating profit	20,000,000	13 October 2015	16 November 2015	agreement protocol	20,000,000	65,205.48	Yes
Hefei Northern Area branches of China Bank	Pledgeable income	20,000,000	14 October 2015	16 December 2015	agreement protocol	20,000,000	113,917.81	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	20,000,000	15 October 2015	31 December 2015	agreement protocol	20,000,000	179,315.07	Yes
Hefei branch of China Citic Bank	Break-even floating profit	10,000,000	30 October 2015	29 January 2016	agreement protocol	10,000,000	76,041.10	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	30,000,000	2 November 2015	31 December 2015	agreement protocol	30,000,000	193,972.60	Yes
Hefei High-tech Zone branches of China Bank	Pledgeable income	20,000,000	30 October 2015	1 February 2016	agreement protocol	20,000,000	169,972.60	Yes
Hefei Changfeng South Road branch of China Bank	Pledgeable income	10,000,000	30 October 2015	1 February 2016	agreement protocol	10,000,000	84,986.30	Yes
Total	/	435,000,000	/	/	/	435,000,000	2,066,561.66	/

Principal overdue and uncollected and accumulated revenue amount (RMB)

0

Details of finance in trust

The above mentioned finance in trust do not involve connected transactions and do not engage in litigation. Principal and revenue of all wealth management product has been collected in full in due course.

Note: The seventh session of the board approved at its 8th meeting held on 21 August 2015 the “Resolution regarding to the purchase of wealth management products from the bank with the Company’s own fund”, pursuant to which, provided that the fund is guaranteed to be safe, the Company is permitted to purchase guaranteed and high yield wealth management products of not exceeding RMB 500 million in the same period from the banks in the coming year, and the Company’s management is authorized to handle the above issue.

2. Loans in trust

√ Applicable □ Not applicable

(Unit: RMB' 0,000)

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	Association	Whether the investment results in a profit or loss
Ningxuanhang Company	2,589.23	10 years	6.15%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	1,887	10 years	6.15%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	2,300	10 years	6.15%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	199	10 years	6.15%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	3,570	10 years	5.65%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	4,768.50	10 years	5.65%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	5,333.50	10 years	5.40%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	3,315	10 years	5.15%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	4,743	10 years	4.90%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	5,253	10 years	4.90%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit
Ningxuanhang Company	5,661	10 years	4.90%	construction of Ningxuanhang Expressway	None	No	No	No	No	owned subsidiary	profit

Section V Major Events

Details of the entrusted loans

According to the investment plan of Ningxuanhang Company and having obtained approval at the 5th meeting of the 7th Board held on 30 March 2015, according to the investment plan for 2015 for the third phase construction of the Ningxuanhang Company regarding Xuancheng-Liqiao Section, in respect of the Company's responsible share in the difference between the total amount of investment and the total amount of project capital, the Company would provide Ningxuanhang Company loans of not exceeding RMB 200 million in the coming year for construction of phase III. The entrusted loan capital is funded by the Company's own capital. The longest loan period will not exceed 10 years and the annual interest rate will be at the benchmark lending rate as published by the people's bank.

During the reporting period, the Company provided an entrusted loan capital of RMB 398,192.3 thousand to Ningxuanhang Company. The aggregate amount of entrusted loans provided amounted to RMB 668,232.3 thousand.

3. Other wealth management and derivatives investment

Applicable Not applicable

XIII. Analysis on Other Major Events

Applicable Not applicable

Reduced the registered capital of Wantong Pawn

To safeguard against financial risks and taking into account of the current business condition and the existing investment risk of Wantong Pawn, in accordance with the relevant provisions of the Pawn Management Measures, the seventh session of the board approved at its 9th meeting held on 17 September 2015, agreeing to reduce the registered capital of Wantong Pawn from RMB 210 million to 157.5 million in proportion to the existing shareholdings of the current shareholders. The board also authorized the management of the Company to take necessary actions in accordance with the relevant procedures to implement the reduction of registered capital. This matter has currently been approved by the Anhui Province State-owned Assets Supervision and Administration Commission and is completed.

Controlling Shareholder Increase the Shareholdings of the Company Again

Anhui Transportation Holding Group Company Limited had completed the 12-month plan to increase the shareholdings. From 8 October 2012 to 7 October 2013, Anhui Transportation 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 from the 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 from the 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 such increase, 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

In order to satisfy the capital requirements of the Company and to integrate with the future capital investment progress, the seventh session of the board approved at its 12th meeting convened on 22 January 2016 the proposed issue of ultra short-term financing bonds of 1 billion with a term of 270 days by the Company. The registration and issuance of the ultra short-term financing bonds is subject to approval at the general meeting of shareholders of the Company, and the approval for registration to be given by the National Association of Financial Market Institutional Investors.

XIV. Fulfilment of Social Responsibility

1. The fulfillment of the social responsibility

For details, please see the "Anhui Expressway Company Limited 2015 Social Responsibility Report" disclosed by the Company on SSE website (www.sse.com.cn) on the same date.

2. Explanation on the environmental protection of listed companies and their subsidiaries which are engaged in heavy pollution industries as specified by the national environmental protection authorities

Applicable Not applicable

XV. Convertible Bonds

Applicable Not applicable

XVI. Pre-emptive Rights

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

XVII. Tax Concession

The Company were not aware of details of any tax concession enjoyed from holding of securities of the Company.

Section VI Change of Ordinary Shares and Shareholders

I. Change of ordinary share capital

(I) Change of ordinary shares

1. Change of ordinary shares

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

(Unit: share)

	Before this change		New issue of shares	Increase and decrease of this change (+,-)			Sub-total	After this change	
	Number	Proportion (%)		Sent shares	Accumulation fund turn	Other		Number	Proportion (%)
I. With conditions limiting 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 shareholding of Domestic legal person									
4. Foreign shareholding									
Among: shareholding of Overseas legal person shareholding of Overseas natural person									
II. Without conditions limiting sale of the shares									
1. RMB ordinary shares	1,165,600,000	70.28					1,165,600,000		70.28
2. Domestic listed foreign shares									
3. Overseas 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

(II) Change of restricted shares

Applicable Not applicable

Section VI Change of Ordinary Shares and Shareholders

II. Issue of share and listing

During the reporting period, there was no share issue and the listing of the Company.

III. Shareholders and effective controller

(I) Number of shareholders

Number of shareholders of ordinary shares as at the end of the reporting period	32,692
The total number of shareholders of ordinary shares at the end of the month before the date of the publication of the Annual Report	30,724

(II) Shareholdings of ten largest shareholders and ten largest tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

Unit: shares

The ten largest shareholders						
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 Transportation Holding Group Company Limited	0	524,644,220	31.63	30	Nil	State
HKSCC NOMINEES LIMITED	254,000	489,023,898	29.48	0	Unknown	Overseas legal person
China Merchants Huajian Highway Investment Co., Ltd.	0	404,191,501	24.37	0	Nil	State-owned legal person shares
Zhang Jian	14,796,321	14,796,321	0.89	0	Nil	Domestic natural person
Galaxy Capital - China Securities - Galaxy Capital - Jiaolong Value Selection Phase II Asset Management Program (驕龍價值精選2期資產管理計畫)	7,992,855	7,992,855	0.48	0	Nil	Others
Fei Jie	7,956,195	7,956,195	0.48	0	Nil	Domestic natural person
Liu Jianjun	7,372,363	7,372,363	0.44	0	Nil	Domestic natural person
Bank of China Limited-Huatai-PineBridge Aggressive growth hybrid securities investment funds	-3,764,069	7,035,114	0.42	0	Nil	Others
Wu Juhong	6,414,147	6,414,147	0.39	0	Nil	Domestic natural person
Pan Zhihong	5,685,300	5,685,300	0.34	0	Nil	Domestic natural person

Section VI Change of Ordinary Shares and Shareholders

The ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares
Anhui Transportation Holding Group Company Limited	524,644,220	Renminbi-denominated ordinary shares
HKSCC NOMINEES LIMITED	489,023,898	Overseas listed foreign shares
China Merchants Huajian Highway Investment Co., Ltd.	404,191,501	Renminbi-denominated ordinary shares
Zhang Jian	14,796,321	Renminbi-denominated ordinary shares
Galaxy Capital - China Securities - Galaxy Capital - Jiaolong Value Selection Phase II Asset Management Program (驕龍價值精選2期資產管理計畫)	7,992,855	Renminbi-denominated ordinary shares
Fei Jie	7,956,195	Renminbi-denominated ordinary shares
Liu Jianjun	7,372,363	Renminbi-denominated ordinary shares
Bank of China Limited-Huatai-PineBridge Aggressive growth hybrid securities investment funds	7,035,114	Renminbi-denominated ordinary shares
Wu Juhong	6,414,147	Renminbi-denominated ordinary shares
Pan Zhihong	5,685,300	Renminbi-denominated ordinary shares

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

There is no connected relationship between the State-owned Shareholders and the legal person Shareholders in the above chart. The Company does not know if there is connected relationship amongst other shareholders, or whether they belong to the persons acting in concert under "Provisions on Information Disclosure Management of Shareholders' Shareholding Changes of Listed Companies".

Explanations on preference shareholders with voting rights restored and the number of shares held

Note: H Shares held by HKSCC NOMINEES LIMITED represent the holding of many clients.

Section VI Change of Ordinary Shares and Shareholders

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

As at 31 December 2015, so far as 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, directly or indirectly, were 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 Section 336 of Part XV of the Securities and Futures Ordinance.

Name	As at end of the period (shares)	Increase/Decrease during the reporting period	Type of shares	% of total share capital	Pledged or locked-up
Anhui Transportation Holding Group Company Limited	524,644,220	0	State-owned shares	31.63%	No
China Merchants Huajian Highway Investment Co., Ltd.	404,191,501	0	State-owned legal person shares	24.37%	No

Name	Capacity	No. as at the end of the period (shares)	Change during the reporting period	Type of shares	% of H shares	Pledged or locked-up
China Merchants Huajian Highway Investment Co., Ltd.	Interest in controlled corporation	73,654,000 (L)	+26,022,000	H shares	14.94%	Not known
HSBC Holdings plc	Interest in controlled corporation	98,525,221(L) 99,825,933(S)	Not available	H shares	7.58% 7.68%	Not known
Colonial First State Group Ltd	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company (No. 2) Pty Limited	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Holding Company Pty Ltd.	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known
Colonial Ltd	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investment Managers (Asia) Ltd	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known
First State Investments (Bermuda) Ltd	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known

Section VI Change of Ordinary Shares and Shareholders

Name	Capacity	No. as at the end of the period (shares)	Change during the reporting period	Type of shares	As % of H shares	Pledged or locked-up
The Colonial Mutual Life Assurance Society Ltd	Interest in controlled corporation	33,358,000(L)	Not available	H shares	6.77%	Not known
First State (Hong Kong) LLC	Investment manager	1,454,000 (L)	Not available	H shares	0.29%	Not known
	Interest in controlled corporation	30,712,000 (L)	Not available	H shares	6.23%	
First State Investments (Hong Kong) Limited	Investment manager	30,712,000(L)	Not available	H shares	6.23%	Not known
First State Investments (Singapore)	Investment manager	30,608,000(L)	Not available	H shares	6.21%	Not known
First State Investments Holdings (Singapore) Limited	Interest in controlled corporation	30,608,000(L)	Not available	H shares	6.21%	Not known
JP Morgan Chase & Co.	Beneficial owner	1,808,692(L)	-1,022,808	H shares	0.37%	Not known
		664,000(S)	-456,000	H shares	0.13%	
		(of which 64,000 shares are short positions in the shares of physical delivery equity derivative)				
	Custodian corporation/ approved lending agent	27,374,000 (Long position (shares that may be lent))	-11,529,333	H shares	5.55%	Not known
HSBC Global Asset Management (Hong Kong) Limited	Investment manager	25,114,000 (L)	+ 25,114,000	H shares	5.09%	Not known
UBS Group AG	Security interest in shares	24,055,900(L) (Note 1)	+ 24,055,900	H shares	4.88%	Not known
	Interest in controlled corporation	1,809,701(L) (Note 1) 1,140,000(S) (all being short positions in shares of cash-settled equity derivative)	+ 1,809,701 + 1,140,000	H shares	0.36% 0.23%	Not known

Note 1: 736 shares are long position of physically delivered equity derivatives.

Save as disclosed in this annual report, the register maintained in accordance with Section 336 under Part XV of the Securities and Futures Ordinance as at 31 December 2015 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 2015.

IV. Information of the controlling shareholder and the effective controller of the Company

(I) The controlling shareholder of the Company

1. Legal representative

Name	Anhui Transportation Holding Group Company Limited
Legal representative	Zhou Renqiang
Date of establishment	27 April 1993
Business scope	Building, supervision, testing, design, construction, technical consultation and service of highway and related infrastructure; investment and asset management; real estate development and operation; road transportation; logistics services; expressway service area operation and management, such as tolling, maintenance, road property rights protection; advertising production and publication.
Shareholding and control of other domestic and foreign listed companies during the reporting period	As of the end of the reporting period, Anhui Transportation Group holds 6,143,498 shares of Guotai Junan, representing 0.0806% of its total shares, and 469,032,613 shares of Huishang Bank, representing 4.24% of its total shares.
Other information	Nil

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

Pursuant to the notice Wan Guo Zi Gai Ge (2014) no.172 "Notice from the People's Government of the Province re-directed by the State-owned Assets Supervision and Administration Commission about the Approval of the Restructuring Proposal of Anhui Expressway Holding Group Company Limited and Anhui Transport Investment Group Company Limited" (皖國資改革[2014]172號《省國資委轉發省人民政府關於安徽省高速公路控股集團有限公司與安徽省交通投資集團有限責任公司重組方案批復的通知》) issued by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province, during the reporting period, the entire transfer of Anhui Transport Investment Group Company Limited to Anhui Expressway Holding Group Company Limited has been fully completed. Based on the merger and restructuring, the registration information of our controlling shareholder, the former Anhui Expressway Holding Group Company Limited, was changed into Anhui Transportation Holding Group Company Limited. This matter didn't change the effective controller of the Company, and the effective controller was still Anhui Provincial Stateowned Assets Supervision and Administration Commission.

For details, please refer to the announcements numbered "Lin 2014-060", "Lin 2015-001" and "Lin 2015-008" issued by the Company on 25 December 2014, 6 January 2015 and 13 May 2015 respectively.

Section VI Change of Ordinary Shares and Shareholders

3. Block diagram on ownership and controlling relationships between the Company and the controlling shareholders

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



(II) Information of the effective controller of the Company

1 Legal representative

Name Anhui Provincial State-owned Assets Supervision and Administration Commission

Legal representative

Date of establishment

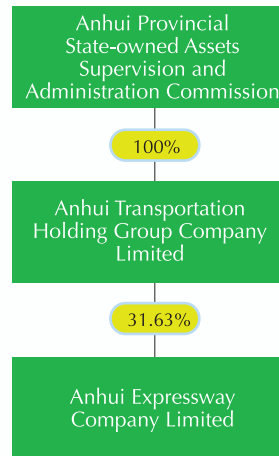
Major business scope

Control and Shareholding of other domestic and Overseas listed companies during the reporting period

Other Information

2. Block diagram on ownership and controlling relationships between the Company and the effective controller

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



3. The effective controller controls the Company through trust or other asset management approaches.

Section VI Change of Ordinary Shares 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	Major business scope and management activities, etc.
China Merchants Huajian Highway Investments Company Limited	Li Xiaopeng	18 December 1993	10171700-0	15	General operation projects: investment, development, construction and operation management of roads, bridges, wharves, harbors and sea lanes; investment management; development and research 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 and fittings, metal and daily necessities; and economic information consultation

Notes

VI. Explanation on Reduced Shareholding

Applicable Not applicable

VII. Purchase, Sale and Repurchase of the Company's Listed Securities

During the reporting period, none of the Company, its subsidiaries or its joint ventures purchased, sold or repurchased any listed securities of the Company.

VIII. 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 believed that the public float of the Company was in compliance with the requirements on the sufficiency of public float under the Listing Rules of Hong Kong Stock Exchange.

Section VII Directors, Supervisors, Senior Management and Staff

I. Changes in shareholdings and remuneration

(I) Changes in shareholdings and remuneration of existing directors, supervisors and senior management and those leaving offices during the reporting period

√ Applicable □ Not applicable

Unit: Share

Name	Position (Note)	Sex	Age	The start date of term of office	The expiration date of term of office	Year of joining the Group	Total remuneration (before tax) from the Company during the reporting period (RMB ten thousand)	Whether or not obtained remuneration from any related party of the Company
Zhou Renqiang	Chairman	Male	61	2014.08.17	2017.08.16	2010	0	Yes
Li Junjie	Deputy Chairman	Male	56	2014.08.17	2016.01.22	2001	0	Yes
Wu Xinhua	Deputy Chairman	Male	49	2014.08.17	2017.08.16	2013	0	Yes
Chen Dafeng	Director	Male	53	2014.08.17	2017.08.16	2014	0	Yes
Xie Xinyu	Director, Deputy General Manager and Secretary of the Company	Male	49	2014.08.17	2017.08.16	1996	49.19	No
Meng Jie	Director	Male	39	2014.08.17	2015.05.22	2008	0	Yes
	Deputy General Manager			2014.08.17	2017.08.16	2015	0	
Ni Shilin	Director	Male	49	2015.05.22	2017.08.16	2011	0	Yes
Hu Bin	Independent Director	Male	45	2014.08.17	2017.08.16	2011	6	No
Kong Yat Fan	Independent Director	Male	47	2014.08.17	2017.08.16	2014	8	No
Jiang Yifan	Independent Director	Male	44	2014.08.17	2017.08.16	2014	12	No
Qian Dongsheng	Chairman of Supervisory Committee	Male	49	2014.08.17	2017.08.16		0	Yes

Section VII Directors, Supervisors, Senior Management and Staff

Name	Position (Note)	Sex	Age	The start date of term of office	The expiration date of term of office	Year of joining the Group	Total remuneration (before tax) drawn from the Company during the reporting period (RMB ten thousand)	Whether or not obtained remuneration from any related party of the Company
Yang Yicong	Supervisor	Male	60	2014.08.17	2017.08.16	1999	8.69	No
Wang Wenjie	Supervisor	Male	32	2014.08.17	2015.05.22	2012	0	Yes
He Kun	Supervisor	Female	39	2015.05.22	2017.08.16	2015	0	Yes
Xu Zhen	General Manager	Male	52	2015.03.27	2017.08.16	2015	51.73	No
Xu Yiming	Deputy General Manager	Male	53	2015.03.27	2017.08.16	2015	26.60	No
Li Huimin	Deputy General Manager	Male	52	2015.12.16	2017.08.16	2015	1.70	No
Han Rong	Secretary to the Board	Female	47	2014.08.17	2017.08.16	1996	39.12	No
Total	/	/	/	/	/	/	203.03	/

During the reporting period, none of the directors, supervisors and senior management held, purchased or sold the securities of the Company.

Section VII Directors, Supervisors, Senior Management and Staff

Name	Major work experiences
Mr. Zhou Renqiang	He was born in 1955, and is a senior economist and a senior political engineer. He obtained a bachelor's degree in arts from Anhui University in 1982 and a master's degree in arts from Guangxi Normal University in 1984. Mr. Zhou had been the Monitor, the Deputy Head, 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 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 was the chairman of the board and the Secretary of the Party Committee of ATHC from June 2008 to March 2016. He was appointed as the chairman of the Board on 26 March 2010.
Mr. Li Junjie	He was born in 1960, and holds a Postgraduate degree. 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, 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, concurrently the chairman of the Board of directors of Anhui Anlian Expressway Company Limited and Anhui Province Expressway real estate group. Mr. Li ceased to be a director of the Company from January 2016.
Mr. Wu Xinhua	He was born in February 1967, graduated from Renmin University of China and obtained a bachelor's degree in Economics. 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. He is currently 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.

Section VII Directors, Supervisors, Senior Management and Staff

Name	Major work experiences
Mr. Chen Dafeng	<p>He was born in 1963, and 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.</p>
Mr. Xie Xinyu	<p>He was born in 1967. He obtained a bachelor's degree in engineering from Changsha Transportation College and a master's degree in engineering from the University of Science and Technology of China. He is a senior engineer and a 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. He is the deputy general manager, secretary of the Company.</p>
Mr. Meng Jie	<p>He was born in 1977, and is a holder of Master of Engineering, Master of Business Administration, senior engineer, Registered Consultation Engineer (Investment). From August 2002 to October 2013, he held the positions as project manager, assistant to manager, deputy general manager and general manager of First Department of Shares Management of China Merchants Highway (formerly known as Huajian Transportation Economic Development Center). From November 2013 to January 2015, he was in the position of deputy general manager of Enterprise Management department at China Merchants Highway and since February 2015, he has been the lead analyst of China Merchants Highway. 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. He is the director of Guangxi Wuzhou Transportation Co., Ltd., also North China Expressway Co., Ltd. and Henan Zhongyuan Expressway Co., Ltd. Mr. Meng ceased to be a director of the Company from May 2016.</p>

Section VII Directors, Supervisors, Senior Management and Staff

Name	Major work experiences
Mr. Ni Shilin	He was born in 1967, and holds a bachelor's degree in engineering from Tsinghua University and a master's degree in science from IHE Institute (Delft). He was the deputy general manager of China Merchants International Qingdao Company Limited, he served as a deputy general manager in the joint venture, Qingdao Bay Container Terminal, as an assistant general manager of the China Merchants International Headquarters Project Management Division, as the general manager of Anhui Commission, as a senior project manager of China Merchants International Port Management Division; as a deputy manager (audit) of China Merchants Shekou Port Company; as a chief engineer assistant manager and manager of China Merchants Shekou Ports Corporation Engineering Department, and as an assistant engineer of PRC Ministry of Transportation. He is also a director of Sichuan Chengyu Expressway Holding Company Limited, and a director and deputy general manager of Zhejiang Shangsang Expressway Company Limited.
Mr. Hu Bin	He was born in 1971, and is a Doctor of Laws, Doctor of Financial Studies and researcher. He is now the head of the Financial Laws and Financial Supervision Research Base and a Ph.D. supervisor of Chinese Academy of Social Sciences.
Mr. Yang Mianzhi	He was born in 1969, and is a 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 Jiangnan Chemical Co., Ltd. and Anhui Anli Artificial Co., Ltd.
Mr. Kong Yat Fan	He was born in 1972, and is 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 to 2015, he worked 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 was in charge of credit approval. He is currently the deputy general manager of the industrial and commercial banking department of Industrial Bank Hong Kong Branch.
Mr. Qian Dongsheng	He was born in 1967, and is a holder of bachelor's degree in engineering from Xian Highway Institute and master's degree in engineering from the University of Science and Technology of China 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.

