



Anhui Expressway Company Limited

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



2016
INTERIM REPORT

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IMPORTANT NOTICE

1. The board of the directors ("Board"), the supervisory committee and the directors ("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 individually and jointly accept responsibility as to the truthfulness, accuracy and completeness of its contents.

2. Information of unattended Directors

Duty of unattended Directors	Name of unattended Directors	Cause description of unattended Directors	Name of trustee
Director	Wang Xiufeng	official business	Du Jian
independent Director	Yang Mianzhi	official business	Jiang Yifan

3. The financial statements were unaudited but were reviewed by the audit committee of the Company.

4. Mr. Zhou Qiaochuanfu, Chairman, Mr. Xuzhen, responsible for the accountant work and Mr. Xiao Guangzhuo, manager of the Financial Department of the Company hereby confirm that the financial statements contained in the interim Report are true 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: Nil

6. The forward-looking risk statement Please refer to Section IV, Report of the Board of Directors for the potential risks of the Company. Forward looking statements, including future plan and development strategy, contained in this report do not constitute a real commitment to investors by the Company. Investors should be reminded of such investment risks.

7. If there were extraordinary use of funds by the controlling shareholder and its related parties? No

8. If there was offering for security in violation of specified procedure? No

SECTION I DEFINITIONS

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)
"Expressway Media"	Means	Anhui Expressway Media Company Limited
"Guangci Company"	Means	Xuancheng Guangci Expressway Company Limited
"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
"Ningxuanhang Company"	Means	Means Anhui Ningxuanhang Expressway Investment Company Limited
"Guangci Company"	Means	Xuancheng City Guangci Expressway Limited Liability Company
"Wantong Pawn"	Means	Hefei Wan Tong Pawnshop Co., Limited
"Wantong Micro Credit"	Means	Hefei Wantong MicroCredit Company Limited
"HK Subsidiary"	Means	Anhui Expressway (H.K.) Limited

SECTION II CORPORATE PROFILE

1. Company Information

Official Chinese name of the Company	安徽皖通高速公路股份有限公司
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	Qiao Chuanfu

2. Contact Person and Contact Details

	Secretary to the Board	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 interim report assigned by the China Securities Regulatory Commission	http://www.sse.com.cn http://www.hkex.com.hk http://www.anhui-expressway.net
Addresses designated for keeping interim 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	SSE	Anhui Expressway	600012	—
H Shares	SEHK	Anhui Expressway	0995	—

6. Changes in Registration of the Company during the six months ended 30 June 2016 (the "Reporting Period")

Date of Registration	1996-08-15
Place of Registration	520 Wangjiang West Road, Hefei, Anhui, the PRC
Registration number of license of the business corporation	91340000148973087E (1-1)
The number on the tax registration certificate	91340000148973087E (1-1)
Organizing institution bar code	91340000148973087E (1-1)
Search index of Change in registration during the reporting period	none

7. Corporate Profile

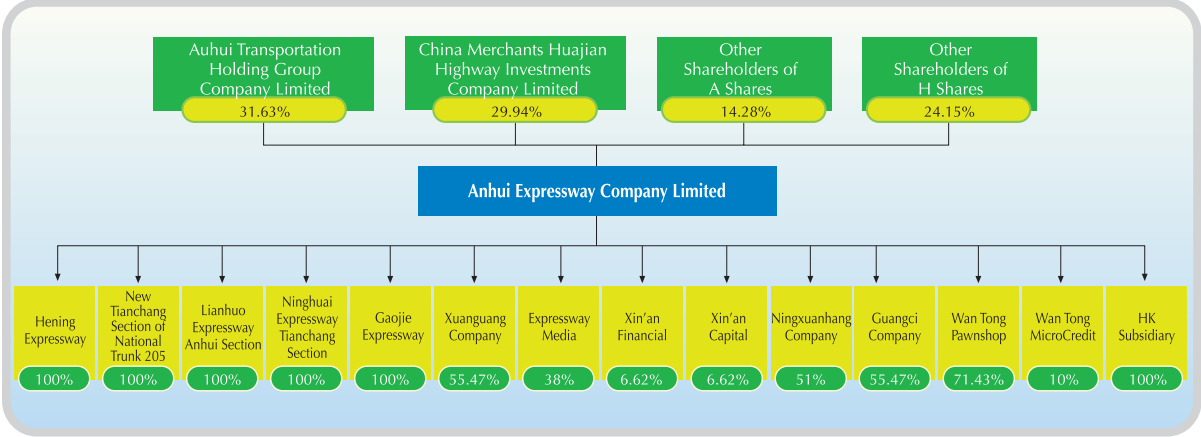
Anhui Expressway Company Limited (the "Company") was incorporated on 15 August 1996 as a joint stock limited company in Anhui Province, the People's Republic of China (the "PRC"). The registered capital is RMB1,658,610,000.