Section VII Directors, Supervisors, Senior Management and Staff

Name	Major work experiences
Mr. Yang Yicong	He was born in 1956, and is a senior political officer. He graduated from Anhui Industrial Institute. 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.
Mr. Wang Wenjie	He was born in 1984, graduated from AUT, 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 ceased to be a supervisor of the Company from May 2015.
Ms. He Kun	She was born in 1977, and is a Master of Economics of the Renmin University of China, Certified Public Accountant. She worked in the securities management department, operation department and national capital trust department of the Huajian Transportation Economic Development Centre, the project manager of China Merchants Huajian Road Investment Limited, the director of Shandong Expressway Co., Ltd. and Zhejiang Shangsang Expressway Co., Ltd., and the supervisor of Hubei Chutian Expressway Co. Ltd., Fujian Expressway Development Co., Ltd. and Jiangsu Ningjingyan Expressway Company Limited. She is currently the assistant general manager (Department of Business Management) of China Merchants Huajian Road Investments Company Limited, and serves as the supervisor of Sichuan Chengyu Expressway Co., Limited and Jiangsu Guangjing Xicheng Expressway Company Limited.
Mr. Xu Zhen	He was born in 1964, and is a holder of postgraduate degree and a senior engineer. He served as the deputy manager and manager of the central control room and the deputy director of Anhui Expressway Authority Feidong Management Office, the party's branch committee member, deputy director, party's branch secretary general and director of Anhui Expressway Holding Corporation Hefei Management Office, and the director of personnel department of Anhui Expressway Holding Group Company Limited. Mr. Xu was the director, assistant general manager and the director of human resources department of Anhui Expressway Holding Group Company Limited from June 2012 to March 2015. He is currently the general manager of the Company.

Section VII Directors, Supervisors, Senior Management and Staff

Name	Major work experiences
Mr. Xu Yiming	He was born in 1963, and is a degree holder and a senior accountant. He has served as the chief finance officer, deputy director of settlement center, branch secretary of the party, deputy chief accountant, chief accountant, party committee member and deputy general manager of Anhui Province Road and Bridge Engineering Company. He served as Deputy Financial Minister and Minister of Finance of Anhui Provincial Communications Investment Group Co., Ltd.. He is currently the deputy general manager of the Company.
Mr. Li Huimin	He was born in 1964, and is a holder of part-time postgraduate diploma and an economist. He served as the deputy officer of the Wuzhuang toll office at Qunjiao Management Office of Anhui Expressway Holding Corporation, deputy general manager and deputy general managing director of Xuanguang Expressway Company Limited, director and party's branch secretary general of Mawu Highway Management Office and Maanshan Management Office. He is currently the deputy general manager of the Company.
Ms. Han Rong	She was born in 1969, and is an accountant. She graduated from department of economic management, Anhui University. She joined the Company in 1996 and has held the positions as director of secretary room of the board of the Company since 2000 and the security representative of the Company since 2008. She is currently the secretary of the board of the Company.

(II) Share incentive awarded to directors, supervisors and senior management during the reporting period

Applicable Not applicable

Section VII Directors, Supervisors, Senior Management and Staff

II. Positions of existing directors, supervisors and senior management and those leaving offices during the reporting period

(I) Positions held in shareholders units

Applicable Not applicable

Name	Name of shareholder unit	Position held in shareholder unit	The start date of term of office	The expiration date of term of office
Zhou Renqiang	Anhui Transport Holding Group Company Limited	Chairman	2009.11	2016.3
	Anhui Transport Holding Group Company Limited	Secretary of the Party Committee	2008.6	2016.3
Li Junjie	Anhui Transport Holding Group Company Limited	Deputy General Manager	2009.10	2015.11
Chen Dafeng	Anhui Transport Holding Group Company Limited	Deputy General Manager	2012.9	
Wu Xinhua	China Merchants Hua Jian Highway Investment Company Limited	Deputy General Manager	2007.4	
Ni Shilin	China Merchants Hua Jian Highway Investment Company Limited	Director (Overseas Business) and Assistant General Manager	2013.6	
Meng Jie	China Merchants Hua Jian Highway Investment Company Limited	Lead Analyst and General Manager of Capital Operation Department	2015.2	
Qian Dongsheng	Anhui Transport Holding Group Company Limited	Deputy Secretary of Party Committee, Managing Director	2010.11	
Wang Wenjie	China Merchants Hua Jian Highway Investment Company Limited	Project Manager of Enterprise Management Department	2011.7	
He Kun	China Merchants Hua Jian Highway Investment Company Limited	Assistant to General Manager of Enterprise Management Department	2013.11	

The information note of positions in shareholders units

Section VII Directors, Supervisors, Senior Management and Staff

(II) Positions held in other units

√ Applicable □ Not applicable

Name	Name of other unit	Position held in other unit	The start date of term of office	The expiration date of term of office
Zhou Renqiang	Anhui Anyitong Equity Investment Management Co., Ltd.	Chairman	2013.4	
	Anhui Xinan Financial Group Co., Ltd.	Member of Strategic Decision-making Committee	2014.7	2015.6
Li Junjie	Anhui Expressway Real Estate Group Limited	Chairman	2012.6	2015.4
	Anhui Anlian Expressway Co., Ltd.	Chairman	2012.10	2015.3
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 Xinan Capital Operation Management Holding Co., Ltd	Director	2015.6	
	Anhui Transport Holding Group (Hong Kong) Company Limited	Director	2013.9	
	Anhui Expressway (H.K.) Limited	Director	2013.9	
	Shenzhen Huawan Qianhai Financial Leasing Co., Ltd.	Director	2015.11	
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	
Ni Shilin	Zhejiang Shangsang Expressway Co., Ltd.	Director and Deputy General Manager	2015.5	
	Sichuan Chengyu Expressway Holding Co., Ltd.	Director	2015.8	
Meng Jie	Guangxi Wuzhou Transportation Co., Ltd.	Director	2005.5	
	North China Expressway Co., Ltd.	Director	2008.8	
	Zhongyuan Expressway Co., Ltd.	Director	2009.11	
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	
	Anhui Provincial Highway Project Supervision Company Limited	Chairman	2014.5	

Section VII Directors, Supervisors, Senior Management and Staff

Name	Name of other unit	Position held in other unit	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	Supervisor	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	2015.6
	Anhui Anlian Expressway Co., Ltd.	Chairman of the Supervisory Committee	2008.1	
	Anhui Expressway Real Estate Group Limited	Chairman of the Supervisory Committee	2009.7	
He Kun	Anhui Expressway Logistics Co., Ltd.	Chairman of the Supervisory Committee	2013.2	
	Sichuan Chengyu Expressway Co., Ltd.	Supervisor	2014.5	
Hu Bin	Financial Laws and Financial Supervision Research Base of Chinese Academy of Social Sciences	Head	2003.9	
Yang Mianzhi	College of Commerce, Anhui University	Professor	2000.3	
	Anhui Jiangnan Chemical Co., Ltd.	Independent Director	2012.4	
	Anhui Anli Artificial Leather Co., Ltd.	Independent Director	2012.4	
Jiang Yifan	Shanghai Pudong Development Bank Shenzhen Branch	Head of the small-to-medium loan team	2013.4	2015.12
	Shanghai Pudong Development Bank Shenzhen Branch	Member of the loan approval committee and loan approver	2011.8	2015.12
	Industrial Bank Hong Kong Branch	Deputy General Manager of the Commercial Banking Department	2016.1	
Xu Yiming	Anhui Bengming Expressway Development Co., Ltd.	Deputy Chairman	2014.3	
	Anhui Machao Expressway Co., Ltd.	Supervisor	2014.5	
	Anhui Expressway Media Limited	Director	2015.8	
	Hefei Wantong Pawn Co., Ltd.	Director	2015.5	
	Xuanguang Expressway Company Limited	Director	2015.5	
Han Rong	Anhui Ningxuanhang Expressway Investment Company Limited	Secretary to the Board	2008.4	
	Hefei Wantong Pawn Co., Ltd.	Director	2015.5	

The information note of positions in other units

III. Remuneration of directors, supervisors and senior management

Determination procedure for remuneration of directors, supervisors and senior management	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 basis of remuneration of directors, supervisors and senior management	Determined according to China's relevant policies or requirements and taking into account the market rates and the practical condition of the Company.
Actual payment of remuneration to directors, supervisors and senior management	RMB 2,030.3 thousand
Actual remuneration in aggregate received by all directors, supervisors and senior management as at the end of the reporting period	RMB 2,030.3 thousand

IV. Changes of directors, supervisors and senior management of the Company

Name	Position	Change	Reason
Meng Jie	Non-executive Director	Vacated	Work adjustments
Ni Shilin	Non-executive Director	Elected	Work adjustments
Wang Wenjie	Supervisor	Vacated	Work adjustments
He Kun	Supervisor	Elected	Work adjustments
Xu Zhen	General Manager	Engaged	Work requirements
Xu Yiming	Deputy General Manager	Engaged	Work requirements
Li Huimin	Deputy General Manager	Engaged	Work requirements

It was approved at the fifth meeting of the seventh board of directors on 27 March 2015 that, according to the nomination of the chairman, and the review by human resources and remuneration committee of the company's board of directors, Mr. Xu Zhen would be appointed as the general manager and Mr. Xu Yiming would be appointed as the deputy general manager of the Company by the board of directors. Mr. Xu Zhen and Mr. Xu Yiming from the date of appointment to 16 August 2017.

It was approved at the fifth meeting of the seventh board of directors and the fourth meeting of the seventh supervisory committee held on 27 March 2015 that, due to work adjustments, Mr. Meng Jie and Mr. Wang Wenjie would cease to serve as a director and a supervisor of the Company respectively. The board of directors and the supervisory committee nominated Mr. Ni Shilin and Ms. He Kun to be the candidates for director and supervisor respectively.

The Company convened the 2014 annual general meeting on 22 May 2015 to elect Mr. Ni Shilin and Ms. He Kun as the non-executive director and supervisor respectively, the terms of whom would be from the date of election to 16 August 2017.

Section VII Directors, Supervisors, Senior Management and Staff

It was approved at the eleventh meeting of the seventh board of directors held on 16 December 2015 that, according to the nomination of the general manager and the review by human resources and remuneration committee of the Company's board of directors, Mr. Li Huimin would be appointed as the deputy general manager of the Company by the board of directors. His term is from the date of approval by the board of directors to 16 August 2017.

Other Information Note

In January 2016, Mr. Li Junjie applied to resign as a deputy chairman and an executive director of the Company due to work adjustment (and ceased to be a member of the Strategic Development and Investment Committee under the Board of Directors). With the approval of the twelfth meeting of the seventh board of directors held on 22 January 2016, the board of directors agreed to nominate Mr. Xu Zhen to be the candidate for new director of the Company, with a term from the date of election (the date on which such appointment is approved by the shareholders' general meeting electing the new director) to 16 August 2017.

V. Punishments imposed by securities regulatory authorities in the last three years

Applicable Not applicable

VI. Other information of directors, supervisors and senior management

1. Service contract of directors and supervisors

Each of the executive directors and supervisors has entered into a service contract with the Company with a term of three years commencing from the date of their respective appointment. The details of such contracts, identical in all material aspects, are as follows:

- Each of the service contracts is of a term of three years commencing from 17 August 2014.
- For the three years commencing on 17 August 2014, the chairman will receive a remuneration of RMB840,000 per annum. In addition, the chairman will be entitled to 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 RMB70,000 per annum.
- For the three years commencing on 17 August 2014, each of the other executive Directors will receive a remuneration of RMB588,000 per annum. In addition, each of the other executive Directors will be entitled to 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 RMB49,000 per annum.
- For the three years commencing on 17 August 2014, each of the non-executive Directors will not receive directors' fee.
- For the three years commencing on 17 August 2014, each of the domestic independent non-executive Directors will receive directors' fee of RMB80,000 per annum.

Section VII Directors, Supervisors, Senior Management and Staff

- For the three years commencing on 17 August 2014, each of the overseas independent non-executive Directors will receive director's fee of RMB120,000 per annum.

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

- For the three years commencing on 17 August 2014, the chairman of the supervisory committee will receive a remuneration of RMB588,000 per annum. In addition, the chairman of the supervisory committee will be entitled to a bonus of RMB49,000 per annum after completing one year of service.
- For the three years commencing on 17 August 2014, supervisor elected by the employees of the Company will receive a remuneration of RMB378,000 per annum. In addition, supervisor elected by the employees of the Company will be entitled to a bonus of RMB315,000 per annum after completing one year of service.
- For the three years commencing on 17 August 2014, other supervisors will not receive supervisor's fee.

Save as the aforesaid, no service contract that cannot be terminated within one year without payment of compensation (other than general statutory compensation) has been or proposed to be entered into between the Company and the Directors or the Supervisors.

2. Directors' and supervisors' interests in contracts

During the reporting period, there were no major transactions, arrangements or contracts (which were effective during the reviewed fiscal year or at the end of such fiscal year) in which any director and supervisor or any connected entity of any director or supervisor, directly or indirectly, has or had substantial interest.

3. Interests held by directors and supervisor in competing 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 competing business or potentially competing 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 to 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 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 mode referred to above.

Section VII Directors, Supervisors, Senior Management and Staff

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 or their connected persons.

6. Interests to be disclosed

As at 31 December 2015, 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 has or is 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 notified to the Company and the Hong Kong Stock Exchange and be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

7. Arrangement for purchase of shares or debentures

During the twelve months ended 31 December 2015, there was no arrangement made by the Group, the holding company of the Company or their subsidiaries under which the directors may obtain benefits through acquiring the shares or debentures of the Company or other corporate bodies.

VII. Staff of the parent company and major subsidiaries

(I) Staff

Number of serving staff of the parent company	1,576
Number of serving staff of major subsidiaries	565
The total number of serving staff	2,141
Number of retired staff for whom the parent company and major subsidiaries bear costs	7

Profession composition

Profession type	Number
Production staff	1,537
Sales staff	0
Technical staff	101
Financial staff	36
Administration Staff	467
Total	2,141

Education

Education type	Number
Postgraduate degree	59
Bachelor's degree	341
Tertiary vocational diploma	1,106
Secondary vocational diploma	311
High school and below	324
Total	2,141

(II) Pay policy

Broadband pay system is introduced and four type of positions are set up according to different functions, i.e. management, professional technician, toll collection and logistics. The remunerations are determined according to positions and individual conditions. Meanwhile, salary distribution system reform are deepened and individual revenue structure is improved and the proportion of fixed and variable salaries is set on a reasonable basis. The evaluation system is improved and the evaluation outcome is associated with salary distribution, forming a variation mechanism for the remuneration of the employees.

The Company strictly implements the social security laws and regulations of the State and regions, and protects legal rights of its staffs. The Company has participated in "Five Insurances and One Fund", i.e. the pension insurance, basic medical insurance, unemployment insurance, job-related injury insurance and maternity insurance and housing fund for its employees and paid relevant contribution in full. The Company paid contribution to the abovementioned 5 social insurances in the sum of RMB 21,540 thousand in 2015 and paid contribution to housing fund in the sum of RMB 18,210 thousand.

In addition, the Company established the enterprise annuity plan taking into account the practical conditions of the Company in accordance with applicable enterprise annuity regulations and policies, for the purpose of motivating staffs, retaining talents and facilitating growth of the Company. All staff can participate in the plan on a voluntary basis. In 2015, the enterprise annuity expenses were RMB 2,460 thousand in total.

(III) Training plan

The company values staff training. At the beginning of each year, annual training plans are established. Various trainings are conducted orderly according to relevant systems and plans. Training courses and methods are further improved. Resources are integrated. Training team is optimized. The quality and efficiency of training program is fully elevated, and the educational and training levels are improved constantly. During the reporting period, the Company and its various departments have carried out training in operational management, engineering techniques, safety management, maintenance management, information technology and financial management, etc.. The Company has initiated "Tongda Forum (通達大講堂)" and held training courses regularly. The Company has encouraged the employees to participate in self-learning through internet platform to promote E-learning. It utilized new functions such as mobile phone and interactive functions, to drive the development of the online education platform.

Section VIII 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 listed 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 strictly complied with the Company Law, the Securities Act and the requirements of the relevant laws, regulations and regulatory documents of the CSRC, created the internal environment in favour of value management through optimizing the corporate governance structure, continuously improved the management and control system formed by shareholders, directors and operators, defined the responsibilities and obligations of all parties, and guaranteed the effectiveness of corporate governance through standardizing and implementing the “three-meeting” decision-making mechanism (「三會」決策機制). Pursuant to laws, regulations and governance rules, the general meetings, the Board, and each special committee and supervisory committee performed their own duties, coordinated with each other and balanced effectively to consistently improve the management level and decision efficiency.

Currently, the Company has a sound and well-functioned corporate governance structure without deviation from the requirement set out in the regulatory document of the CSRC about corporate governance. 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 been functioning well and is better in 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.

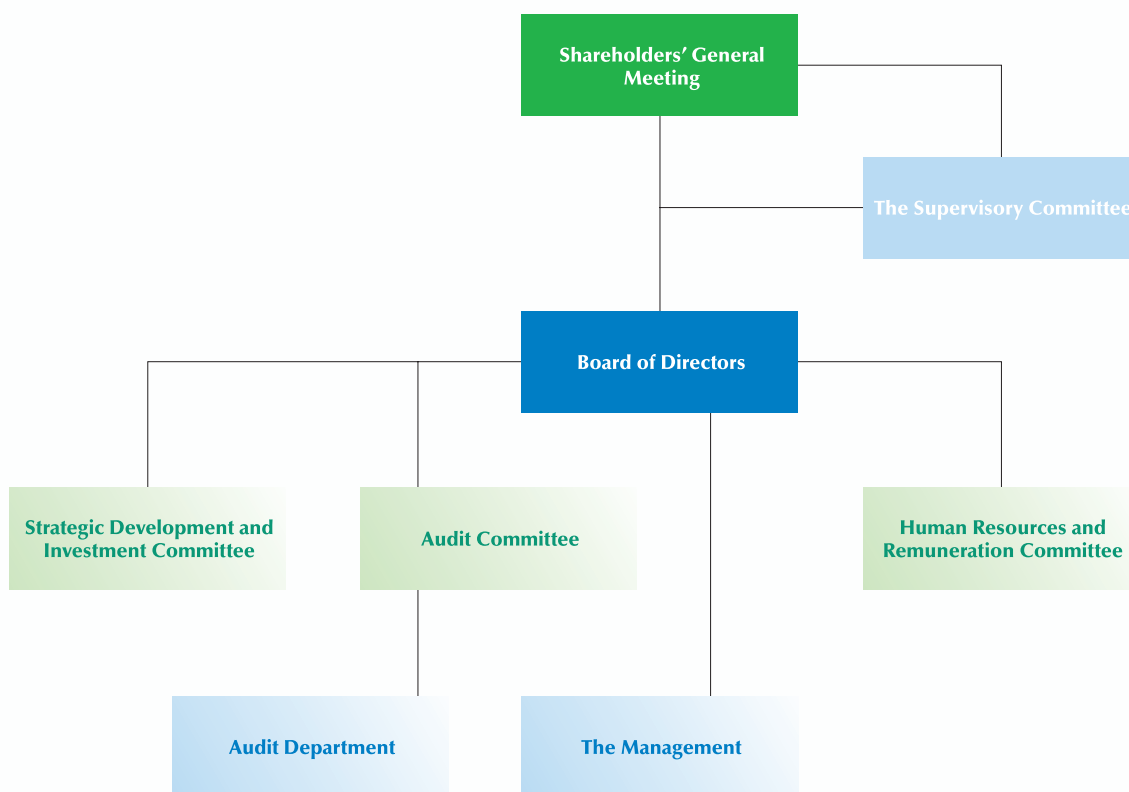
During the reporting period, the Company strictly adhered to Company Law, Securities Act and the relevant laws and regulations as well as regulatory documents of the CSRC (China Securities Regulatory Commission) and continued to improve the corporate governance structure, vigorously promoting internal 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 Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

II. Governance structures and rules

The Company has established the corporate administration structure composed of shareholders' general meeting, Board of Directors, supervisory committee and managerial staff, which has been constantly examined and optimized through practices. The company also formulates multi-level administrative rules and regulations on the basis 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:



Section VIII Corporate Governance Structure and Governance Report

The Company is listed both on the SSE and the SEHK. In addition to the compliance with applicable laws and regulations, the Company is also required to comply with the requirements of the “Code of Corporate Governance for Listed Companies” of the CSRC, the “Corporate Governance Code” set out in Appendix 14 to the Listing Rules of the SEHK and the requirements under the Listing Rules of the SSE and the SEHK in corporate governance practices. Meanwhile, the Company has formulated various governance systems, including “Rules of Procedure for General Meetings”, “Rules of Procedure for the Board of Directors”, “Rules of Procedure for the Supervisory Committee”, “Work Rules of Special committees”, “Work system for annual report of Independent Directors”, “Standing Orders for the Operation of General Manager”, “Administrative Measures for the Disclosure of Information”, “Management System on Inside Information and Insiders”, “Management System on Users of External Information”, “Administrative Measure on Investor Relations Management”, and so forth. All systems were strictly followed in order to enhance the level of the Company’s corporate governance. In January 2016, the Company revised the “Work Procedure of the Audit Committee” in accordance with the latest regulatory requirements of the Hong Kong Stock Exchange and in light of the actual situation.

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’ general 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 voting rights 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 proposed of the meeting for consideration etc., to the shareholders at least 5 working days before the holding of the meeting. At the general meeting, all shareholders had the opportunity to raise questions about the operation and results of the Group to the director and the directors, supervisors and senior management answered the questions of the shareholders except for commercial secrets which could not be disclosed. During the reporting period, the Company held 1 General Meeting 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” in this section.

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 Transportation Group Company Limited and China Merchants Hua Jian Highway Investment Company Limited are the major 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 two companies comply strictly with the relevant provisions of the Company Law and the Article of Association and have never bypassed the general meetings to intervene in the decision-making process and operations of the Company directly or indirectly.

2. Directors and the Board of Directors

The Board of Directors

The Board of Directors represents interests of all the shareholders and is wholly accountable to General Meetings. The major duty of the Board relates to strategic development, management structure, investment and financing, planning, financial management, etc.. It exercises its managerial decision power in accordance with the authority granted by the Shareholders' General Meeting. The Articles of the Company, the Rule of Procedures for the Board of Directors and the Rule Governing the Specialized Committees of the Board set out in detail the Board's duty as to the strategic development and management of the Company and the supervisory and monitoring duty of the Board as to the development and operation of the Company.

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 under its terms of reference and make recommendations to the Board of Directors. This has contributed to the improved efficiency and effectiveness of the Board's decision-making.

As of 31 December 2015, the Board of Directors, which is the 7th session of Board of Directors of the Company, composed of 9 directors, including 4 executive directors (Mr. Zhou Renqiang (Chairman), Mr. Li Juejie, Mr. Chen Dafeng and Mr. Xie Xinyu), 2 non-executive directors (Mr. Meng Jie (resigned on 22 May 2015), Mr. Ni Shilin (appointed on 22 May 2015) and Mr. Wu Xinhua) and 3 independent directors (Mr. Hu Bin, Mr. Yang Mianzhi and Mr. Kong Yat Fan). In January 2016, Mr. Li Juejie rendered his resignation from the position as the deputy chairman and executive director of the Company due to the change of work (meanwhile would not act as the member of the Strategy Development and Investment Committee under the Board of Directors). There are no relationships (including financial, business, family or other material/relevant relationship) among directors).

Section VIII Corporate Governance Structure and Governance Report

The directors of this board possess industry background or professional skills in highway industry, engineering construction, investment strategy, company management, financial accounting, law, investment banking, etc. respectively. Among the directors, there are 3 independent non-executive directors and 1 independent director with professional knowledge about accounting. Independent 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 special committees. Independent directors constitute 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 arrangement of the Board of Directors and the special committees meets the requirement of the Instruction to Establishing Independent Director System in Public Companies. Please refer to section VII 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.

The Chairman and the General Manager of the Company are Mr. Zhou Renqiang and Mr. Xu Zhen. The Company has clearly defined the responsibility of the Chairman and the General Manager. The responsibilities of the Chairman and the General Manager are separated and are set out in detail in the Company's Articles of Association, the "Rules of procedures for the Board" and the "Standing Orders for the Operation of General Manager" to ensure a balance of power and authority as well as the independence of the Board of Directors in decision-making and the independence of the management in day-to-day operation management activities. The Chairman holds and coordinates the work of the Board, and is responsible for leading the Board of Directors to work out the Group's strategy and direction, and achieving the Group's goal to ensure effective operation of the Board and good corporate governance and practice of the Company. Under the support of the Board of Directors and other senior management, the general manager is responsible for coordination and management of the Group's business and operation, implementing the strategies made by the Board of Directors and making daily decision.

During the reporting period, the Company faithfully implemented the decisions made in the Shareholders' general meetings, and examined substantial events within their scope of authority in strict accordance with the regulations. The special committees of the Board of Directors held specialized meetings respectively, and put forward suggestions and advice on issues including the development strategy and capital operation of the Company, contributing to the promotion of standard operation and scientific decision-making of the Board of Directors.

The Board of Directors generally holds periodic meetings quarterly and extraordinary meetings if necessary. The notices of periodic board meetings shall be sent to all Directors at least 10 days before the meetings, and the notices of extraordinary board meetings shall be sent to all Directors at least 2 days before the meetings. An extraordinary board meeting may be convened by one-thirds or more of Directors or the general manager. Supporting documents containing details of the relevant resolutions to be proposed at a board meeting shall be sent to all Directors at least 3 days before the meeting.

The management of the Company is responsible for the provision of relevant materials and information necessary for the Board of Directors' consideration of various proposals, making response or providing further information as to Directors' reasonable enquiry requests as soon as possible and arranging for the senior management to report at a board meeting. The Board of Directors and the special committees under the Board of Directors 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 present under appropriate conditions. According to the "Rules of procedures for the Board" of the Company, if a director holds a position in a connected entity, such director shall abstain from voting when a board meeting is held for any transaction between the Company and the connected entity. During the reporting period, when the Board of Directors 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 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 of Directors.

Independent Non-executive Directors and their independence

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

During the reporting period, apart from attending board meetings and special committee meetings conscientiously, the 3 independent directors of the Company have provided written independent opinions on matters such as the Company's appointment of senior management and provision of external guarantees, and have 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 VIII Corporate Governance Structure and Governance Report

Compliance support for directors

All the directors of the Company are able to receive materials and updates about the legal, regulatory and other continuing obligations of directors of listed companies through the secretary of the board. The directors are determined to comply with the requirement on the training of directors imposed by Code Provision A.6.5 of the Corporate Governance Code to ensure that the directors can make informed and related contribution to the Board. During the reporting year, directors of the company have attend training session or lectures held by the SSE and the Hong Kong Institute of Chartered Secretaries, and provided the company with relevant training 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 skill	
	Read materials	Attend lecture/training	Read materials	Attend lecture/training
Zhou Renqiang	√		√	
Li Junjie	√		√	
Chen Dafeng	√		√	
Xie Xinyu	√	√	√	√
Wu Xinhua	√		√	
Ni Shilin	√		√	
Hu Bin	√		√	
Yang Mianzhi	√	√	√	√
Kong Yat Fan	√		√	
Meng Jie	√			

Liability Insurance for Directors, Supervisors

According to the Stock Exchange of Hong Kong's latest regulations of the CG Code, the Company has purchased liability insurance for directors, supervisors and senior management of the Company since 2012. The Shareholders' General Meeting authorized the executive directors or the secretary of the board, in the case of no significant adjustment of matters such as liability limits and premiums budget, to handle subsequent annual renewal of insurance.

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

The Company has adopted the code provisions on the trading of shares of the Company by relevant directors contained in the "Model Code for Securities Transactions by Directors and Supervisors of Listed Issuers" ("Model Code for Securities Transactions") as set out in the 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".

3. Supervisor and Supervisory Committee

The Supervisory Committee consists of three supervisors, including one employees' representative. The composition of the Supervisory Committee has complied with the requirements of the legal rules and regulations such as the Company Law. The Supervisory Committee exercises the supervisory rights of the Company according to the corporate articles and the Rule for Procedure of the Board. 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 protecting legal interests of the Company and its shareholders.

In 2015, the Supervisory Committee convened 4 meetings with all supervisors being present. It supervised the compliance aspect of the performance of duties by the Company's financial personnel, Directors and senior management on behalf of the shareholders, attended all the Board meetings, and conscientiously performed its duties.

4. Information Disclosure

The Company has faithfully fulfilled the information disclosure legal obligation and disclosed information on time with truthfulness, accuracy and completeness strictly according to the requirements of relevant laws and the Listing Rules to ensure information disclosure in an open, fair and just way and that all shareholders can enjoy equal and full right of accessing information. 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 to the Board is the executor of information disclosure.

During the reporting period, the Company in a timely manner studied and comprehended the new rules and requirements of the SSE and the HKSE in relation to information disclosure, prepared guidelines in strict compliance with the relevant rules and regulations, and issued 4 periodic reports and 34 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 payables, operations of the Board and Supervisory Committee, convening general meetings and connected transactions objectively and in detail. The relevant announcements were published in the China Securities Post and Shanghai Securities Post and on the websites 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 through various media and built a smooth communication channel with investors. Communication platform has been built by means of websites, hotline and email through which information of production, operation and management can be disclosed in a timely, accurate and complete manner. Communication with the market is maintained through means including the interactive internet platform of the exchange websites. During the reporting period, the Company has successfully held the 2014 and 2015 interim results presentation, so that domestic and foreign investors can fully understand the business situation and development strategy of the Company, hence enhancing the transparency and international awareness of the Company.

Section VIII Corporate Governance Structure and Governance Report

6. Registration management system for holders of inside information

In 2015, the company has strictly complied with Registration Management System for holders of Inside Information, registered in details the relevant personnel, items, time of knowing the information and usage related to the inside information, and required the relevant personnel to make commitment and reminded them to fulfill their obligation of keeping secrets. According to self investigation, there has been no finding of cases that insiders dealt with the shares of the Company prior to the disclosure of substantial sensitive information concerning the shares of the Company in 2015.

7. Training for the secretary of the Company

Mr. Xie Xinyu, the deputy general manager and secretary of the Board of Directors is a contact member of HKICS. During the reporting period, Mr. Xie Xinyu attended 1 series of lectures about strengthening the continuing professional development held by HKICS (the total hours: 15.5 hours), the content of which covers the latest Revision and Regulatory focus of Hong Kong Listing Rules, issues of financial reports of listed companies under the new normal of the economy, environmental, social and governance report, new rules in relation to connected transactions, analysis of risk management research report, etc.

Besides, Ms. Han Rong, the secretary of the Board, also attended follow-up professional training for secretaries to the boards held by SSE to acquire updated professional knowledge and skills and better support the operation of the Board of Directors.

II. Profile of the General Meeting

Session	Date	Query indexes	Disclosure date of the published resolution
2014 Annual General Meeting	22 May 2015	Shanghai Securities News China Securities Journal http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net	23 May 2015

Resolutions passed in 2014 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 2014 (Ordinary resolution);
- To approve the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the PRC auditor and Hong Kong auditor respectively for the year 2015, and to authorize the Board of Directors in determining their remuneration (Ordinary resolution);
- To elect Mr. Ni Shilin as a new non-executive director of the Company;
- To elect Ms. Ho Kun as a new supervisor of the Company;
- 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).

Procedures of General Meeting, procedures for shareholders to convene extraordinary general meeting and to make suggestions at general meetings

According to Article 88 of the Articles of Association, more than half of the independent non-executive directors, Shareholders who singly or jointly hold more than 10 per cent of the total voting rights (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 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 for convention of extraordinary general meeting or class meeting, the process for convention 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 VIII 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 is 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 decision of the Board of Directors shall be given to the Requisitioning Shareholder 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 Board of Directors fail 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 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 motion, otherwise the supervisory committee or Requisitioning Shareholder shall make 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.

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- (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) 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 provision 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 Article 65 of the Articles of Association, Where the Company convenes general meeting, Board of Directors, Supervisory Committee 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 the Articles shall not be proposed for voting and be resolved.

Amendment of Articles of Association

During the year under review, the articles of association of the Company had no substantial amendment.

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Auditors

The audit committee of the Company is responsible for considering the appointment, resignation or replacement of auditors and assessing the professional quality of the services provided by the auditors, and makes proposals to the Board. The appointment, replacement of auditors and audit fees will be approved or authorized at General Meeting presented by the Board.

The 2014 Annual General Meeting has approved the re-appointment of PricewaterhouseCoopers Zhong LLP and PricewaterhouseCoopers as the Company's 2015 PRC and Hong Kong auditors. In 2015, the audit fees (including internal control audit) were RMB2,480,000, apart from the said fees, the Company did not pay any other fees to the auditors nor affect their independence. For details, please refer to Section V "Major Events" of this annual report.

Internal Control

A comprehensive and practicable internal control system is fundamental to a 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 to protect the interests of shareholders and safety of the Company's assets.

In 2015, the Board of Directors, based on its continuous review of the internal control system of the Company, prepared the Self-evaluation Report Regarding Internal Control of the Company to elaborate and explain the objectives of internal control, the composition and implementation of the internal control systems and the overall evaluation results. For details, please refer to the 2015 Self-evaluation Report Regarding 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.

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 with the auditors' statement in the auditor's report in Section XI of the annual report.

The Board of Directors held that: the resources the company owns are sufficient 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 raising enquiries to the Board of Directors

If the shareholders have any enquiries, they can write to the company. For the address of the Company please refer to Section II “Corporate Profile and Main Financial Indicators” of this annual report; the addressee is the secretary of the company.

III. Directors’ Performance of Duties

(I) Directors’ attendance at board meetings and shareholders’ general meetings

Name	Independent director (yes or no)	Times that should be attended during this year	Attend board meeting				Attend shareholders’ meeting	
			Times of attending in person	Times of meeting through communication means	Times of Delegating to attend	Times of absence	Two successive absence from the meeting (yes or no)	Times of attending
Zhou Renqiang	No	7	3	4	0	0	No	1
Li Juejie	No	7	3	4	0	0	No	1
Chen Dafeng	No	7	3	4	0	0	No	1
Xie Xinyu	No	7	3	4	0	0	No	1
Wu Xinhua	No	7	3	4	0	0	No	1
Ni Shilin	No	5	2	3	0	0	No	1
Meng Jie	No	2	1	1	0	0	No	1
Hu Bin	Yes	7	3	4	0	0	No	1
Yang Mianzhi	Yes	7	3	4	0	0	No	1
Kong Yat Fan	Yes	7	3	4	0	0	No	1

Note: Every director has attended all board meetings of their term during the reporting period.

Number of board meetings this year	7
Among: Number of on-site meetings	3
Number of meetings through communication means	4
Number of on-site meetings combining the use of communication means	0

(II) Raising objections to any matters relating to the Company by independent directors

During the reporting period, apart from attending Board meetings and special committee meetings conscientiously, the independent directors of the Company have provided written independent opinions on matters such as the Company’s appointment of senior management and provision of external guarantees, and have 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 director 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.

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(III) Others – Remuneration of senior management

During the reporting period, the total amount of remuneration of senior management (two of whom are also Directors of the Company) is within the following range:

	Number of Person
Nil to RMB 1,000,000	6

IV. Important opinions and suggestions provided by special committees under the Board in performing their duties during the reporting period, practical conditions of which should be disclosed if there is disagreement

The Board has established three special committees, the terms of reference of which are available on the website of the Company for inspection by investors and the public. Members of the special committees are appointed by the Board for a term of three years within the same period of the term of directors. Save for the Strategic Development and Investment Committee, all chairmen of other special committees are independent directors.

Currently, the composition of these committees is as follows:

Board committee	Strategic Development and Investment Committee	Human Resources and Remuneration Committee	Audit Committee
Zhou Renqiang	C		
Wu Xinhua	M	M	
Chen Dafeng	M		
Xie Xinyu			
Ni Shilin			M
Hu Bin	M	C	M
Yang Mianzhi			C
Kong Yat Fan		M	

Notes:

C Chairman of relevant Board Committee

M Member of relevant Board Committee

During the reporting period, the three special committees under the Board has fulfilled their respective responsibilities in accordance with the relevant regulations.

Strategic Development and Investment Committee

The main duties of the Strategic Development and Investment Committee according to its terms of reference include identifying the strategic development direction of the Company, devising strategic plan of the Company, supervising implementation of strategies, timely adjust the strategic and governance structure of the Company, organizing review of proposed investment projects of the Company, and providing suggestion for decision making of the Board.

In 2015, the Strategic Development and Investment Committee consisted of Mr. Zhou Renqiang (Chairman and executive director), Mr. Li Junjie (executive director), Mr. Li Jiezhi (non-executive director), Mr. Wu Xinhua (non-executive director), Mr. Chen Dafeng (non-executive director), and Mr. Hu Bin (Independent non-executive Directors).

During the reporting period, the Strategic Development and Investment Committee continued to implement the strategic development concept identified in 2014, that is, on the basis of strengthening main business advantage and enhancing management level, putting effort on structural reform and gradual reduction of non-controlling equity investment ratio in similar financial business in order to control risk pursuant to the policy development, fully utilizing overseas resources to support development of main business, leveraging overseas platform to accelerate the Company's alignment with international standards, and going on to explore and use investment and financing opportunities to develop new profit growth points for the Company.

Audit Committee

As per its terms of reference, the Audit Committee is mainly responsible for monitoring the establishment and functioning of the Company's internal audit system, evaluating financial information and its disclosure, reviewing the establishment of the internal control system and the way in which it runs, reviewing major connected transactions, communicating with the Company's internal and external auditors, and supervising and monitoring internal and external audit.

In 2015, the Audit Committee of the Company composed of Mr. Yang Mianzhi (the chairman of the committee and independent non-executive director), Mr. Meng Jie (non-executive director) (resigned on 22 May 2015), Mr. Ni Shilin (non-executive director) (appointed on 22 May 2015)) and Mr. Hu Bin (independent non-executive director).

In 2015, the Audit Committee held 4 meetings. Details of attendance of meetings of the Audit Committee are as follows:

Member's name	Attendance in person at meeting (times)	Number of meeting (times)	Attendance rate
Yang Mianzhi	4	4	100%
Meng Jie	2	2	100%
Ni Shilin	2	2	100%
Hu Bin	4	4	100%

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The Audit Committee held 4 meetings during the reporting period and had ample communication with the Company and the accountants. It reviewed the 2014 annual, 2015 first quarterly, interim and third quarterly financial statements of the Company. It submitted for the board's approval the 2015 audited report and the internal control self-evaluation report and its recommendation for PricewaterhouseCoopers Zhong Tian LLP (A-share) and PricewaterhouseCoopers (H-share) to be re-appointed as the audit institutions in the forthcoming year. Moreover, it also issued opinions on the expected daily connected transactions of the Company for 2015. Please refer to the 2015 Report by the Audit Committee on its discharge of duties for details of the Audit Committee's work.

The Human Resources and Remuneration Committee

The committee has formulated its written terms of reference to clearly explain its authority and responsibilities. The terms of reference of the Nomination and Remuneration Committee has included the specified duties as set out in the Code Provisions, except for certain amendments made as needed.

In 2015, the Human Resources and Remuneration Committee of the Company composed of 1 non-executive director and 2 independent non-executive directors, the members being Mr. Hu Bin (the chairman of the committee and independent non-executive director), Mr. Wu Xinhua (non-executive director) and Mr. Kong Yat Fan (independent non-executive director), which met requirement of the relevant regulations. The major responsibilities of the Human Resources and Remuneration Committee of the Board are: formulating human resource development strategies and plans for the Company, researching and formulating remuneration policies and incentive mechanism, conducting performance appraisal of and putting forward suggestions as to the appointment and dismissal of directors, general managers and other senior executives of the Company.

In line with the new amendments made to the Listing Rules, the Board has approved adoption of the new terms of reference in 2012. According to the new terms of reference, the Human Resources and Remuneration Committee acts as consultant for the compensation of directors and senior executives of the company while the Board reserves the final authority in approving the compensation of directors and senior executives.

In 2015, the Human Resources and Remuneration Committee held 2 meetings. The attendance record for the meetings of the Remuneration Committee is as follows:

Member's name	Number of meetings attended in person (time)	Number of meetings that the member ought to attend (time)	Attendance rate
Hu Bin	2	2	100%
Wu Xinhua	2	2	100%
Kong Yat Fan	2	2	100%

During the reporting period, the main work of the Human Resources and Remuneration Committee was reviewing the director candidates recommended by shareholders, confirming the qualification of candidates for senior management to be engaged by the Board, providing independent opinions on the nomination, recommendation and voting procedures for the aforesaid personnel, and reviewing the remuneration of directors, supervisors and senior managements to be disclosed in the annual report to ensure that the information disclosed is true and accurate and consistent with the actual condition.

Summary of Board Diversity Policy

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

This Policy aims to set out the approach to achieve diversity in the Company's Board of Directors. The Company recognises and embraces the benefits of having diversified Board members. The Human Resources and Remuneration Committee is committed to ensuring the Company's equipment of the required skill, experience and diversified view for its business. All Board appointments will be based on meritocracy, and candidates will be considered by objective criteria, with due regard for the benefits of Board diversity. Selection of candidates will be based on a range of diversity perspectives, including but not limited to age, cultural and educational background, professional experience, skills, and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Human Resources and Remuneration Committee will monitor the implementation of this Policy and will review relevant policy as appropriate to ensure effective implementation of this Policy.

Besides reviewing, the Human Resources and Remuneration Committee has not yet set any measurable objectives for implementing this Policy during the year.

V. Description on the Identification of Risks by the Supervisory Committee

During the reporting period, the Supervisory Committee of the Company conscientiously fulfilled its statutory supervisory duties and safeguarded the legitimate rights of shareholders and the Company in accordance with the relevant provisions of the "Company Law", the Article of Association and the "Rules of Procedure of the Supervisory Committee". During the reporting period, the Supervisory Committee has held 4 meetings to consider the Company's periodic reports, internal control self-assessment report, and the resolutions on replacement of supervisors of the Company. The Supervisory Committee has attended all on-site board meetings and shareholders' general meeting in 2015. Through convening the Supervisory Committee meetings and attending shareholders' meetings and Board meetings, etc., the Supervisory Committee understood and supervised the legitimacy and rationality of behaviors of directors, general managers and other senior management in their decision-making and daily management etc.; the Supervisory Committee carefully reviewed the operating performance and financial condition of the Company, discussed and reviewed the financial reports to be submitted to the Board of Directors; supervised, inspected and coordinated construction and implementation of the internal control of the Company, and monitored improvements thereof.

The Supervisory Committee had no objection to the matters under supervision during the reporting period.