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

The Company 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 SEHK (Stock code: 0995). On 7 January 2003, A Shares issued by the Company were listed on SSE (Stock code: 600012).

The core business of the Company is the investment, construction, operation and management of toll roads. The Company owns total or partial equities of Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Xuanguang Section), Ninghuai Expressway Tianchang Section and Lianhuo Expressway Anhui Section (G30 Lianhuo Expressway Anhui Section) and Ningxuanhang Expressway Xuancheng-Ningguo Section, which are toll highways in Anhui Province. As of 30 June 2016, the operation mileage which the Company manages has reached 526km and the total assets are about RMB12,845,464.

As of 30 June 2016, the structure of the Company, subsidiaries and associated companies (the "Group"):



SECTION III ACCOUNTING DATA AND BUSINESS HIGHLIGHTS

I. Main accounting data and financial statistics (unaudited)

1. Main Accounting Data

Unit: RMB

Main Accounting Data	2016	2015	Change as
	(January-June)	(January-June)	compared to the corresponding period last year (%)
Operating income	1,250,002,931.80	1,201,948,179.40	4.00
Net profit attributable to shareholders of the Company	481,661,753.04	470,895,413.84	2.29
Net profit after extraordinary items attributable to shareholders of the Company	480,896,964.72	471,688,639.23	1.95
Net cash flows from operating activities	868,455,029.00	733,239,039.01	18.44
			Change as
			compared to the
			corresponding
			period last year (%)
	As at 30 June 2016	As at the end of 2015	
Net assets attributable to shareholders of the Company	8,223,119,657.71	8,116,573,929.83	1.31
Total assets	12,845,463,690.52	12,140,702,151.14	5.80

2. *Main Financial Statistics*

Financial statistics	2016 (January-June)	2015 (January-June)	Change as compared to the corresponding period last year (%)
Basic earnings per share (RMB/share)	0.2904	0.2839	2.29
Diluted earnings per share (RMB/share)	0.2904	0.2839	2.29
Basic earnings per share after extraordinary items (RMB/share)	0.2899	0.2844	1.93
Returns on net assets (weighted average) (%)	5.81	6.06	-0.25
Returns on net assets after extraordinary items (weighted average) (%)	5.80	6.07	-0.27

II. **Major difference between financial statements prepared in accordance with different accounting standards**

Applicable Not applicable

1. *Difference of net profit and net assets attributable to shareholders of the Company between international accounting standard and the PRC accounting standard*

Applicable Not applicable

2. *Differenece of net profit and net assets attributable to shareholders of the Company between the Hong Kong accounting standard and the PRC accounting standard*

√ Applicable □ Not applicable

Unit: 000' Currency: RMB

	Net profit		Net assets attributable to shareholders of the 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	481,662	470,895	8,223,120	8,116,574
Projects and amount adjusted according to HK accounting standards				
Valuation and depreciation/ amortization and deferred taxes	-4,240	-4,240	69,684	73,924
Reconciliation to HK accounting standards	477,422	466,655	8,292,804	8,190,498

3. *The note for difference between financial statements prepared in accordance with different accounting standards:*

In order to issue "H" shares in Hong Kong, the highway franchise, fixed assets and land use rights of the Company were valued by a PRC certified public valuer and an international certified public valuer on 30 April and 15 August 1996 respectively, which were incorporated into the financial statements prepared in accordance with HKFRS. The fair value valued by the international certified public valuer is higher than the PRC certified public valuer's result by RMB 319,000,000. 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.