VI. Description on Failure of the Company in Ensuring Independence from its Controlling Shareholder in Terms of Business, Personnel, Assets, Organization and Finance etc., and Maintaining Independent Operation

The Company is independent from its controlling shareholder in terms of business, personnel, assets, organization and finance, and has independent and complete business and the ability of independent operation.

The Company's views on social responsibility:

Being a state-controlled listed company, the Company operates in the transportation industry and is engaged in promoting social development and the construction of infrastructure serving the people's livelihood. While pursuing economic benefits and safeguarding the interests of shareholders, the Company has always placed the fulfilment of corporate social responsibility in an important position in our corporate development. We always believe the development of the Company has benefited from the state's favourable policy of reform and opening as well as the strong support from the community and cannot be achieved without the hard work and contribution of all our employees. The Company shall take on the economic, legal, moral and social responsibilities that should be fulfilled by it as a corporate citizen during its development. Since its listing in 1996, the Company has always persisted in taking into account both economic and social benefits amidst development, pursuing the harmonious development of our enterprise, our employees and the community in practice and repaying the community with practical actions.

Fulfillment of Social Responsibility:

I. Contribution to the Community

1. Continued Creation of Economic Values

In 2015, under the unfavourable situation of a macroeconomic downturn in China, the Company achieved operating income of RMB2.427 billion, an increase of 3.72% year on year. Net profit was RMB967 million. Of which, net profit attributable to the parent company was RMB938 million, an increase of 8.94% year on year. As of 31 December 2015, our assets amounted to RMB12.141 billion. Returns on net assets were 11.95%.

(1) Tax Contribution

Since its incorporation, the Company has insisted on business integrity and paid tax according to law and is an important corporate taxpayer in its locality and has made due contribution to the state's tax revenue and the local economy. In 2015, the Company paid various types of taxes and fees totaling RMB473.77 million.

(2) Driving the economic development of regions along the expressways

Being an extremely important component of the modern transportation system, expressways are infrastructure facilities necessary for modern social development. Expressways play an important role in the intensive utilization of resources, improving transportation efficiency, promoting commerce and trade circulation, enhancing regional economic ties and promoting economic development. The existing expressways of the Company are mostly components of the national highway backbones running east-west and have profound significance for reinforcing economic and cultural exchanges between eastern and western regions, gradually forming a strong logistics chain and accelerating the development of the western region. The road sections under the jurisdiction of the Company pass through the central city circles or regions with a high population density and relatively active social and economic activities in our province, which has vigorously promoted the interconnection of regional economies, facilitated the eastward development of the Wanjiang region, expedited the pace of integrating with the Yangtze River Delta and driven the economic development of the South Anhui region.

2. Advancing Project Construction with Full Efforts and Improving the Expressway Transportation Network

In 2015, the Company continued to step up its efforts in investing in and constructing expressways, accelerated the advancement of the construction of Ningxuanhang Expressway and ensured project completion quality through strengthening the dynamic management of projects, establishing the coordination linkage mechanism and enhancing on-site supervision.

The first phase Xuanning Section was open to traffic by the end of 2013 and the second phase Ningqian Section was officially open to traffic in December 2015. With the first phase and the second phase of Ningxuanhang Expressway open to traffic in succession, the driving distance between Xuancheng, Anhui and Hangzhou, Zhejiang is shortened to 180 km, which has effectively built the economic ties between Anhui and Zhejiang.

The third phase Xuancheng- Liqiao Section of the Ningxuanhang project will soon commence construction. The Lixuan Expressway is an important connection route of “Vertical One” in the expressway network plan of “Four Verticals and Eight Horizontals” in our province and is also a transit section in our province of the “Vertical Seven” Ningjin (Nanjing-Jinhua) Expressway planned in “Yangtze River Delta Metropolitan Economic Circle Expressway Planning Network (長三角都市經濟圈高速公路規劃網)” jointly prepared by Shanghai, Jiangsu and Zhejiang. The construction of Ningxuanhang Expressway has important significance for enhancing the economic ties of the four provinces and cities, namely Jiangsu, Zhejiang, Shanghai and Anhui, and between the mid-western region and the eastern region, promoting the process of the integration of regional economies and facilitating the development of tourism and economy.

3. Undertaking Toll Booth Management Standardization Construction to Improve the Service Standard

To conscientiously improve the expressway management and service standard of the Company, optimize the industry image and promote the harmonious development of the community, the Company has undertaken the standardization construction of toll booths and teams and groups in management offices by adopting the requirements of the GB/T19001-2008 quality control system as the standard.

First is system standardization. The management offices have established and improved all rules and regulations by soliciting opinions extensively and taking into account the actual situation of the toll booths. For instance, we have revised and improved the appraisal and incentive mechanism. The focus is on the toll staff star class appraisal (收費人員星級考核), the outstanding stationmaster project appraisal (優秀站長工程考核) and the team and group smile service responsibility system (班組微笑服務責任制), etc. Through the implementation of effective systems, we have guaranteed the incentive effect, mobilized the enthusiasm and initiative of all employees towards work and vigorously promoted the solid advancement of all tasks.

Second is software standardization. The focus is on enhancing team and group construction. We shall achieve persistence in supervision by booth heads, shift supervisors taking the lead and collaboration by all employees; achieve persistence in the closed-loop management model of process completeness and one settlement for one matter (一事一結); achieve persistence in the working principle of booth affairs disclosure and team and group autonomy; enhance education and training to facilitate the building of our own teams; provide team and group openings for job rotation to let staff holding different posts to relearn their job responsibilities, etc.

Third is hardware standardization. We shall achieve a strict toll collection process to guarantee unimpeded crossings; optimize smile service to improve service quality; rationally plan toll collection areas, make unified regulations on workplaces and living environment for staff, etc.

Through the sustained efforts of the Company, the hardware facilities of all toll booths have been renovated and the service capability and quality of toll collectors have been enhanced. A standard system framework consisting of toll collection, information, road assets inspect, rescue and clearing up obstacles and service zones, general standard for gas station services, service assurance and service provision has been basically constructed.

4. Strictly Implementing Reduction and Exemption Policies

In November 2013, the first Green Passing Automatic Detection System (綠通自動檢測系統) in our province was completed and put into use in Wansu Toll Booth of Xiao County Management Office. Over the past year since the system was put into use, the Company, on one hand, earnestly implemented the green passing new policy, and on the other hand, took measures to effectively alleviate the pressure of maintaining a smooth flow at toll collection sites, which ensured the rapid and free transit of vehicles such as vehicles carrying fresh agricultural products, flood rescue vehicles, thermal coal rush-transport vehicles and transregional operation combined harvesters so that national energy safety and various policies of benefiting and supporting agriculture could be implemented. During the reporting period, the exempted amount of green passing cars of the Company was approximately RMB347 million, an increase of 2.36% year on year.

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In 2015, on the basis of the work experience of exempting toll for small passenger cars during major holiday in 2014 and taking into account the actual situation concerning the administration of road sections under our jurisdiction and the work characteristic of exempting toll during major holidays, the Company improved the implementation plan, optimized the operating rules, made full efforts in organization and implementation, and earnestly implemented the “Policy of Exempting Toll for Small Passenger Cars during Major National Holidays” to ensure the orderly transit of vehicles during peak flow periods such as Spring Festival travel season and free period for small passenger cars during major holidays. During the major holidays in 2015, the Company granted exemption to a total of 4,195,200 vehicles (before split) and waived toll amounting to approximately RMB179 million (before split).

In addition, Anhui transportation card holders have enjoyed credit card preference amounting to approximately RMB35 million off, an increase of 52.17% year on year. The amount of other policy exemptions was approximately RMB32 million, an increase of 0.37% year on year.

II. Production safety

Production safety is an obligation and basic responsibility that should be fulfilled by each enterprise. The Company has firmly established the safety concept of “Safety is Life, Safety is Service, Safety is Efficiency” and has done a solid job of expressway operation safety management. As a result, our production safety situation has continued to be stable.

1. Strictly Improving the Organizational Structure to Ensure the Responsibility of Production Safety

The Company has strictly implemented “Implementation of Party and Government Accountability, Double Responsibilities for One Post, Making Concerted Efforts to Establish and Improve the Production safety Responsibility System (黨政同責、一崗雙責、齊抓共管)”, set up a specialized production safety committee, and established a three-tier responsibility system comprising the committee, production safety leadership groups of all entities and frontline safe work teams. Member entities have entered into letters of responsibility for production safety to implement responsibility level by level, thus achieving the full coverage of the safe responsibility system in the true sense. The leadership of the Company acts as the first responsible person of the safety committee which holds regular meetings on production safety to study and analyze the form of production safety work, make arrangement for production safety, and analyze and address key safety issues.

2. Improving the Production Safety Management System by Taking Into the Actual Work and Establishing a Long-term Mechanism

- (1) The Company has fully implemented the internal control normative system since 2011. The Company has placed much emphasis on road safety and the maintenance of a smooth flow and further refined and improved the safety management system constructed by the 13 safety and road assets management systems which have been introduced, and further enriched the relevant contents of systems such as “Measures for the Administration of Project Construction Safety” and “Measures for the Administration of the Safety of Maintenance Projects” of projects under construction to gradually enhance the system implementation capability.
- (2) We have fully advanced the standardization of safety quality, formulated the appraisal standard for the production safety responsibility system and included tasks such as safety management system construction and organisation, conducting various kinds of production safety inspections and making timely rectifications as important appraisal contents. Each year, the responsible entities and their responsible persons will be appraised and rewards and punishments will be imposed so as to improve the basic management standard for production safety.

3. Adhering to the Work Policy of “Safety First, Focus on Prevention, Administering Comprehensively and Implementing Expressway Operation Safety Management.”

- (1) Enhance safety education and advocate the safety culture. During the reporting period, the Company continuously conducted targeted safety education and training such as tunnel operation safety management training, production safety knowledge training and quality control related system training, and focused on conducting specialized education and training of department heads, project leaders and safety managers to strive to create a safety cultural atmosphere of “People Orientation, Safe Development”. As a result, the production safety concept and production safety skills of all employees were continuously enhanced.
- (2) Strengthen the focus on supervision and effectively identify accident hazards. First is identifying and rectifying hazards in a timely manner and in strict accordance with the work plan. Second is identifying and controlling production safety hazards in an all-round manner. Identification and control activity plans have been formulated and the division of identification work among departments and subsidiaries has been clarified for the implementation of identification and rectification tasks. Third is focusing on conducting specialized safety inspections such as spring production safety inspection and service zone safety inspection. The management of the production safety process has been enhanced, effectively reducing the risk of the occurrence of accidents due to negligence.

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- (3) Enhance emergency management and organize various forms of emergency drills. First is examining and correcting defects and timely revising and improving various kinds of emergency response plans. Second is vigorously conducting emergency drills with different themes. All entities join their respective departments to conduct road traffic accident and traffic jam drills, conduct fire prevention and anti-theft in premises such as toll booths and office areas, conduct flood control, first aid and other drills in service zones, conduct construction work, flood control, electric shock prevention, fire fighting, evacuation and other drills in respect of construction projects, strengthen the pertinence of emergency drills and summarize and evaluate the drills. Third is enhancing the building of rescue and obstacle clearance teams and their equipment in accordance with the requirements of the relevant documents, implementing rational distribution, further reinforcing communication and coordination and linkage with departments such as expressway traffic police, fire prevention and safety supervision, carrying out fast rescue, removing obstacles and ensuring smooth flows.

III. Protection of the Interests of Stakeholders

1. Protection of the Interests of Shareholders and Creditors

Through constantly improving its corporate governance structure and establishing a sound internal control system, the Company has gradually become a modern enterprise with sound systems, effective control and normative operations.

In 2015, the Company was committed to establishing and continuously optimizing the risk management system and the internal control system, refining the implementation, supervision and inspection of the internal control system and completed the establishment of the quality control system, laying a solid foundation for the healthy development of the Company and the protection of the interests of shareholders and creditors.

- (1) Further improve the Company's corporate governance structure, specify the functions and positioning of the Company's shareholders' meeting, board of directors, supervisory committee and management, bring into play the professional functions of the audit committee, the strategic development and investment committee, the human resources and remuneration committee under the board of directors of the Company, establish and form mutual check and balance among responsibility, power and interest, taking into account fair and efficient management systems and mechanisms.
- (2) In strict accordance with the Articles of Association and the "Rules of Procedures of the General Meeting", the Company convenes and holds general meetings according to laws and offers convenience for shareholders to exercise their rights so far as possible so as to fully ensure that all shareholders can fully exercise their rights.

The Company treats all shareholders equally and ensures that all shareholders, especially minority shareholders, have equal status.

In 2015, Anhui Expressway Holding Group Company Limited and China Merchants Huajian Transportation Investment Co., Ltd. (招商局華建交通投資有限公司), the two major shareholders of the Company, exercised the rights of contributors in strict accordance with the laws, regulations and the Company's rules and regulations. Direct or indirect intervention in the Company's decision making, operation and management by circumventing the general meeting has never happened.

- (3) The Company has established the board of directors according to laws and has specified its functions, duties and permissions. Entrusted by the general meeting, the board of directors is responsible for managing and operating the Company's corporate assets and reports to the general meeting.

The 7th Session of the board of directors of the Company consists of 9 directors, among them 4 are executive directors, 2 are non-executive directors and 3 are independent non-executive directors. Independent directors account for one third of the members of the board. Among them, many possess professional accounting qualifications or expertise in financial management. Most members have experience in working for listed companies.

In 2015, the Company held a total of 7 board meetings. The board meetings discussed and made decisions on major issues such as the Group's operating and financial position, project investment, governance structure and change of directors.

In 2015, the directors of the Company proactively gained an understanding of the operating developments of the Company, attended board meetings and meetings of board committees with a prudent and responsible attitude, fully leveraged their respective professional experience and expertise and provided effective recommendations on the issues discussed so that the board could conduct fruitful discussions and made fast and prudent decisions, and played a positive promoting role in acting in the best interests of the Company.

- (4) Stabilize the dividend policy and protecting the interests of investors. Pursuant to the requirements of the document of "Decisions on Amending Some Provisions on Cash Dividends by Listed Companies" promulgated by CSRC, the Company has specified its cash dividend policy in the Articles of Association, i.e. "The Company distributes profits on an annual basis and shall distribute dividends at least once each year" and "The total profits distributed by the Company in cash for three consecutive years shall not be less than 30% of the average annual distributable profits realized in the last three years to ensure the continuity and stability of the profit distribution policy".
- (5) Since its listing, the Company has distributed cash dividends each year. The cumulative dividend per share is RMB2.6075 and a total of RMB4.27 billion has been paid. By way of a high percentage of cash dividends, the shareholders of the Company can derive considerable returns from the development of the enterprise.

Section IX Social Responsibility Report

- (6) Actively maintain good investor relations. The Company has made full use of various media to actively conduct various forms of investor relations activities and establish smooth communication channels with investors. With web sites, hotlines and mail boxes as the platform, the Company has disclosed information on production, operation and management in a timely, accurate and complete manner. The Company has successfully held the 2014 annual and 2015 interim results presentations to allow domestic and overseas investors to fully understand its operating conditions and development strategies, which increased its transparency and international reputation.
- (7) The Company has conscientiously fulfilled its information disclosure obligation so that its shareholders and creditors can timely understand and grasp its operating developments, financial position and major issues, safeguarding their right to information.

The Company manages information disclosure and insider information in strict accordance with the “System for the Administration of Information of the Company”, the “System for the Administration of the Submission and Use of External Information of the Company”, the “System for the Administration of Insider Information and Insiders” and the “Measures for the Administration of Relevant Activities such as the Reception of Specific Objects by the Company for Investigation and Research and Interview” to fully safeguard and protect the equal information right of shareholders and investors.

Over the years, the Company, on the basic principle of openness, fairness and equity, has striven to timely and accurately fulfill its legal information disclosure obligation in compliance with the requirements of the relevant laws and the Listing Rules to ensure that all shareholders have equal and adequate right to information and increase its transparency. In 2015, the Company disclosed a total of 34 temporary announcements and 4 regular reports. In addition, the Company’s announcements were also published on “China Securities Post” and “Shanghai Securities Post” in a timely manner to ensure that information of the Company was communicated to all shareholders and investors through various channels in a timely and accurate manner. The Company firmly puts an end to the circumstance of making selective disclosures to different investors to protect the legitimate interests of minority shareholders and establish the image of integrity of the Company among investors.

- (8) The Company provides borrowings or entrusted loans to creditors in strict accordance with the stipulated procedure to ensure that the risks of the Company and creditors are minimized. As a debtor, the Company fulfills its debt-service obligation in strict accordance with the loan contract and non-repayment on maturity has never happened.

2. Protection of Employees' Interests

We adhere to starting undertakings with joint efforts and achievement sharing and create a positive internal environment. Through striving to create a harmonious and pleasant working atmosphere, we motivate employees to contribute their talent and intelligence to the development of the enterprise, share the fruits of development and jointly create a better life. We are committed to creating a harmonious corporate atmosphere and strive to make employees enjoy the sense of happiness and achievement brought by working with a positive, grateful and optimistic attitude so as to create "LOHAS Time-Space" for employees.

(1) Employees

Table 1 Statistics about the number of employees,
profession composition and education level

Number of incumbent employees of the parent company	1,731
Number of incumbent employees of major subsidiaries	500
Total number of incumbent employees	2,231
Number of resigned and retired employees in which the parent company and major subsidiaries are required to bear the costs	7

Profession Composition

Profession Composition Category	Profession Composition Number
Production staff	1,602
Sales staff	0
Technical staff	105
Financial staff	38
Administration staff	486
Total	2,231

Education Level

Education Level Category	Number (People)
Post graduate	61
Undergraduate	355
College	1,153
Technical secondary school	324
High school and below	338
Total	2,231

Section IX Social Responsibility Report

- (2) The Company implements a broadband remuneration system and has established four post categories, namely management posts, professional and technical posts, toll collection posts and logistic support posts according to the different natures of posts. The remuneration level of each employee is determined based on his/her post and own conditions. Meanwhile, the Company has deepened the distribution system reform, optimized the individual income distribution structure, rationally set the proportion of fixed wage to variable wage and improved the appraisal system. The appraisal result is linked to remuneration distribution so that the income of employees can increase or decrease.

The Company safeguards the legitimate interests of employees by strictly executing national and local social insurance laws and regulations and has arranged “Five Insurances, One Fund” for all employees, namely: pension insurance, unemployment insurance, medical insurance, work injury insurance, maternity insurance and the housing provident fund and paid the relevant costs in full on time. In 2015, costs of the five social insurances described above paid totaled RMB21.54 million and costs of housing provident fund paid totaled RMB18.21 million.

In addition, to motivate employees and retain talents, mobilize employees’ enthusiasm for work and provide talent support for the development of the Company, the Company, taking into the actual situation, has established the corporate annuity plan in accordance with the laws and regulations relating to corporate annuity management. Employees join the plan on a voluntary basis. In 2015, corporate annuity costs paid amounted to RMB2.46 million.

- (3) The Company emphasizes production safety and puts emphasis on the labour protection of employees and implements production safety management during the ordinary course of production and operation to prevent the occurrence of accidents. By strictly implementing the “Production Safety Law” and the relevant national laws and regulations, we have created a healthy and safe working environment for employees through such means as implementing safety regulations, arranging special funds, providing protection facilities and equipping them with labor protection products. Meanwhile, the Company has improved the self-defense capability of employees by conducting events such as production safety propaganda and education and safety knowledge competition.

In March 2015, the Company entered into a letter of responsibility for production safety for 2015 with all departments and their respective responsible entities. The respective responsible entities further implemented the responsibility for production safety work through various forms such as the convocation of regular safety work meeting, railway police joint meeting, construction management theory discussing meeting and maintenance and safety work meeting.

- (4) The Company has formulated a detailed employee training plan to actively conduct vocational training and facilitate the comprehensive development of employees. Attaching much importance to employee education and training, the Company formulates an annual training plan at the beginning of the year to conduct various kinds of training orderly in accordance with the relevant system and training plan, further improves the training content, improves the approach to training, integrates training resources, optimizes the training team, increases the overall training quality and effectiveness and drives a continued improvement in the training standard. During the reporting period, the Company and all departments, taking into account the actual work needs and department business functions, conducted various kinds of business training such as operational management, engineering technology, safety management, maintenance management, information technology and financial management to vigorously enhance the post-specific skills and expertise standard of employees. The Company established the “Tongda Lecture Hall” to organize special trainings on a regular basis; actively made use of the network platform to encourage autonomous learning by employees, promoted the use of the E-learning online study system, and at the same time, capitalized on functions such as mobile phone user end and online interaction to fully promote the development of the network education platform.
- (5) The Company has expressly stipulated the system for electing and appointing employee representative supervisors in its Articles of Association. Employee representative supervisors are elected democratically by the employee representative general meeting of the Company. Employee representatives supervise the operating activities of the Company and the performance of duties by directors and the senior management. The Company has also formed the labour union and established the employee representative general meeting system to guarantee that employees have adequate rights in decision making involving their vital interests.

3. Protection of the Interests of Suppliers, Customers and Consumers

- (1) The Company persisted in operation according to laws and regulated operation and maintained good business cooperation relationship with suppliers and customers on the principle of honesty and trustworthiness and mutual benefit.
- (2) With building the party’s work style and a clean government as the starting point and taking the party’s mass line education practice activities as an opportunity, the Company actively conducted special activities to combat commercial bribery and consciously resisted commercial bribery and protected the interests of suppliers, customers and consumers.

Section IX Social Responsibility Report

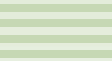
- (3) The Company has implemented various bidding systems and has truly achieved the balance between fairness and efficiency as well as optimal cost and profit through introducing the market mechanism.
- (4) The Company has established a sound feedback system with a specialized department responsible for listening to the opinions and suggestions of suppliers, customers and consumers, accepting questions raised by them, handling their complaints and making targeted improvements based on the actual situation of the Company to ensure that the interests of suppliers, customers and consumers are effectively protected.

IV. Public Welfare Undertakings

The Company includes corporate social responsibility in its corporate culture construction so that public welfare ideology is integrated into the corporate culture. With corporate culture as the guidance, the Company has always incorporated the responsibility and awareness of being concerned about public welfare into the process of the enterprise's development.

In 2015, the Company conducted public welfare activities such as making donations to schools, pair assistance, offering volunteer services to the community and organizing voluntary blood donation. The Company also paid special attention to poverty-stricken areas and the education undertaking. Since 2003, it has begun to establish poverty alleviation points and hope primary schools and donated a large amount of funds to help the poor and support education and called on employees to actively participate in social volunteer and voluntary worker activities.

The Company focuses on developing employees' sense social responsibility and takes organizing moral classes as a carrier to carry forward the core value ideas of socialism and the thinking and behavior of "believing in morality and goodness" so as to guide employees to consciously become communicators and practitioners of morality. Through a vivid form of "people around talk about things around which teach people around (身邊人講身邊事, 身邊事教身邊人)", the Company has created a strong atmosphere of "Learn from Good People and Do Good Things" to let moral and accomplishment education more "down to earth", which has promoted the normalization of the activity of learning from Lei Feng.



V. Environmental Protection and Sustainable Development

1. During the construction of expressways, the Company will adopt effective measures to tackle the environmental problems arising during the construction of expressways.
2. When conducting its business operations, the Company will actively fulfill its environmental protection obligation in strict accordance with local regulations and environmental protection regulations to constantly enhance the protection of the road environment and has adopted many effective ecological protection measures and pollution prevention and control measures, which has minimized the damage caused by road operation to the surrounding environment and effectively protected the living environment of residents along the roads.

- (1) Continuously Improving the Environment along the Roads by Combining with the “Three Lines, Three Sides (三線三邊)” Environmental Management Activity throughout the Province

During the reporting period, to further create a “safe, smooth, clean, green and beautiful” traffic environment, the Company focused on carrying out the special management action in respect of the environment along the roads by combining with the “Three Lines, Three Sides (三線三邊)” environmental management activity throughout the province to improve the quality of the ecological environment.

Through centralized management, provisional results were achieved in environmental management. The Company, through consolidation and enhancement and expansion and extension for one more year, prepares to, by the end of 2016, basically achieve the comprehensive optimization and enhancement of the expressway environment, establish a long-term mechanism for expressway environment management, reinforce the results achieved by “Three Lines, Three Sides (三線三邊)” environment treatment and protect the sustainability of the environment.

- (2) Developing, Applying and Promoting New Technologies, New Processes and New Products to Enhance Capacity for Sustainable Development

The Company actively develops, applies and promotes new technologies, new processes and new products during its maintenance works. While effectively reducing the maintenance costs, the Company has provided more concepts of innovation, ecology and environmental protection to every detail of maintenance to allow the road networks to achieve sustainable development while maintaining safe and smooth traffic.

Section IX Social Responsibility Report

In 2015, the three local standards regarding maintenance comprising “Expressway Maintenance Project Budgeting and Ration”, “Technical Regulations for Expressway Greening, Maintenance and Management” and “Technical Regulations for Expressway Bridge Stretching Repair and Replacement” were prepared and completed by the Company, approved and issued by the provincial quality supervision bureau and were implemented in the whole province on 3 July 2015. “Durable Pavement Design and Reconstruction and Expansion Project Application based on Drainage and Anti-cracking Functions” was awarded “4th Anhui Highway Society Transportation Technology Progress Award (First Prize)”, “Anhui Science and Technology Award (Third Prize)” and “China Highway & Transportation Society Science and Technology Award (First Prize)”. “Anhui Expressway Greening, Maintenance and Management Technology” published by China Agriculture Press is the first monograph about expressway greening and maintenance in China, which can effectively raise the standard of expressway greening, management and maintenance and improve the quality of road greening and landscape. The projects initiated in 2015 are currently advancing steadily and proceeding orderly as planned.

3. The Company attaches importance to developing the environmental awareness of employees and puts emphasis on environmental protection behavior. The Company encourages all employees to use environmental friendly and energy saving products and constantly develops the hygiene and environmental protection awareness of employees by starting from trivial things.

Conclusion

In summary, in 2015, the Company, as a social member, has satisfactorily fulfilled its corresponding social responsibilities in various tasks such as promoting social and economic development, protecting the interests of employees and stakeholders and environmental protection. The Company will take the issuance of this social responsibility report as an opportunity to further enhance its responsibility awareness as a social member so as to repay the community with concrete actions.

This report has been considered and approved by the 14th Meeting of the 7th Session of the Board of Directors of the Company on 25 March 2016. The Board of Directors and all members of the Company accept joint and several responsibilities for the truthfulness, accuracy and completeness of its contents.

Anhui Expressway Company Limited
25 March 2016

Section X Report of the Supervisory Committee

In 2015, 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”, performed their duties prudently and exercised their authority independently according to law in order to ensure the regular operation of the Company and to protect the 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 shareholders’ general meeting by the board of directors; supervising, examining and coordinating the development, execution and improvement of the company’s internal control.

In 2015, the Supervisory Committee held 4 meetings, the notice, convening and resolutions of which were in accordance with the statutory procedures and the Articles of Association of the Company. It attended 7 board meetings and 1 shareholders’ general meeting. During the reporting period, there was no matters in which the Supervisor representative of the Company negotiates with or sues the directors.

The Supervisory Committee issued the following opinions related to relevant items in 2015 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 daily operation and management activities were operated in accordance with the Company Law, Securities Law, Listing Rules, Articles and other provisions. The internal management and control system is constantly perfected. Information was disclosed in a timely, accurate and complete manner. The decision procedures of the Board and the Shareholders’ General Meeting comply with the laws. 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.

II. Financial condition of the Company

The Supervisory Committee carefully examined the 2015 financial report made by the company’s board of directors to be submitted to the shareholders’ meeting and considered that the report fairly reflected the financial situation, operation results and cash-flow of the Company in 2015 in compliance with the provision of laws, regulations and the Articles.

Section X Report of the Supervisory Committee

III. Connected transactions of the Company

The Supervisory Committee reviewed all connected transactions of the Company during the year and forms the opinion that all daily connected transactions in the year were reviewed and performed in strict accordance with the legal procedures. Directors associated with the relevant transactions were abstained from voting. The actual transaction amount of the daily connected transaction in 2015 is within the approved limit. The aforesaid connected transactions are normal operational business of the Company out of production and operational needs. The prices of the connected transactions were fair, reasonable and the transactional decision procedures were in compliance with the law and regulations. The transaction price reflects the principle of equitability and fairness. No act of which is damaging to the interests of the Company and shareholders was reported.

IV. Self-evaluation report on internal control

The Supervisory Committee has conscientiously reviewed the “self-evaluation report on the internal control of the Company of 2015” 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

25 March 2016



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 set out on pages 121 to 213, which comprise the consolidated balance sheet as at 31 December 2015, 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 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 financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25 March 2016

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Consolidated balance sheet

As at 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

ASSETS	Note	As at 31 December	
		2015	2014
Non-current assets			
Concession intangible assets	6	9,245,876	9,222,294
Land use rights	7	11,450	12,407
Property, plant and equipment	8	1,046,208	888,336
Investment properties	9	354,011	372,172
Intangible assets	10	2,388	1,698
Investments in an associate	12	90,788	72,187
Deferred income tax assets	24	51,860	28,910
Available-for-sale ("AFS") financial assets	13	221,126	276,927
		11,023,707	10,874,931
Current assets			
Inventories	15	5,287	2,617
Trade and other receivables	14	310,835	193,300
Restricted cash	16	197,000	97,000
Cash and cash equivalents	16	709,246	462,945
		1,222,368	755,862
Total assets		12,246,075	11,630,793
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	17	1,658,610	1,658,610
Share premium	17	1,415,593	1,415,593
Other reserves	18	118,083	161,060
Retained earnings	33	4,998,212	4,449,189
		8,190,498	7,684,452
Non-controlling interests	11(f)	789,927	847,613
Total equity		8,980,425	8,532,065

Consolidated balance sheet

As at 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

	Note	As at 31 December	
		2015	2014
LIABILITIES			
Non-current liabilities			
Long-term payables	23	956,264	749,815
Borrowings	21	1,052,649	851,438
Deferred income tax liabilities	24	152,014	191,736
Deferred income	19	35,105	37,279
		<u>2,196,032</u>	<u>1,830,268</u>
Current liabilities			
Trade and other payables	20	632,538	716,655
Current income tax liabilities		67,397	96,229
Provision	22	6,896	13,063
Borrowings	21	362,787	442,513
		<u>1,069,618</u>	<u>1,268,460</u>
Total liabilities		<u>3,265,650</u>	<u>3,098,728</u>
Total equity and liabilities		<u>12,246,075</u>	<u>11,630,793</u>

The notes on pages 128 to 213 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 121 to 213 were approved by the Board of Directors on 25 March 2016 and the consolidated balance sheet was signed on its behalf by:

Director (周仁強)

Director (謝新宇)

Consolidated income statement

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Year ended 31 December	
		2015	2014
Revenue	26	3,158,404	3,036,589
Cost of sales	28	(1,800,738)	(1,722,115)
Gross profit		1,357,666	1,314,474
Other gains - net	27	68,371	151,278
Administrative expenses	28	(128,693)	(149,648)
Operating profit		1,297,344	1,316,104
Finance costs	30	(66,560)	(172,689)
Share of profit of an associate	12	18,601	16,214
Profit before income tax		1,249,385	1,159,629
Income tax expenses	31	(290,500)	(300,890)
Profit for the year		958,885	858,739
Attributable to:			
Owners of the Company		929,377	852,105
Non-controlling interests		29,508	6,634
		958,885	858,739
Basic and diluted earnings per share (expressed in RMB per share)	32	0.5603	0.5137

The notes on pages 128 to 213 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

	Year ended 31 December	
	2015	2014
Profit for the year	958,885	858,739
Other comprehensive (loss)/income: <i>Items that may be reclassified subsequently to profit or loss</i>		
Change in value of available-for-sale financial assets, net of tax	13, 24 (41,851)	46,445
Total comprehensive income for the year	917,034	905,184
Attributable to:		
Owners of the Company	887,526	898,550
Non-controlling interests	29,508	6,634
	917,034	905,184

The notes on pages 128 to 213 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Attributable to owners of the Company				Non-controlling Interests	Total
		Ordinary share capital (Note 17)	Share premium (Note 17)	Other reserves	Retained earnings		
Balance at 1 January 2014		<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>
Comprehensive income							
Profit for the year ended 31 December 2014		—	—	—	852,105	6,634	858,739
Other comprehensive income							
– Fair value gains on AFS financial assets, net of tax	13	—	—	46,445	—	—	46,445
Total comprehensive income		<u>—</u>	<u>—</u>	<u>46,445</u>	<u>852,105</u>	<u>6,634</u>	<u>905,184</u>
Others	18	—	—	(1,376)	1,376	—	—
Transactions with owners							
Dividends relating to 2013	33	—	—	—	(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), 23, 24	—	—	—	—	98,941	98,941
Balance at 31 December 2014		<u>1,658,610</u>	<u>1,415,593</u>	<u>161,060</u>	<u>4,449,189</u>	<u>847,613</u>	<u>8,532,065</u>

Consolidated statement of changes in equity

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Attributable to owners of the Company				Non-controlling Interests	Total
		Ordinary share capital (Note 17)	Share premium (Note 17)	Other reserves	Retained earnings		
Comprehensive income							
Profit for the year ended 31 December 2015		—	—	—	929,377	29,508	958,885
Other comprehensive loss							
– Fair value losses on AFS financial assets, net of tax	13	—	—	(41,851)	—	—	(41,851)
Total comprehensive income		—	—	(41,851)	929,377	29,508	917,034
Others	18	—	—	(1,126)	1,126	—	—
Transactions with owners							
Capital redemption of non-controlling interests		—	—	—	—	(15,000)	(15,000)
Dividends relating to 2014	33	—	—	—	(381,480)	—	(381,480)
Dividends paid to non-controlling interests of subsidiaries relating to 2014		—	—	—	—	(83,125)	(83,125)
Difference between the carrying amount and undiscounted amount of interest free loan received from non-controlling interests, net of tax	11(b), 23, 24	—	—	—	—	10,931	10,931
Balance at 31 December 2015		1,658,610	1,415,593	118,083	4,998,212	789,927	8,980,425

The notes on pages 128 to 213 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

	Note	Year ended 31 December	
		2015	2014
Cash flows from operating activities			
Cash generated from operations	35	1,085,983	1,235,927
Interest paid		(80,818)	(162,402)
Income tax paid		(371,697)	(270,934)
Net cash generated from operating activities		633,468	802,591
Cash flows from investing activities			
Purchase of property, plant and equipment		(65,851)	(50,507)
Purchase of intangible assets	8, 10	(1,403)	(107)
Net (increase)/decrease in restricted cash	16	(100,000)	261,403
Net (increase)/decrease in financial products	14	(85,000)	130,000
Proceeds from sales of AFS financial assets	13	—	339,000
Proceeds from sales of property, plant and equipment		452	522
Proceeds from sales of investment properties		10	—
Interest received	27	5,964	40,743
Dividends received from AFS financial assets	14(c)	37,589	106,800
Net cash (used in)/generated from investing activities		(208,239)	827,854
Cash flows from financing activities			
Proceeds from bank borrowings and long-term payables		771,441	959,524
Repayments of bank borrowings		(442,513)	(173,541)
Repayments of corporate bonds		—	(2,000,000)
Repayments of long-term payables to non-controlling interests		(32,952)	(34,826)
Dividends paid to the non-controlling interests		(78,671)	(99,133)
Dividends paid to the Company's shareholders	33	(381,480)	(364,894)
Repayments of share capital to the non-controlling interests		(15,000)	—
Net cash used in financing activities		(179,175)	(1,712,870)
Net increase/(decrease) in cash and cash equivalents		246,054	(82,425)
Cash and cash equivalents at beginning of the year		462,945	545,670
Exchange gains/(losses) on cash and cash equivalents		247	(300)
Cash and cash equivalents at end of the year		709,246	462,945

The notes on pages 128 to 213 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(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 2015, the Group’s toll roads and concession period granted are shown as follows:

Toll road	Length kilometres	Concession periods granted
Hening Expressway	134	From 16 August 1996 to 15 August 2026
National Trunk 205 Tianchang Section	30	From 1 January 1997 to 31 December 2026
Xuanguang Expressway	67	From 1 January 1999 to 31 December 2028
Gaojie Expressway	110	From 1 October 1999 to 30 September 2029
Lianhuo Expressway Anhui Section	54	From 1 January 2003 to 30 June 2032
Xuanguang Expressway Nanhuan Section	17	From 1 September 2003 to 31 December 2028
Ninghuai Expressway Tianchang Section	14	From 18 December 2006 to 17 June 2032
Guangci Expressway	14	From 20 July 2004 to 20 July 2029
Ningxuanhang Expressway Anhui Section	122	Under construction as at 31 December 2015*

* In 2013, the section of Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section was officially opened to traffic. The length of toll road is 46 kilometres and the temporary granted concession period is 5 years starting from 8 September 2013. In 2015, the section of Ningguo to Qianqiuguan of Ningxuanhang Expressway Anhui Section was officially opened to traffic. The length of toll road is 40 kilometres and the temporary granted concession period is 5 years starting from 19 December 2015. The formal granted concession period for Ningxuanhang Expressway Anhui Section will be determined according to future assessment and relevant provisions. As at 31 December 2015, 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 25 March 2016.

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 all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of 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.

2.1.1 Changes in accounting policies and disclosures

(a) *New amendments of HKFRS adopted by the Group in 2015*

The following new amendments of HKFRS have been adopted by the Group for the first time for its financial year beginning on 1 January 2015:

- Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.
- Amendments from annual improvements to HKFRSs – 2010 – 2012 Cycle, on HKFRS 8, ‘Operating Segments’, HKAS 16, ‘Property, Plant and Equipment’ and HKAS 38, ‘Intangible Assets’ and HKAS 24, ‘Related Party Disclosures’.
- Amendments from annual improvements to HKFRSs – 2011 – 2013 Cycle, on HKFRS 3, ‘Business Combinations’, HKFRS 13, ‘Fair Value Measurement’ and HKAS 40, ‘Investment Property’.

The adoption of the above new amendments of HKFRS did not have any significant impact on the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(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 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 during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New standards and amendments of HKFRS issued but are not yet effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group

A number of new standards and amendments of HKFRS are effective for the financial year beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements. 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. These new standards and amendments are set out below:

- HKFRS 14 “Regulatory Deferral Accounts”, effective for annual accounting periods beginning on or after 1 January 2016.
- Amendment to HKFRS 11 “Acquisitions of Interests in Joint Operations”, effective for annual accounting periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”, effective for annual accounting periods beginning on or after 1 January 2016.
- Amendments to HKFRS 10 and HKAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”, effective for annual accounting periods beginning on or after 1 January 2016.
- Amendment to HKAS 27 “Equity Method in Separate Financial Statements”, effective for annual accounting periods beginning on or after 1 January 2016.

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 yet effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group (continued)

- Some amendments included in Annual Improvements 2014 which are effective for annual accounting periods beginning on or after 1 January 2016, including:
 - Amendment to HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”
 - Amendment to HKFRS 7 “Financial Instruments: Disclosures”
 - Amendment to HKAS 19 “Employee Benefits”
 - Amendment to HKAS 34 “Interim Financial Reporting”
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 “Investment Entities: Applying the Consolidation Exception”, effective for annual accounting periods beginning on or after 1 January 2016.
- Amendments to HKAS 1 “Disclosure Initiative”, effective for annual accounting periods beginning on or after 1 January 2016.
- HKAS 15 “Revenue from Contracts with Customers”, effective for annual accounting periods beginning on or after 1 January 2018.
- HKFRS 9 “Financial Instruments” replace the whole of HKAS 39, effective for annual accounting periods beginning on or after 1 January 2018.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(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 interests 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 interests 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.

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 unless the transaction provides evidence of an impairment of the transferred asset. 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 2015
(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 interests 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.

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 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 2015
(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.

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 2015
(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
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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.

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 ("AFS"). 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 interests in unlisted companies (Note 13). 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 2015
(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 Summary of significant accounting policies (continued)

2.12 Financial assets (continued)

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.

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.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.12 Financial assets (continued)

2.12.4 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

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.

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 Summary of significant accounting policies (continued)

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.

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.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

2 Summary of significant accounting policies (continued)

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.

(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.

2 Summary of significant accounting policies (continued)

2.20 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

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.

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.

Notes to the consolidated financial statements

For the year ended 31 December 2015
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2 Summary of significant accounting policies (continued)

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 25.

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.

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 Summary of significant accounting policies (continued)

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 2015
(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 of prior year 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.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Foreign exchange risk (continued)

At 31 December 2015, 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 14,879 thousand (2014: RMB 6,838 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 2015 than 2014 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 2015 and 2014:

Counterparties	As at 31 December	
	2015	2014
Major financial institutes	906,238	559,930

The Group has policies to place its deposits only with major financial institutions. As at 31 December 2015 and 2014, most of cash were deposited with major financial institutions in Mainland China and Hong Kong. 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 14 for details.

The Company's management do not expect any loss from non-performance by the subsidiaries because the financial performance of the subsidiaries is healthy.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(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 interests in unlisted companies which are typically related to the borrowers; and
- Accounts receivable 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 interests 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 2015
(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	
	2015	2014
Pawn loans to customers		
– Real estate backed pawn loans	67,563	84,886
– Forest rights backed pawn loans	63,000	63,000
– Accounts receivable backed pawn loans	22,948	9,059
– Equity interests backed pawn loans	17,250	17,250
– Combination of real estate and equity interest backed pawn loans	11,726	12,000
	182,487	186,195
Less: Impairment allowances		
– Real estate backed pawn loans	(30,532)	(11,520)
– Forest rights backed pawn loans	(44,100)	(44,100)
– Accounts receivable backed pawn loans	(2,204)	(123)
– Equity interests backed pawn loans	(12,075)	(6,900)
– Combination of real estate and equity interest backed pawn loans	(8,208)	(8,400)
	(97,119)	(71,043)
	85,368	115,152

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 2015
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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 interests and accounts receivable 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	
	2015	2014
Pawn loans to customers:		
– Real estate backed pawn loans	37,031	73,366
– Forest rights backed pawn loans	18,900	18,900
– Accounts receivable backed pawn loans	20,744	8,936
– Equity interests backed pawn loans	5,175	10,350
– Combination of real estate and equity interest backed pawn loans	3,518	3,600
	<u>85,368</u>	<u>115,152</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 2015
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3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Pawn loans to customers (Note 14(a)) are summarised as follows:

	As at 31 December	
	2015	2014
Neither past due nor impaired	—	58,195
Past due but not impaired	—	—
Impaired	182,487	128,000
	182,487	186,195
Less: Impairment allowances	(97,119)	(71,043)
	85,368	115,152

(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 21.

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.

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For the year ended 31 December 2015
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3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Group

At 31 December 2015

Bank borrowings, including interest (Note 21)

	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Bank borrowings, including interest (Note 21)	424,509	243,083	424,924	646,341
Trade and other payables, excluding other taxation payables, staff salaries and welfare, current portion of long-term payables and interest payable (Note 20)	541,975	—	—	—
Long-term payables, including interest and current portion (Note 23)	58,250	141,519	207,988	1,290,658

Trade and other payables, excluding other taxation payables, staff salaries and welfare, current portion of long-term payables and interest payable (Note 20)

Long-term payables, including interest and current portion (Note 23)

Group

At 31 December 2014

Bank borrowings, including interest (Note 21)

	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years
Bank borrowings, including interest (Note 21)	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 20)	640,424	—	—	—
Long-term payables, including interest and current portion (Note 23)	47,970	95,050	145,489	1,135,232

Trade and other payables, excluding other taxation payables, staff salaries and welfare, current portion of long-term payables and interest payable (Note 20)

Long-term payables, including interest and current portion (Note 23)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(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 2015, 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 2015 and 2014, the Group's bank borrowings at floating rate were denominated in RMB and HKD. As at 31 December 2015, the Group's bank borrowings to the extent of RMB 961,099 thousand (31 December 2014: RMB 799,282 thousand) and HKD 243,898 thousand (equivalent to RMB 204,338 thousand) (31 December 2014: HKD 120,000 thousand (equivalent to RMB 94,668 thousand)) were issued at floating rates. As at 31 December 2015, if the interest rates had increased or decreased by 0.5%, the finance costs would have been approximately RMB 4,628 thousand (2014: RMB 3,824 thousand) higher or lower.

As at 31 December 2015, the Group's long-term payables of RMB 436,310 thousand (31 December 2014: RMB 234,290 thousand) were at floating rate and expose the Group to cash flow interest rate risk. As at 31 December 2015, if the interest rates had increased or decreased by 0.5%, the finance costs would have been approximately RMB 1,816 thousand (2014: RMB 1,058 thousand) higher or lower. The Group's long-term payables of RMB 551,032 thousand (including current portion of long-term payables) (31 December 2014: 546,603 thousand) were interest free and expose the Group to fair value interest rate risk. The fair value of long-term payables is disclosed in Note 23.

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.

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For the year ended 31 December 2015
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3 Financial risk management (continued)

3.2 Capital risk management (continued)

The gearing ratio of the Group at 31 December 2015 and 2014 were as follows:

	As at 31 December	
	2015	2014
Total borrowings (Note 21)	1,415,436	1,293,951
Long-term payables (Note 23)	987,342	780,893
Less: cash and cash equivalents (Note 16)	(709,246)	(462,945)
Net debts	1,693,532	1,611,899
Total equity	8,980,425	8,532,065
Total capital	10,673,957	10,143,964
Gearing ratio	15.87%	15.89%

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 2015 and 2014.

As at 31 December 2015	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
AFS financial assets	—	—	221,126	221,126
As at 31 December 2014	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
AFS financial assets	—	—	276,927	276,927

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3 Financial risk management (continued)

3.3 Fair value estimation (continued)

The following table presents the changes in level 3 instruments for the year ended 31 December 2015.

	AFS financial assets RMB'000
Opening balance	276,927
Loss recognised in other comprehensive loss	(55,801)
Closing balance	<u>221,126</u>

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

	Fair value as at 31 December 2015	Valuation technique	Unobservable input	Range (weighted average)
AFS financial assets	<u>221,126</u>	Market comparable approach	<u>P/B</u>	<u>10~13/(11.5)</u>

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.

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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.

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.

4 Critical accounting estimates and judgements (continued)

(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 2015 of RMB 6,896 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 22).

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.

(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.

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4 Critical accounting estimates and judgements (continued)

(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.

(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.

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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.

(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 2015 and 2014 are set out as follows:

	Year ended 31 December	
	2015	2014
Toll roads services	3,149,017	3,008,160
Including: revenue from construction or upgrade work under Service Concessions	731,399	697,019
Pawn services	9,387	28,429
	<u>3,158,404</u>	<u>3,036,589</u>

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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 2015 is as follows:

	Year ended 31 December 2015		
	Toll roads services	Pawn services	Total
Revenue			
Segment revenue	3,149,017	9,387	3,158,404
Inter-segment sales	—	—	—
Revenue from external customers	<u>3,149,017</u>	<u>9,387</u>	<u>3,158,404</u>
Results			
Segment gross profit	<u>1,348,369</u>	<u>9,297</u>	<u>1,357,666</u>
Other gains - net	66,390	1,981	68,371
Administrative expenses	(97,284)	(31,409)	(128,693)
Finance costs	(66,560)	—	(66,560)
Share of profits of an associate	18,601	—	18,601
Profit/(loss) before income tax	<u>1,269,516</u>	<u>(20,131)</u>	<u>1,249,385</u>
Other information			
Amortisation of concession intangible assets	508,312	—	508,312
Depreciation of property, plant and equipment	103,147	129	103,276
Depreciation of investment properties	17,812	—	17,812
Amortisation of land use rights	957	—	957
Amortisation of intangible assets	<u>710</u>	<u>3</u>	<u>713</u>

	As at 31 December 2015		
	Toll roads services	Pawn services	Total
Total assets	<u>12,121,482</u>	<u>124,593</u>	<u>12,246,075</u>
Total liabilities	<u>3,262,742</u>	<u>2,908</u>	<u>3,265,650</u>

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5 Segment information (continued)

(b) Segment information (continued)

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
Revenue			
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>
Results			
Segment gross profit	<u>1,288,063</u>	<u>26,411</u>	<u>1,314,474</u>
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	<u>16,214</u>	<u>—</u>	<u>16,214</u>
Profit/(loss) before income tax	<u>1,194,443</u>	<u>(34,814)</u>	<u>1,159,629</u>
Other information			
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>

(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 2015 and 2014, all non-current assets of the Group are located in the PRC.

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For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

6 Concession intangible assets

	As at 31 December	
	2015	2014
Cost	14,484,051	13,956,935
Accumulated amortisation	(5,238,175)	(4,734,641)
Net book amount	9,245,876	9,222,294

	Year ended 31 December	
	2015	2014
Opening net book amount	9,222,294	9,034,524
Additions	731,399	691,565
Transfer out to property, plant and equipment (Note 8)	(199,505)	—
Amortisation charges (Note 28)	(508,312)	(503,795)
Closing net book amount	9,245,876	9,222,294

As at 31 December 2015 and 2014, 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 2033.

As at 31 December 2015, the Group's concession intangible assets of RMB 453,368 thousand (31 December 2014: RMB 1,790,577 thousand) are still under construction. Those constitute property, plant and equipment upon completion are transferred out.

Borrowing costs with the amount of RMB 55,837 thousand (2014: RMB 28,737 thousand), including amortisation of long-term payables to non-controlling interests with the amount of RMB 7,118 thousand (2014: RMB 4,652 thousand) (Note 23), have been capitalised in 2015 at an average interest rate of 5.61% (2014: 6.45%).

Amortisation expenses of RMB 508,312 thousand have been charged in "cost of sales" (2014: RMB 503,795 thousand).

As at 31 December 2015, certain land use right certificates for Ninghuai expressway Tianchang section, Hening expressway, Ningxuanhang expressway Anhui section, one toll station in Guangde and Xuanguang expressway east-west interchange reform have not yet been obtained.

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7 Land use rights

The Group's interests in land use rights represented prepaid operating lease payments and their net book value are analysed as follows:

	As at 31 December	
	2015	2014
Cost	21,039	21,039
Accumulated amortisation	(9,589)	(8,632)
Net book amount	<u>11,450</u>	<u>12,407</u>

	Year ended 31 December	
	2015	2014
Opening net book amount	12,407	9,958
Additions	—	3,249
Amortisation charges (Note 28)	(957)	(800)
Closing net book amount	<u>11,450</u>	<u>12,407</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 957 thousand have been charged in "cost of sales" (2014: RMB 800 thousand).

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8 Property, plant and equipment

	Buildings	Safety, Communication and signalling equipment	Toll station and ancillary equipment	Motor Vehicles	Other machinery and equipment	Construction In progress	Total
At 1 January 2014							
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>
Year ended 31 December 2014							
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 28)	(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>
At 31 December 2014							
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>
Year ended 31 December 2015							
Opening net book amount	438,361	271,737	64,317	24,534	33,745	55,642	888,336
Additions	—	622	3,557	5,885	2,320	53,467	65,851
Disposals	(895)	(1,393)	(1,376)	(322)	(222)	—	(4,208)
Transfers	4,136	2,894	15,339	—	1,378	(23,747)	—
Transfer in from concession intangible assets (Note 6)	87,391	101,975	7,015	—	3,124	—	199,505
Depreciation (Note 28)	(19,461)	(48,554)	(16,181)	(5,377)	(13,703)	—	(103,276)
Closing net book amount	<u>509,532</u>	<u>327,281</u>	<u>72,671</u>	<u>24,720</u>	<u>26,642</u>	<u>85,362</u>	<u>1,046,208</u>
At 31 December 2015							
Cost	646,322	892,974	198,046	88,431	155,065	85,362	2,066,200
Accumulated depreciation	(136,790)	(565,693)	(125,375)	(63,711)	(128,423)	—	(1,019,992)
Net book value	<u>509,532</u>	<u>327,281</u>	<u>72,671</u>	<u>24,720</u>	<u>26,642</u>	<u>85,362</u>	<u>1,046,208</u>

Depreciation expenses of RMB 90,892 thousand have been charged in “cost of sales” (2014: RMB 91,730 thousand); depreciation expenses of RMB 12,384 thousand have been charged in “administrative expenses” (2014: RMB 13,307 thousand).

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

9 Investment properties

	Buildings
At 1 January 2014	
Cost	486,124
Accumulated amortisation	(108,115)
Net book amount	<u>378,009</u>
Year ended 31 December 2014	
Opening net book amount	378,009
Transferred in from property, plant and equipment (Note 8)	11,857
Disposals	(23)
Amortisation expenses (Note 28)	(17,671)
Closing net book amount	<u>372,172</u>
At 31 December 2014	
Cost	497,464
Accumulated amortisation	(125,292)
Net book amount	<u>372,172</u>
Year ended 31 December 2015	
Opening net book amount	372,172
Disposals	(349)
Amortisation expenses (Note 28)	(17,812)
Closing net book amount	<u>354,011</u>
At 31 December 2015	
Cost	496,726
Accumulated amortisation	(142,715)
Net book amount	<u>354,011</u>

Amortisation expenses of RMB 17,812 thousand have been charged in "cost of sales" (2014: RMB 17,671 thousand).

The fair values for the investment properties of the Group as at 31 December 2015 totalled RMB 537,071 thousand (31 December 2014: RMB 540,321 thousand).

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9 Investment properties (continued)

The fair values have been arrived based on the open market valuation performed by Anhui Zhonglian Guoxin Assets Valuation Company Limited (“安徽中聯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.

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

	Year ended 31 December	
	2015	2014
Rental income (Note 26)	52,337	51,796
Direct operating expenses from property that generated rental income	(25,952)	(25,857)
	<u>26,385</u>	<u>25,939</u>

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10 Intangible assets

	Computer Software
At 1 January 2014	
Cost	8,457
Accumulated amortisation	<u>(5,967)</u>
Net book amount	<u>2,490</u>
Year ended 31 December 2014	
Opening net book amount	2,490
Additions	107
Amortisation expenses (Note 28)	<u>(899)</u>
Closing net book amount	<u>1,698</u>
At 31 December 2014	
Cost	8,564
Accumulated amortisation	<u>(6,866)</u>
Net book amount	<u>1,698</u>
Year ended 31 December 2015	
Opening net book amount	1,698
Additions	1,403
Amortisation expenses (Note 28)	<u>(713)</u>
Closing net book amount	<u>2,388</u>
At 31 December 2015	
Cost	9,967
Accumulated amortisation	<u>(7,579)</u>
Net book amount	<u>2,388</u>

Amortisation expenses of RMB 713 thousand have been charged in “administrative expenses” (2014: RMB 899 thousand).

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11 Subsidiaries

The following is a list of the subsidiaries at 31 December 2015:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Paid in, issued and fully paid share capital ('000)	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)	Proportion of preference shares held by the Group (%)
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%	55.47%	44.53%	—
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%	51.00%	49.00%	—
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%	55.47%	44.53%	—
Wan Tong Pawn (d)	The PRC, limited liability company	Pawn, small loan and related services in Anhui province, the PRC	RMB 157,500	71.43%	71.43%	28.57%	—
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	RMB 1,981	100.00%	100.00%	—	—

11 Subsidiaries (continued)

(a) Xuan Guang

Xuan Guang is an equity 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.

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 2015, the net profit portion of the distribution attributable to XCIC amounted to RMB 73,685 thousand (2014: RMB 70,719 thousand); the depreciation and amortisation portion of the distribution attributable to XCIC amounted to RMB 31,078 thousand in 2015 (2014: RMB 31,078 thousand).

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11 Subsidiaries (continued)

(b) Ningxuanhang

Ningxuanhang is an equity 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 interests 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 Transportation Holding Group Co., Ltd. (“安徽省交通控股集團有限公司”, “ATHC”, parent company of the Company, formerly named “Anhui Expressway Holding Co., Ltd.”), 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; ATHC 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, ATHC and XCIC’s equity interests in Ningxuanhang changed to 51%, 39% and 10%, respectively.

The Company, ATHC and XCIC also provided funding to Ningxuanhang in the form of long-term shareholders’ loans. Details of the undiscounted long-term shareholders’ loans in 2015 are as follows:

	The Company		ATHC		XCIC		Total
	Interest free	Interest bearing	Interest free	Interest bearing	Interest free	Interest bearing	
Beginning of the year	587,608	684,540	542,647	234,290	134,818	—	2,183,903
Additions	188,308	398,192	—	202,020	17,323	—	805,843
Ending of the year	<u>775,916</u>	<u>1,082,732</u>	<u>542,647</u>	<u>436,310</u>	<u>152,141</u>	<u>—</u>	<u>2,989,746</u>

The interest rate of interest bearing long-term loans ranged from 4.90% to 6.15% per annum in 2015 (2014: 6.22% to 6.55% per annum).

According to the agreement among the Company, ATHC and XCIC, annual net profit is to be made as dividends to the Company, ATHC 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, ATHC and XCIC in proportion to their respective contributions to Ningxuanhang’s paid-in capital.

11 Subsidiaries (continued)

(b) Ningxuanhang (continued)

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 164,307 thousand of the interest free loan was recognised as an addition to the Company's investment in Ningxuanhang in 2015 (2014: RMB 55,859 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 2015, the sections of Xuancheng to Ningguo and the Ningguo to Qianqiuguan of Ningxuanhang Expressway Anhui Section have been officially opened to traffic (Note 1) and remaining road section is still under construction.

(c) Guangci

Guangci is an equity joint venture established by ATHC and XCIC in July 2004 with an operating period of 25 years. The total registered capital of Guangci was RMB 56,800 thousand. ATHC and XCIC's equity interests in Guangci were 51% and 49%, respectively.

Pursuant to a share transfer agreement dated 21 February 2012 among the Company, ATHC and XCIC, the Company acquired ATHC'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 interests in Guangci were 55.47% and 44.53%, respectively.

(d) Wan Tong Pawn

Wan Tong Pawn is an equity 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 interests in Wan Tong Pawn. Hua Tai invested in RMB 60,000 thousand and held 28.57% equity interests in Wan Tong Pawn.

In September 2015, pursuant to a shareholder agreement, the Company and Hua Tai agreed to redeem their investments of RMB 37,500 thousand and RMB 15,000 thousand respectively as capital redemption from Wan Tong Pawn. After the capital redemption, the total registered capital of Wan Tong Pawn reduced to RMB 157,500 thousand. The Company and Hua Tai held 71.43% and 28.57% equity interests in Wan Tong Pawn.

In 2015, the net losses attributable to the Company amounted to RMB 10,841 thousand (2014: RMB 18,744 thousand); the net losses attributable to Hua Tai amounted to RMB 4,336 thousand (2014: RMB 7,497 thousand).

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11 Subsidiaries (continued)

(e) 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 2015, the Group has finished capital injection and AEHK is still in pre-operation stage.

(f) Material non-controlling interests

As at 31 December 2015 and 2014, the analysis of non-controlling interests is as follow:

	Year ended 31 December	
	2015	2014
Non-controlling interests attributable to		
– Ningxuanhang	414,702	459,479
– Xuan Guang	241,938	239,145
– Guangci	98,520	94,886
– Wan Tong Pawn	34,767	54,103
	<u>789,927</u>	<u>847,613</u>

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11 Subsidiaries (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	
	2015	2014	2015	2014	2015	2014	2015	2014
Current								
Assets	111,543	69,170	127,145	77,465	9,999	8,369	99,416	175,381
Liabilities	(358,353)	(526,672)	(158,857)	(135,586)	(21,542)	(45,258)	(2,908)	(4,402)
Total current net (liabilities)/assets	(246,810)	(457,502)	(31,712)	(58,121)	(11,543)	(36,889)	96,508	170,979
Non-current								
Assets	4,357,212	3,687,788	1,001,217	1,077,257	232,820	250,004	25,177	18,383
Liabilities	(3,228,936)	(2,369,292)	(369,519)	(425,422)	—	—	—	—
Total non-current net assets	1,128,276	1,318,496	631,698	651,835	232,820	250,004	25,177	18,383
Net assets	881,466	860,994	599,986	593,714	221,277	213,115	121,685	189,362

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(All amounts in Renminbi thousand unless otherwise stated)

11 Subsidiaries (continued)

(f) Material non-controlling interests (continued)

Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised income statement

	Ningxuanhang		Xuan Guang		Guangci		Wan Tong Pawn	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	<u>776,559</u>	713,064	<u>433,487</u>	413,739	<u>71,156</u>	66,834	<u>9,387</u>	28,429
(Loss)/profit before income tax	(151,563)	(147,534)	220,647	211,840	47,516	40,787	(20,131)	(34,816)
Income tax income/(expense)	<u>37,873</u>	4,309	<u>(55,175)</u>	(53,027)	<u>(11,882)</u>	(10,262)	<u>4,954</u>	8,574
(Loss)/profit for the year	<u>(113,690)</u>	(143,225)	<u>165,472</u>	158,813	<u>35,634</u>	30,525	<u>(15,177)</u>	(26,242)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive (losses)/income	<u>(113,690)</u>	(143,225)	<u>165,472</u>	158,813	<u>35,634</u>	30,525	<u>(15,177)</u>	(26,242)
Total comprehensive (losses)/income allocated to non-controlling interests	<u>(55,708)</u>	(70,180)	<u>73,684</u>	70,719	<u>15,868</u>	13,592	<u>(4,336)</u>	(7,497)
Dividends paid to non-controlling interests	<u>—</u>	—	<u>70,891</u>	71,004	<u>7,780</u>	12,098	<u>—</u>	9,073

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11 Subsidiaries (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	
	2015	2014	2015	2014	2015	2014	2015	2014
Cash flows from operating activities								
Cash (used in)/ generated from operations	(787,262)	(590,976)	317,875	287,953	63,617	66,081	11,168	36,584
Interest paid	(173,465)	(67,512)	—	—	(946)	(2,522)	—	—
Income tax paid	—	—	(58,195)	(60,492)	(10,987)	(10,164)	(3,464)	(10,678)
Net cash (used in)/ generated from operating activities	(960,727)	(658,488)	259,680	227,461	51,684	53,395	7,704	25,906
Net cash (used in)/ generated from investing activities	(789)	(24)	(13,284)	(923)	(564)	132	(3)	(53)
Net cash generated from/(used in) financing activities	1,001,710	697,500	(233,199)	(237,660)	(51,522)	(54,145)	(52,500)	(31,756)
Net increase/(decrease) in cash and cash equivalents	40,194	38,988	13,197	(11,122)	(402)	(618)	(44,799)	(5,903)
Cash and cash equivalents at beginning of the year	67,014	28,026	42,758	53,880	3,024	3,642	57,650	63,553
Exchange loss on cash and cash equivalents	—	—	—	—	—	—	—	—
Cash and cash equivalents at end of the year	107,208	67,014	55,955	42,758	2,622	3,024	12,851	57,650

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For the year ended 31 December 2015
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12 Investments in an associate

	As at 31 December	
	2015	2014
Beginning of the year	72,187	55,973
Share of an associate's result:		
– Profit before income tax	24,915	21,984
– Income tax expenses	(6,314)	(5,770)
End of the year	<u>90,788</u>	<u>72,187</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
2015							
Anhui Expressway Advertisement Co., Ltd. (“安徽高速傳媒有限公司”, “AEAC”)	Equity capital	The PRC	<u>127,799</u>	<u>37,011</u>	<u>52,716</u>	<u>18,601</u>	<u>38%</u>
2014							
AEAC	Equity capital	The PRC	<u>102,982</u>	<u>30,795</u>	<u>47,471</u>	<u>16,214</u>	<u>38%</u>

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12 Investments in an associate (continued)

Set out below are the summarised financial information of AEAC:

Summarised balance sheet

	AEAC	
	As at 31 December	
	2015	2014
Current		
Assets	109,819	69,577
Liabilities	(97,399)	(81,042)
Total current net assets/(liabilities)	12,420	(11,465)
Non-current		
Assets	226,495	201,430
Liabilities	—	—
Total non-current net assets	226,495	201,430
Net assets	238,915	189,965

Summarised statement of comprehensive income

	AEAC	
	Year ended 31 December	
	2015	2014
Revenue	138,725	124,924
Profit for the year	48,950	42,667
Total comprehensive income for the year	48,950	42,667
Dividends	—	—

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12 Investments in an associate (continued)

Reconciliation of summarised financial information

	AEAC	
	Year ended 31 December	
	2015	2014
Beginning of the year	189,965	147,298
Profit for the year	48,950	42,667
End of the year	238,915	189,965
Equity interests in associate (38%)	90,788	72,187

13 AFS financial assets

	Equity interests in unlisted companies			Total
	AXFG (a)	AXCM (a)	WTMC (b)	
Beginning of the year	261,927	—	15,000	276,927
Fair value losses on AFS financial assets recognised in other comprehensive loss	(55,801)	—	—	(55,801)
Demerger	(76,444)	76,444	—	—
End of the year	129,682	76,444	15,000	221,126

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13 AFS financial assets (continued)

- (a) As at 31 December 2014, the Company held 6.67% 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”).

In April 2015, AXFG implemented equity-based incentives to employee and the total registered capital increased to RMB 3,020,000 thousand. The equity interests in AXFG of the Company reduced to 6.62% respectively.

In June 2015, AXFG was legally divided into two companies, namely AXFG and Anhui Xin'an Capital Operation Management Co., Ltd. (“安徽新安資本運營管理股份有限公司”, “AXCM”) was registered. After the demerger, the registered capital of AXFG and AXCM is RMB 1,900,000 thousand and RMB 1,120,000 thousand respectively. The Company represented 6.62% equity interests both in AXFG and AXCM.

On 12 December 2015, AXFG was listed for public offering on National Equities Exchange and Quotations.

As at 31 December 2015, AFS financial assets represented 6.62% equity interests in AXFG with a fair value of RMB 129,682 thousand (31 December 2014: 6.67% and fair value of RMB 261,927 thousand) and 6.62% equity interests in AXCM with a fair value of RMB 76,444 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”).

14 Trade and other receivables

	As at 31 December	
	2015	2014
Pawn loans to customers (a)	182,487	186,195
Toll roll income receivable (b)	103,523	63,915
Financial products	85,000	—
Dividends receivable (c)	18,212	—
Interests receivable	8,552	2,012
Others	11,797	12,221
	409,571	264,343
Less: Provision for impairment of pawn loans (a)	(97,119)	(71,043)
Provision for other impairment (d)	(1,617)	—
	310,835	193,300

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For the year ended 31 December 2015
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14 Trade and other receivables (continued)

(a) Pawn loans to customers

At 31 December 2015 and 2014, the analysis of pawn loans to customers is as follows:

	As at 31 December	
	2015	2014
Pawn loans to customers		
– Principle	182,487	186,195
– Interest	—	—
	182,487	186,195
Less: Impairment allowances		
– Individually assessed	(80,707)	(60,920)
– Collectively assessed	(16,412)	(10,123)
	(97,119)	(71,043)
Pawn loans to customers, net	85,368	115,152

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 2015 (31 December 2014: bore fixed interest rates ranging from 21.60% to 26.40%). The Group ceased interest accrual once pawn loans were over due.

As 31 December 2015, the Group's pawn loans to certain third party customers with carrying amounts of RMB 20,743 thousand (31 December 2014: nil) were secured by their trade receivables of RMB 83,230 thousand (31 December 2014: nil), which were due from Anhui Expressway Construction Headquarter (“安徽省高等級公路建設指揮部”, “AECH”) and Expressway Properties Group (Fuyang) Co., Ltd. (“高速地產集團阜陽有限公司”), who are subsidiaries of ATHC.

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

	As at 31 December	
	2015	2014
Beginning of the year	(71,043)	(13,028)
Impairment losses recognised (Note 28)	(26,076)	(58,015)
End of the year	(97,119)	(71,043)

- (b) At 31 December 2015, toll roll income receivables mainly represented receivable from Anhui Expressway Network Operations Co., Ltd. of RMB 101,983 thousand (31 December 2014: RMB 62,822 thousand) for uncollected toll road income.

Notes to the consolidated financial statements

For the year ended 31 December 2015
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14 Trade and other receivables (continued)

- (c) AXFG declared a cash dividend of RMB 55,801 thousand (Note 27) to the Company in 2015, RMB 37,589 thousand of which had been received by the Company.
- (d) As of 31 December 2015, other receivables of RMB 2,758 thousand (31 December 2014: nil) were impaired. The amount of the provision was RMB 1,617 thousand (31 December 2014: nil). The individually impaired receivables mainly related to customers of Wan Tong Pawn, which were in unexpectedly difficult economic situations. It was assessed that a portion of the receivables was expected to be recovered. The ageing of these receivables is as follows:

	As at 31 December	
	2015	2014
Up to 1 year	584	—
1 to 2 years	2,174	—
	<u>2,758</u>	<u>—</u>

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

	As at 31 December	
	2015	2014
Beginning of the year	—	—
Impairment losses recognised (Note 28)	(1,617)	—
End of the year	<u>(1,617)</u>	<u>—</u>

- (e) At 31 December 2015 and 2014, the ageing analysis of the trade and other receivables is as follows:

	As at 31 December	
	2015	2014
Up to 1 year	240,215	132,001
1 to 2 years	41,738	112,594
2 to 3 years	108,552	19,504
Over 3 years	19,066	244
	<u>409,571</u>	<u>264,343</u>

As at 31 December 2015 and 2014, all trade and other receivables balances were denominated in RMB. Except for pawn loans to customers and other receivables which are analysed in Note (a) and (d), all trade and other receivables balances were fully performing.

As at 31 December 2015 and 2014, the fair values of the trade and other receivables of the Group, except for the prepayments which are not financial assets, approximated their carrying amounts.

Notes to the consolidated financial statements

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15 Inventories

	As at 31 December	
	2015	2014
Materials for toll road maintenance	<u>5,287</u>	<u>2,617</u>

16 Cash and cash equivalents and restricted cash

	As at 31 December	
	2015	2014
Cash at bank and on hand	906,246	559,945
Less: restricted cash	<u>(197,000)</u>	<u>(97,000)</u>
Cash and cash equivalents	<u>709,246</u>	<u>462,945</u>

The weighted average effective interest rate per annum on cash at bank in 2015 was approximately 1.97% (2014: 1.70%).

As at 31 December 2015, the restricted cash is bank deposit with original maturities over three months, including a bank deposit of RMB 197,000 thousand (31 December 2014: RMB 97,000 thousand) pledged as collateral for the Group's borrowings of HKD 243,898 thousand (equivalent to RMB 204,338 thousand) (31 December 2014: HKD 120,000 thousand, equivalent to RMB 94,668 thousand) (Note 21(b)).

The carrying amounts of cash at bank and on hand are denominated in the following currencies:

	As at 31 December	
	2015	2014
RMB	900,523	556,452
HKD (RMB equivalents)	<u>5,723</u>	<u>3,493</u>
	<u>906,246</u>	<u>559,945</u>

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17 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 2014	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the year	—	—	—	—	—
At 31 December 2014	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the year	—	—	—	—	—
At 31 December 2015	1,165,600	493,010	1,658,610	1,415,593	3,074,203

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.

18 Other reserves

	Capital Surplus	Statutory Surplus Reserve Fund (Note 34(a))	Discretionary Surplus Reserve Fund	Enterprise Safety Fund	Merger Reserve (a)	Excess of the consideration over carrying amount of the non- controlling interests acquired (b)	Fair value change of AFS financial assets net of tax (Note 13)	Total
Balance at 1 January 2014	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
Balance at 31 December 2014	2,243	955,881	658	52,311	(186,362)	(710,116)	46,445	161,060
Usage of Enterprise Safety Fund	—	—	—	(1,126)	—	—	—	(1,126)
Changes in fair value of AFS financial assets, net of tax	—	—	—	—	—	—	(41,851)	(41,851)
Balance at 31 December 2015	2,243	955,881	658	51,185	(186,362)	(710,116)	4,594	118,083

Notes to the consolidated financial statements

For the year ended 31 December 2015
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18 Other reserves (continued)

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

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

For enterprise safety fund, please refer to Note 2.27.

- (a) The merger reserve as at 31 December 2015 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

Merger reserve

As at 31 December 2015 and 2014
28,968
(215,330)
(186,362)

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

Notes to the consolidated financial statements

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19 Deferred income

	As at 31 December	
	2015	2014
Government grants	<u>35,105</u>	<u>37,279</u>

Deferred income represents government grants relating to assets and is amortised over 25 years (Note 2.21).

Amortisation of RMB 2,174 thousand (2014: RMB 2,174 thousand) has been charged in "other gains - net" (Note 27).

20 Trade and other payables

	As at 31 December	
	2015	2014
Payables on acquisition of concession intangible assets	443,265	541,546
Payables on repair and maintenance projects	3,715	2,476
Deposits for construction projects	70,016	69,769
Toll road fees collected on behalf	5,983	10,286
Other taxation payables	23,254	16,908
Staff salaries and welfare	27,004	25,964
Dividends payable	4,453	—
Current portion of long-term payables (Note 23)	31,078	31,078
Interest payable	9,227	2,281
Others	14,543	16,347
	<u>632,538</u>	<u>716,655</u>

As at 31 December 2015, trade and other payables of RMB 227,638 thousand were aged over one year (2014: RMB 243,678 thousand). These payables were mainly for construction projects and will be settled after project completion.

As at 31 December 2015 and 2014, all trade and other payables were denominated in RMB.

As at 31 December 2015 and 2014, the fair values of trade and other payables, except for staff salaries and welfare, approximated their fair values.

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For the year ended 31 December 2015
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21 Borrowings

	As at 31 December 2015		As at 31 December 2014	
	Interest rate per annum	Amount	Interest rate per annum	Amount
Non-current				
Long-term bank borrowings denominated in RMB - secured				
– Guaranteed (a)	4.655%-5.150%	774,578	5.843%-6.550%	579,781
Long-term bank borrowings denominated in HKD - secured				
– Pledged (RMB equivalents) (b)	1.998%	103,802	1.74%	94,668
Long-term bank borrowings denominated in RMB				
– Unsecured (a)	4.410%-5.535%	174,269	5.535%-5.895%	176,989
		<u>1,052,649</u>		<u>851,438</u>
Current				
Short-term bank borrowings denominated in RMB				
– unsecured	4.815%	250,000	5.040%-5.150%	400,000
Current portion of long-term bank borrowings denominated in HKD				
– Pledged (b)	1.758%	100,536	—	—
Current portion of long-term bank borrowings denominated in RMB				
– Pledged	—	—	5.760%-6.400%	34,050
– Guaranteed (a)	4.900%	9,532	5.843%-6.550%	6,248
– Unsecured (a)	5.535%-5.895%	2,719	5.535%-5.895%	2,215
		<u>362,787</u>		<u>442,513</u>
Total borrowings		<u><u>1,415,436</u></u>		<u><u>1,293,951</u></u>

- (a) The bank borrowings of RMB 203,700 thousand were guaranteed by XCIC, a non-controlling interest of subsidiaries; RMB 580,410 thousand were guaranteed by the ATHC; and RMB 176,988 thousand were guaranteed by the Company as at 31 December 2015 (31 December 2014: RMB 167,000 thousand were guaranteed by XCIC, a non-controlling interest of subsidiaries; RMB 419,029 thousand were guaranteed by the ATHC; and RMB 179,204 thousand were guaranteed by the Company).
- (b) The bank borrowings of HKD 243,898 thousand (equivalent to RMB 204,338 thousand) were pledged by bank deposit of RMB 197,000 thousand as at 31 December 2015 (31 December 2014: HKD 120,000 thousand (equivalent to RMB 94,668 thousand) were pledged by bank deposit of RMB 97,000 thousand) (Note 16).

Notes to the consolidated financial statements

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21 Borrowings (continued)

At 31 December 2015 and 2014, the Group's borrowings are repayable as follows:

	As at 31 December	
	2015	2014
Within 1 year	362,787	442,514
Between 1 and 2 years	121,596	106,919
Between 2 and 5 years	377,906	145,842
Over 5 years	553,147	598,676
	<u>1,415,436</u>	<u>1,293,951</u>

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

	As at 31 December	
	2015	2014
Expiring within one year	<u>7,435,670</u>	<u>5,971,310</u>

The exposure of the Group's bank borrowings to interest rate changes and the contractual repricing dates at the end of reporting period are as follows:

	As at 31 December	
	2015	2014
Within 1 year	<u>1,415,436</u>	<u>1,293,951</u>

As at 31 December 2015 and 2014, the fair values of current and non-current borrowings approximated their carrying amounts as the discounting impact is not significant.

22 Provision - maintenance/resurfacing obligations (Note 4(b))

Balance at 1 January 2015	13,063
Addition of provision	101,616
Utilisation of provision	<u>(107,783)</u>
Balance at 31 December 2015	<u>6,896</u>

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23 Long-term payables

	As at 31 December	
	2015	2014
Long-term payables to XCIC (Note 11(a) (b))		
Beginning of the year	340,647	347,164
Additions	2,748	5,881
– interest - free loans	2,748	5,881
– interest - bearing loans	—	—
Repayments	(32,952)	(34,826)
Revaluation	—	1,116
Amortisation - capitalised in concession intangible assets (Note 6)	481	37
Amortisation - charged to income statement (Note 30)	20,069	21,275
End of the year	330,993	340,647
Long-term payables to ATHC (Note 11(b))		
Beginning of the year	440,246	328,242
Additions	202,020	96,968
– interest - free loans	—	22,678
– interest - bearing loans	202,020	74,290
Revaluation	—	3,340
Amortisation - capitalised in concession intangible assets (Note 6)	6,637	4,615
Amortisation - charged to income statement (Note 30)	7,446	7,081
End of the year	656,349	440,246
Long-term payables - total	987,342	780,893
Less: current portion of long-term payables (Note 20)	(31,078)	(31,078)
	956,264	749,815

As at 31 December 2015, the interest rate of interest bearing long-term loans ranged from 5.15% to 6.15% (31 December 2014: 6.22% to 6.55%).

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23 Long-term payables (continued)

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

	Carrying Amounts As at 31 December		Fair Values As at 31 December	
	2015	2014	2015	2014
Long-term payables to ATHC	656,349	440,246	707,055	452,669
Long-term payables to XCIC	330,993	340,647	356,746	341,372
	987,342	780,893	1,063,801	794,041

The fair values of long-term payables are based on cash flows discounted using 4.90%, the annual interest rate published by the People's Bank of China for long-term bank loans as at 31 December 2015 (31 December 2014: 6.15%).

The undiscounted amounts of long-term payables (including current portion) are as follows:

	As at 31 December	
	2015	2014
Long-term payables to ATHC	978,957	776,937
Long-term payables to XCIC	501,200	516,829
	1,480,157	1,293,766

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24 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:

		As at 31 December	
		2015	2014
Deferred tax assets:			
– Deferred tax to be realised after more than 12 months		85,153	43,431
– Deferred tax to be realised within 12 months		8,608	10,150
		<u>93,761</u>	<u>53,581</u>

		As at 31 December	
		2015	2014
Deferred tax liabilities:			
– Deferred tax to be settled after more than 12 months		(181,718)	(206,529)
– Deferred tax to be settled within 12 months		(12,197)	(9,878)
		<u>(193,915)</u>	<u>(216,407)</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:

	Accounting for government grants	Provision	Accrued bonus	Accounting for interest bearing shareholder's loans	Tax losses carried forward	Total
Deferred income tax assets						
Balance at 1 January 2014	9,863	7,667	6,341	13,603	—	37,474
Deferred taxation (debited)/credited to income statement	(543)	13,360	—	3,290	—	16,107
Balance at 31 December 2014	9,320	21,027	6,341	16,893	—	53,581
Deferred taxation (debited)/credited to income statement	(543)	5,381	—	2,761	32,581	40,180
Balance at 31 December 2015	<u>8,777</u>	<u>26,408</u>	<u>6,341</u>	<u>19,654</u>	<u>32,581</u>	<u>93,761</u>

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24 Deferred tax assets and liabilities

Deferred income tax liabilities	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 13)	Others	Total
Balance at 1 January 2014	(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)
Balance at 31 December 2014	(25,442)	(3,991)	(133,961)	(35,332)	(15,482)	(2,199)	(216,407)
Deferred taxation credited to income statement	2,163	345	6,879	2,395	—	403	12,185
Deferred taxation credited to other comprehensive income	—	—	—	—	13,951	—	13,951
Deferred taxation debited to equity (a)	—	—	(3,644)	—	—	—	(3,644)
Balance at 31 December 2015	<u>(23,279)</u>	<u>(3,646)</u>	<u>(130,726)</u>	<u>(32,937)</u>	<u>(1,531)</u>	<u>(1,796)</u>	<u>(193,915)</u>

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24 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 ATHC (Note 23), which was treated as shareholder contribution and recorded as a credit item in the equity.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. In 2015, the Group did not recognise deferred income tax assets of RMB 10 thousand (2014: RMB 32,545 thousand) in respect of losses amounting to RMB 62 thousand (2014: RMB 130,178 thousand) that can be carried forward against future taxable income. Carrying forward of these tax losses will expire, if unused, between 2018 and 2019 while RMB 62 thousand of which will not be expired.

Offsetting of deferred tax assets and liabilities:

	As at 31 December	
	2015	2014
Deferred tax assets	(41,901)	(24,671)
Deferred tax liabilities	41,901	24,671

The net values of deferred assets and liabilities taking into consideration the offsetting of balances are set out as follows:

	As at 31 December	
	2015	2014
Deferred tax assets	51,860	28,910
Deferred tax liabilities	(152,014)	(191,736)

25 Retirement benefit obligations

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% (2014: 20%) 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 retired before 31 December 2015. As at 31 December 2015, the retired employees of the Group were 59 (31 December 2014: 59).

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

26 Revenue

	Year ended 31 December	
	2015	2014
Toll income from toll roads operation	2,330,197	2,223,793
Revenue from construction or upgrade work under Service Concessions	731,399	697,019
Rental income	52,337	51,796
– from toll gas stations (a)	25,890	25,890
– from toll road service sectors (b)	10,080	10,080
– from other investment properties	16,367	15,826
Service income from roads emergency assistance	11,206	20,735
Service income from management of toll roads (Note 37(b))	22,866	13,437
Interest income from pawn loans to customers	9,387	28,429
Others	1,012	1,380
	<u>3,158,404</u>	<u>3,036,589</u>

- (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 will be terminated by 31 March 2018.
- (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

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

27 Other gains - net

	Year ended 31 December	
	2015	2014
Dividend income	55,801	71,800
Interest income	14,435	39,052
Amortisation of government grants relating to assets (Note 19)	2,174	2,174
Gains from disposal of AFS financial assets	—	39,000
Loss from disposal on property, plant and equipment (Note 35)	(3,756)	(12)
Loss from disposal on investment properties (Note 35)	(339)	(23)
Others	56	(713)
	68,371	151,278

28 Expenses by nature

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

	Year ended 31 December	
	2015	2014
Costs payable to vendors for construction or upgrade work under the Service Concessions (Note 2.6)	731,399	697,019
Depreciation and amortisation expenses (Notes 6,7,8,9,10)	631,070	628,202
Employee benefit expenses (Note 29)	249,622	232,291
Repair expenses	101,616	79,387
Taxes related to revenue (a)	87,181	84,101
Auditor's remuneration		
– Annual audit services	2,480	2,400
Impairment for pawn loans to customers (Note 14)	26,076	58,015
Impairment for other receivables (Note 14)	1,617	—
Others	98,370	90,348
	1,929,431	1,871,763

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

28 Expenses by nature (continued)

(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.

29 Employee benefit expenses

	Year ended 31 December	
	2015	2014
Salaries and wages	174,513	166,889
Supplementary pension insurance	3,326	4,867
Other welfares	71,783	60,535
	<u>249,622</u>	<u>232,291</u>

As at 31 December 2015, the number of employees was 2,141 (31 December 2014: 1,579).

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for 2015 include one director and one chief executive (2014: one director and one supervisor), whose emoluments are reflected in Note 40. The emoluments to the remaining three (2014: three) individuals during the year are as follows:

	Year ended 31 December	
	2015	2014
Salaries and wages	1,392	1,689
Supplementary pension insurance	123	119
	<u>1,515</u>	<u>1,808</u>

The emoluments fell within the following bands:

	Year ended 31 December	
	2015	2014
Nil to HKD1,000,000 (equivalent to RMB837,000)	<u>3</u>	<u>3</u>

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

30 Finance costs

	Year ended 31 December	
	2015	2014
Interest expense on:		
– bank borrowings	39,045	38,062
– corporate bonds	—	106,271
– interest paid	—	100,000
– amortisation of corporate bonds	—	6,271
– amortisation of long-term payables (Note 23)	27,515	28,356
	<u>66,560</u>	<u>172,689</u>

31 Taxation

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

	Year ended 31 December	
	2015	2014
Current taxation - CIT (a)	342,865	318,354
Deferred taxation credited to the consolidated income statement (Note 24)	(52,365)	(17,464)
	<u>290,500</u>	<u>300,890</u>

(a) Hong Kong profits tax and the PRC Corporate Income 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 (except AEHK), associated companies is 25%. And the CIT rate applicable to AEHK is 16.5%.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

31 Taxation (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 2014 which was paid to foreign shareholders until 31 December 2015.

- (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	
	2015	2014
Profit before income tax	<u>1,249,385</u>	<u>1,159,629</u>
Tax calculated at domestic tax rates applicable to profits in the respective countries	312,351	289,907
Expenses not deductible for tax purpose	233	411
Income not subject to income tax	(22,094)	(22,003)
Tax adjustment made after tax filing by tax bureau	—	30
Deductible tax losses not recognised as deferred tax assets during the year	<u>10</u>	<u>32,545</u>
Tax charges	<u><u>290,500</u></u>	<u><u>300,890</u></u>

32 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.

	Year ended 31 December	
	2015	2014
Profit attributable to equity holders of the Company	929,377	852,105
Weighted average number of ordinary shares in issue (thousand)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	<u><u>0.5603</u></u>	<u><u>0.5137</u></u>

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

33 Dividends

The dividends paid during the years ended 31 December 2015 and 2014 were RMB 381,480 thousand (RMB 0.23 per share) and RMB 364,894 thousand (RMB 0.22 per share) respectively. A final dividend in respect of 2015 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 2016. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2015	2014
Proposed final dividend of RMB 0.23 (2014: RMB 0.23) per ordinary share	<u>381,480</u>	<u>381,480</u>

34 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 2015 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. As at 31 December 2015, the retained earnings in the Company's financial statements prepared in accordance with HKFRS amounted to RMB 4,461,627 thousand, which was lower than the retained earnings reflected in the Company's statutory financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

35 Notes to consolidated cash flow statement

Reconciliation from profit before income tax to net cash inflow from operating activities:

	Year ended 31 December	
	2015	2014
Profit before income tax	<u>1,249,385</u>	<u>1,159,629</u>
Adjustments for:		
Settlement of revenue in form of concession intangible assets	(806,073)	(697,019)
Amortisation of concession intangible assets (Note 6)	508,312	503,795
Depreciation of property, plant and equipment (Note 8)	103,276	105,037
Depreciation of investment property (Note 9)	17,812	17,671
Amortisation of land use rights (Note 7)	957	800
Amortisation of intangible assets (Note 10)	713	899
Impairment for pawn loans to customers (Note 14)	26,076	58,015
Impairment for other receivables (Note 14)	1,617	—
Loss on disposal of property, plant and equipment (Note 27)	3,756	12
Loss on disposal of investment properties (Note 27)	339	23
Share of profit of an associate (Note 12)	(18,601)	(16,214)
Dividend income (Note 27)	(55,801)	(71,800)
Gain from disposal of AFS financial assets (Note 27)	—	(39,000)
Interest income	(12,504)	(38,753)
Interest expenses (Note 30)	66,560	172,689
Operating profit before working capital changes	<u>1,085,824</u>	<u>1,155,784</u>
(Increase)/decrease in inventories	(2,670)	1,207
Decrease in provision	(6,167)	(4,575)
(Increase)/decrease in trade and other receivables	(14,323)	81,869
Increase in trade and other payables	23,319	1,642
Cash generated from operating activities	<u>1,085,983</u>	<u>1,235,927</u>

Non-cash transaction

Non-cash transaction refers to the settlement of revenue in form of concession intangible assets.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

36 Commitments

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

	Year ended 31 December	
	2015	2014
Contracted but not provided for		
– Concession intangible assets	398,386	944,971
– Property, plant and equipment	1,063	—
	<u>399,449</u>	<u>944,971</u>

37 Related party transactions

The Company's parent company is ATHC, a state-owned enterprise established in Anhui Province, the PRC, and is controlled by the PRC government. It owns a significant portion of the expressway assets in Anhui Province.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include ATHC and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and ATHC as well as their close family members.

37 Related party transactions (continued)

(a) Name of related party and relationship

Name	Relationship with the Group
ATHC	Parent company
XCIC	Non-controlling interest of Xuan Guang, Ningxuanhang and Guangci
AEAC	Associate
WTMC	Subsidiary of ATHC
YTMC	Subsidiary of ATHC
AEPC	Subsidiary of ATHC
AECH	Subsidiary of ATHC
Anlian Expressway Co., Ltd. ("安徽省安聯高速公路有限公司", "ALEC")	Subsidiary of ATHC
Anhui Fuzhou Expressway Co., Ltd. ("安徽省阜周高速公路有限公司", "AFEC")	Subsidiary of ATHC
Anhui Wuyan Expressway Co., Ltd. ("安徽省蕪雁高速公路有限公司", "AWEC")	Subsidiary of ATHC
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 ATHC
Anhui Modern Transportation Facilities Co., Ltd. ("安徽省現代交通設施工程有限公司", "MTFC")	Subsidiary of ATHC
Anhui Expressway Finance Lease Co., Ltd. ("安徽高速融資租賃有限公司", "AWFC")	Subsidiary of ATHC
Anhui Expressway Experiment Research Centre ("安徽省高速公路試驗檢測科研中心", "AERC")	Subsidiary of ATHC
Hefei Bangning Property Management Company ("合肥市邦寧物業管理有限公司", "BNMC")	Subsidiary of ATHC
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 ATHC
Anhui Transport Consulting & Design Institute Co., Ltd. ("安徽省交通規劃設計研究總院股份有限公司", "ATCD")	Subsidiary of ATHC

Notes to the consolidated financial statements

For the year ended 31 December 2015
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37 Related party transactions (continued)

(b) Related party transactions

Same as disclosed elsewhere in this report, during the years ended 31 December 2015 and 2014, the Group had the following significant transactions with related parties:

(i) Service income from management of toll roads

	Year ended 31 December	
	2015	2014
ATHC	19,197	9,598
ALEC	2,497	2,497
AFEC	1,003	1,003
AWEC	169	339
	<u>22,866</u>	<u>13,437</u>

(ii) Rental income

	Year ended 31 December	
	2015	2014
AEPC	26,357	26,362
YTMC	11,135	11,074
ATHC	2,930	2,334
AECH	2,536	1,909
MTFC	797	707
ALEC	584	573
AEAC	486	735
AWFC	442	444
WTMC	223	193
BNMC	29	17
	<u>45,519</u>	<u>44,348</u>

Notes to the consolidated financial statements

For the year ended 31 December 2015
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37 Related party transactions (continued)

(b) Related party transactions (continued)

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

	Year ended 31 December	
	2015	2014
MTFC	29,427	4,650
BNMC	3,185	4,095
AERC	2,643	3,175
AEPMC	2,564	3,047
ATCD	136	—
	<u>37,955</u>	<u>14,967</u>

It mainly represented payable to above related parties for construction and testing services in connection with Ningxuanhang Expressway Anhui Section's construction, and property management service in connection with High-tech Park, which is owned by the Company.

(iv) Rental expenses

	Year ended 31 December	
	2015	2014
XCIC	<u>250</u>	<u>400</u>

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

	Year ended 31 December	
	2015	2014
ATHC	<u>22,575</u>	<u>4,760</u>

(vi) Paid and payable for advertisement service

	Year ended 31 December	
	2015	2014
AEAC	<u>—</u>	<u>60</u>

Notes to the consolidated financial statements

For the year ended 31 December 2015
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37 Related party transactions (continued)

(b) Related party transactions (continued)

(vii) Guarantee received

The long-term bank borrowings of RMB 203,700 thousand and RMB 580,410 thousand were guaranteed by XCIC and ATHC respectively (Note 21).

(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	
	2015	2014
Salaries and other short-term employee benefits	2,202	1,959

(c) Related party balances

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

	As at 31 December	
	2015	2014
YTMC	156	79
AEAC	150	—
	306	79

(ii) Trade payables

	As at 31 December	
	2015	2014
MTFC	8,366	5,798
APEMC	2,840	2,132
AERC	1,249	1,667
AEPC	960	960
AEAC	85	85
ATCD	63	—
BNMC	30	30
	13,593	10,672

Notes to the consolidated financial statements

For the year ended 31 December 2015
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37 Related party transactions (continued)

(c) Related party balances (continued)

(iii) Other payables

	As at 31 December	
	2015	2014
YTMC	6,611	8,411
ATHC	832	495
MTFC	640	586
ATPEC	100	100
WTMC	100	100
AETMC	39	139
AEPC	6	6
AERC	3	100
AEAC	2	2
XCIC	—	500
	<u>8,333</u>	<u>10,439</u>

(iv) Dividends payable

	As at 31 December	
	2015	2014
XCIC	<u>4,453</u>	<u>—</u>

(v) Long-term payables (including current portion)

	As at 31 December	
	2015	2014
ATHC	656,349	440,246
XCIC	330,993	340,647
	<u>987,342</u>	<u>780,893</u>

As at 31 December 2015 and 2014, amounts due from and due to the related parties as aforementioned, except for long-term payables to XCIC and ATHC as disclosed in Note 23, mainly arose from the above transactions and payments made by the Group and related parties on behalf of each other. These amounts are unsecured, interest-free and are repayable within 1 year.

Notes to the consolidated financial statements

For the year ended 31 December 2015
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38 Events after the balance sheet date

- (a) Pursuant to a resolution of the Board of Meeting on 25 March 2016, a cash dividend of RMB 381,480 thousand was proposed for the year ended 31 December 2015. Please refer to Note 33 for details.

39 Balance sheet and reserves movements of the Company

	As at 31 December	
	2015	2014
ASSETS		
Non-current assets		
Concession intangible assets	4,575,294	4,956,545
Land use rights	11,450	12,407
Property, plant and equipment	632,947	666,906
Investment properties	336,684	353,991
Intangible assets	1,370	520
Investments in subsidiaries	1,048,973	920,185
Loans to subsidiaries	1,455,763	1,048,587
Investments in an associate	18,999	18,999
AFS financial assets	221,126	276,927
	8,302,606	8,255,067
Current assets		
Inventories	4,957	2,457
Trade and other receivables	268,825	168,981
Restricted cash	197,000	97,000
Cash and cash equivalents	528,598	292,498
	999,380	560,936
Total assets	9,301,986	8,816,003
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Ordinary share capital	1,658,610	1,658,610
Share premium	1,415,593	1,415,593
Other reserves (note (a))	949,399	992,376
Retained earnings (note (a))	4,461,627	3,894,732
Total equity	8,485,229	7,961,311

Notes to the consolidated financial statements

For the year ended 31 December 2015
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39 Balance sheet and reserves movements of the Company (continued)

	As at 31 December	
	2015	2014
LIABILITIES		
Non-current liabilities		
Borrowings	103,802	94,668
Deferred income tax liabilities	22,849	30,996
Deferred income	35,105	37,279
	<u>161,756</u>	<u>162,943</u>
Current liabilities		
Trade and other payables	246,674	195,729
Current income tax liabilities	51,161	83,223
Provisions	6,630	12,797
Borrowings	350,536	400,000
	<u>655,001</u>	<u>691,749</u>
Total liabilities	<u>816,757</u>	<u>854,692</u>
Total equity and liabilities	<u>9,301,986</u>	<u>8,816,003</u>

The balance sheet of the Company was approved by the Board of Directors on 25 March 2016 and was signed on its behalf by:

Director (周仁強)

Director (謝新宇)

Notes to the consolidated financial statements

For the year ended 31 December 2015
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39 Balance sheet and reserves movements of the Company (continued)

(a) Reserves movements of the Company

	Retained earnings	Other reserves
Balance at 1 January 2014	3,322,938	947,307
Profit for the year	935,312	—
Dividends paid relating to 2013	(364,894)	—
Usage of Enterprise Safety Fund	1,376	(1,376)
Changes in fair value of AFS financial assets, net of tax	—	46,445
	<hr/>	<hr/>
Balance at 31 December 2014	3,894,732	992,376
Profit for the year	947,249	—
Dividends paid relating to 2014	(381,480)	—
Usage of Enterprise Safety Fund	1,126	(1,126)
Changes in fair value of AFS financial assets, net of tax	—	(41,851)
	<hr/>	<hr/>
Balance at 31 December 2015	<u>4,461,627</u>	<u>949,399</u>

Notes to the consolidated financial statements

For the year ended 31 December 2015
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40 Benefits and interests of directors

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2015:

Name	Fees	Salaries	Contribution to retirement benefit scheme	Other benefits	Total
Executive directors					
Mr. Zhou Renqiang	—	—	—	—	—
Mr. Li Junjie	—	—	—	—	—
Mr. Chen Dafeng	—	—	—	—	—
Mr. Xie Xinyu (i)	—	492	41	—	533
Non-executive directors					
Mr. Meng Jie (i)* (retired)	—	—	—	—	—
Mr. Wu Xinhua	—	—	—	—	—
Mr. Ni Shilin*	—	—	—	—	—
Independent directors					
Mr. Yang Mianzhi	80	—	—	—	80
Mr. Hu Bin	60	—	—	—	60
Mr. Jiang Yifan	120	—	—	—	120
Supervisors					
Mr. Qian Dongsheng	—	—	—	—	—
Mr. Yang Yicong	—	87	17	—	104
Mr. Wang Wenjie* (retired)	—	—	—	—	—
Ms. He Kun*	—	—	—	—	—
Chief executive					
Mr. Xu Zhen*	—	517	34	—	551
Mr. Xu Yiming	—	266	34	—	300
Mr. Li Huimin	—	17	4	—	21
Ms. Han Rong	—	391	41	—	432
	260	1,770	171	—	2,201

* Mr. Meng Jie and Mr. Wang Wenjie retired from the position on 22 May 2015. Mr. Ni Shilin and Ms. He Kun were appointed as director and supervisor effective from 22 May 2015. Mr Xu Zhen was appointed as chief executive effective from 27 March 2015.

(i) In 2015, Mr. Xie Xinyu and Mr. Meng Jie also acted as the chief executive of the Company.

Those directors and supervisors who did not receive any remuneration from the Group during 2015 also have positions in the Company's two largest shareholders (ATHC and China Merchants Huajian Highway Investment Co., Ltd.) who borne all of their remuneration and did not recharge any amount to the Group. Same for 2014.

Notes to the consolidated financial statements

For the year ended 31 December 2015
(All amounts in Renminbi thousand unless otherwise stated)

40 Benefits and interests of directors (continued)

(a) Directors' and chief executive's emoluments (continued)

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2014:

Name	Fees	Salaries	Contribution to retirement benefit scheme	Other benefits	Total
Executive directors					
Mr. Zhou Renqiang	—	—	—	—	—
Mr. Tu Xiaobei* (retired)	—	—	—	—	—
Mr. Li Junjie	—	—	—	—	—
Mr. Li Jiezhi* (retired)	—	—	—	—	—
Mr. Chen Dafeng*	—	—	—	—	—
Mr. Xie Xinyu (i)*	—	458	40	—	498
Non-executive directors					
Mr. Meng Jie (i)	—	127	—	—	127
Mr. Wu Xinhua	—	—	—	—	—
Independent directors					
Mr. Cui Yunfei* (retired)	85	—	—	—	85
Mr. Yang Mianzhi	35	—	—	—	35
Mr. Hu Bin	80	—	—	—	80
Mr. Jiang Yifan*	80	—	—	—	80
Supervisors					
Mr. Wang Weisheng* (retired)	—	—	—	—	—
Mr. Qian Dongsheng*	—	—	—	—	—
Mr. Yang Yicong	—	430	40	—	470
Mr. Wang Wenjie	—	—	—	—	—
Chief executive					
Mr. Sheng Yao	—	215	20	—	235
Mr. Liang Bing	—	215	20	—	235
Ms. Han Rong	—	101	13	—	114
	<u>280</u>	<u>1,546</u>	<u>133</u>	<u>—</u>	<u>1,959</u>

* Mr. Li Jiezhi retired from the position on 28 March 2014 and Mr. Tu Xiaobei, Mr. Cui Yunfei and Mr. Wang Weisheng retired from the position on 16 August 2014. Mr. Chen Dafeng, Mr. Xie Xinyu, Mr. Jiang Yifan and Mr. Qian Dongsheng were appointed as directors and supervisor effective from 17 August 2014.

(i) In 2014, Mr. Xie Xinyu and Mr. Meng Jie also acted as the chief executive of the Company.

40 Benefits and interests of directors (continued)

(b) Directors' retirement benefits

There is no retirement benefits by a defined benefit pension plan operated by the Group.

(c) Directors' termination benefits

There is no directors' termination benefits operated by the Group.

(d) Consideration provided to third parties for making available directors' services

For the years ended 31 December 2015 and 2014, no consideration was provided to third parties for making available directors' services.

(e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors

For the years ended 31 December 2015 and 2014, there were no loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors.

Section XII 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 (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-01	Announcement Of the recombination between controlling shareholder and Anhui province traffic investment group co., LTD	China Securities Journal, the Shanghai Securities News	6 January 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-02	Announcement of the performance of controlling shareholders to take larger shares	China Securities Journal, the Shanghai Securities News	13 January 2015	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		9 March 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-2014 Annual Results		29 March 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Replace the directors, supervisors, hiring company general manager and deputy general manager		29 March 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-Continued Connected Transaction		29 March 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
	H Share Announcement-Continued Connected Transaction		29 March 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-03	The resolutions of the 5th meeting of the 7th Board	China Securities Journal, the Shanghai Securities News	30 March 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-04	Announcement of the resolutions of the 4th meeting of the 7th Supervisory Committee	China Securities Journal, the Shanghai Securities News	30 March 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-05	Announcement of the Appointments for the company senior management personnel	China Securities Journal, the Shanghai Securities News	30 March 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn ,

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-06	the Announcement of estimating daily Connected Transactions of 2015	China Securities Journal, the Shanghai Securities News	30 March 2015	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 Annual General Meeting Notice		2 April 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-07	Announcement of the notice of 2014 Annual General Meeting	China Securities Journal, the Shanghai Securities News	3 April 2015	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 April 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement-2015 First Quarterly Report		28 April 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
	H Share Announcement-Continued Connected Transaction		28 April 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-08	Announcement Of the progress between controlling shareholder and Anhui province traffic investment group co., LTD	China Securities Journal, the Shanghai Securities News	13 May 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-09	Announcement of Purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	15 May 2015	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 Voting Result of the Annual General Meeting held on 22 May 2015 and changes of Director and director of the committee members		22 May 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
	H Share Announcement-List of the Board of Directors and its roles and functions		22 May 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-10	Announcement of the Resolutions of the 2014 Annual General Meeting	China Securities Journal, the Shanghai Securities News	23 May 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn ,
2015-11	The resolutions of the 7th meeting of the 7th Board	China Securities Journal, the Shanghai Securities News	23 May 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-12	Announcement of purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	20 June 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-13	H Share Announcement - Distribution of Final Dividend to Holders of H Shares and Holders of A Shares		12 July 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-13	Announcement of Implementation of profit distribution of 2014	China Securities Journal, the Shanghai Securities News	13 July 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-14	Announcement Of Commitment of The Controlling Shareholders not to reduce Shares	China Securities Journal, the Shanghai Securities News	11 July 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-15	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	14 July 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-16	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	18 July 2015	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 - Holding Date of the Board of Directors Meeting		7 August 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-17	Announcement Of The stock price abnormal fluctuation	China Securities Journal, the Shanghai Securities News	20 August 2015	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 2015		23 August 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-18	Announcement Of The Resolutions Of The 8th Meeting Of The 7th Board	China Securities Journal, the Shanghai Securities News	24 August 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-19	Announcement Of Purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	2 Septmber 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-20	Announcement Of reduction of Registered capital of Wantong Pawn	China Securities Journal, the Shanghai Securities News	18 Septmber 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-21	Announcement Of Purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	24 Septmber 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-22	Announcement Of Purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	1 October 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-23	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	13 October 2015	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 - Holding Date of the Board of Directors Meeting		14 October 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-24	Announcement Of Purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	15 October 2015	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—2015 Third Quarterly Report		28 October 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-25	Announcement Of Purchasing Bank Financial Products	China Securities Journal, the Shanghai Securities News	31 October 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-26	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	6 November 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-27	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	18 November 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn ,
2015-28	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	26 November 2015	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 (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-29	Announcement Of approval of listing in National Equities Exchange and Quotations of Xin'an Financial Group	China Securities Journal, the Shanghai Securities News	2 December 2015	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 – Appointment of Deputy General Manager		16 December 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
	H Share Announcement – Continuing Connected Transactions		17 December 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn, Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-30	Announcement Of Redemption Of Principal And Earnings Of Bank Financial Products	China Securities Journal, the Shanghai Securities News	17 December 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn, Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
2015-31	Announcement Of The Resolutions Of The 11th Meeting Of The 7th Board	China Securities Journal, the Shanghai Securities News	17 December 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-032	Appointment of Deputy General Manager	China Securities Journal, the Shanghai Securities News	17 December 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-033	Appointment of Newly Added Daily Connected Transaction of 2015	China Securities Journal, the Shanghai Securities News	17 December 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Section XII Documents Available for Inspection

Number	Items	Newspapers designated for publishing reports	Publishing date (Should the document be uploaded on both the websites of Shanghai Stock Exchange and Hong Kong Stock Exchange, the publishing date of the document on the website of Shanghai Stock Exchange should prevail)	Website designated for disclosure of reports
	H Share Announcement—Announcement in relation to establishment of toll stations for the operation of Ningxuanhang Expressway (Ningguo to Qianqiuguan section)		30 December 2015	Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk
2015-034	Announcement in relation to establishment of toll stations for the operation of Ningxuanhang Expressway (Ningguo to Qianqiuguan section)	China Securities Journal, the Shanghai Securities News	31 December 2015	Website of the Shanghai Stock Exchange: www.sse.com.cn , Website of the Stock Exchange of Hong Kong Limited: www.hkex.com.hk

Appendix:

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 2015, it was under construction.

Note: On 8 September 2013, the section of Xuancheng to Ningguo of Ningxuanhang Expressway Anhui Section was officially opened to traffic for trial operation. The length of toll road is 46 kilometres and the temporary granted concession period is 5 years starting from September 2013 and ending in September 2018. In December 2015, the section of Ningguo to Qianqiuguan of Ningxuanhang Expressway was officially opened to traffic. The length of toll road is 40 kilometres and the temporary granted concession period is 5 years starting from December 2015 to December 2020. The formal granted concession period will be determined according to future assessment and relevant provisions.

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.

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 Jieqidun 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 Jieqidun, 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	RMB3 per vehicle
Small tractors (including manual tractors) and other four-wheeled small and simple mechanical vehicles	RMB5 per vehicle
Passenger wagons below 20 seats	RMB10 per vehicle
Passenger wagons between 20 and 50 seats (including 50 seats)	RMB15 per vehicle
Passenger wagons over 50 seats	RMB25 per vehicle

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	≤10tonnes	10 tonnes < Gross weight of goods vehicle < 40 tonnes	>40 tonnes
Basic toll rate	RMB0.09/tones for every km	RMB0.09/tones for every km and will be for every km linearly reduced to RMB0.05/tones for every km	RMB0.05/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 RMB20, RMB20 shall be charged
 3. The toll charges less than RMB2.5 will be rounded down, for RMB2.51-RMB7.5 will be rounded down to the nearest RMB5, and for RMB7.51-RMB9.99 will be rounded up to the nearest RMB10.

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	>40tonnes
Basic toll rate	RMB1.5/ton vehicle	RMB1.5/ton vehicle and will be linearly reduced to RMB1.1/ton vehicle	RMB1.1/ton vehicle

- Notes
1. If the toll chargeable is less than RMB10, RMB10 shall be charged
 2. The toll charges will be rounded up. For expressways, less than RMB2.5 will be rounded down to the nearest RMB10, for RMB2.51-RMB7.5 will be rounded down to the nearest RMB5, and for RMB7.51-RMB9.99 will be rounded up to the nearest RMB10.

Extra tolls to be imposed on overloaded goods vehicles:

1. Overweight within 30% (including 30%), adjusted toll rate is RMB0.09/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 RMB0.09/tonne per kilometer.
3. Overweight more than 100%, adjusted toll rate is 6 times of RMB0.09/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



- Priority National Trunk Highways
- Remaining Eight National Trunk Highways

The Map of the Highway Network of Anhui Province





Anhui Expressway Company Limited