III. Non-recurring Profit or Loss Items and Amounts

√ Applicable □ Not applicable

Unit: RMB

Non-recurring Profit or Loss Items	Amounts	Note (if applicable)
Gains and losses from disposals of non-current assets	-181,055.87	Gains from disposals of fixed assets
Government subsidies charged to the current gains/ losses (excluding those closely related to the Company's normal operations, subsidised in accordance with the government policies or regulations, subsidised in a standardised amount or being continuously subsidised in a constant amount)	1,086,393.84	Being the income amount of construction funds subsidies of Ninghuai Expressway (Tianchang Section) provided by Jiangsu Provincial Expressway Construction Head quarter (attached to the Transportation Department of Jiangsu Province) received in 2007 and the income amount of construction funds subsidies of Hening Expressway and Guojie Expressway provided by Anhui Provincial Expressway Construction Headquarter (attached to the Transportation Department of Anhui Province) received in 2010 amortized in first half of 2016
Other non-operating revenue and expenditure	124,188.50	
Effect of minority shareholders' interests	-7,356.53	
Effects of income tax	-257,381.62	
Total	<u>764,788.32</u>	

IV. Prepared in accordance with accounting principles generally accepted in the HK Accounting Standards (unaudited)

Abstract of Results

	For the six months ended 30 June		
	2016 (RMB'000)	2015 (RMB'000)	Change (%)
Turnover	1,358,149	1,418,259	-4.24
Earnings before Income Tax	628,038	621,196	1.10
Profit attributable to Equity Holders of the Company	477,422	466,655	2.31
Basic Earnings Per Share attributable to Equity Holders of the Company (RMB)	0.2878	0.2814	2.27

Abstract of Assets

	On 30 June	On 31 December	Change (%)
	2016 (RMB'000)	2015 (RMB'000)	
Total Assets	12,947,542	12,246,075	5.73
Total Liabilities	3,931,927	3,265,650	20.40
Total Net Assets (Assets and Reserve attributable to Equity Holders of the Company)	8,292,804	8,190,498	1.25
Net Asset Value Per Share (RMB)	5.00	4.94	1.21

SECTION IV REPORT OF THE BOARD OF DIRECTORS

I. Board of directors' discussion and analysis on operation situation of the Company during the report period

During the Reporting Period, with macroeconomic downturn and the heavier pressure of stable growth, the group continued to insist on maintaining stability, forged ahead, worked hard, and better achieved expected goals made at the beginning of the year.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group achieved a revenue of RMB 1,250,003 thousand (Corresponding period in 2015: RMB1,201,948 thousand), representing an increase of 4.00% compared with that of the corresponding period of last year. The total profit was RMB633,796 thousand (Corresponding period in 2015: RMB626,954 thousand), representing an increase of 1.09% compared with that of the corresponding period of last year. Unaudited net profit attributable to shareholders of the parent company reached RMB481,662 thousand (Corresponding period in 2015: RMB470,895 thousand), representing an increase of 2.29% compared with that of the corresponding period of last year. Basic earnings per share was RMB0.2904 (Corresponding period in 2015: RMB0.2839), representing an increase of 2.29% compared with that of the corresponding period of last year.

In accordance with HKAS, the Group achieved a revenue of RMB1,358,149 thousand (Corresponding period in 2015: RMB1,418,259 thousand), representing a decrease of 4.24% compared with that of the corresponding period of last year; profit before income tax was RMB628,038 thousand (Corresponding period in 2015: RMB621,196 thousand), representing an increase of 1.10% compared with that of the corresponding period of last year; unaudited profit attributable to equity holders of the Company was RMB477,422 thousand (Corresponding period in 2015: RMB466,655 thousand), representing an increase of 2.31% compared with that of the corresponding period of last year; basic earnings per share was RMB0.2878 (Corresponding period in 2015: RMB0.2814), representing an increase of 2.27% compared with that of the corresponding period of last year.

Toll Expressway Business

During the Reporting Period, the Group achieved total toll income of RMB1,207,460 thousand (Corresponding period in 2015: RMB1,151,410 thousand), representing an increase of 4.87% compared with that of the corresponding period of last year, and it basically achieved the goal made at the beginning of the year.

The slow growth of the economy, the free and favorable policy, the impact of the road network and other factors were the main factors which influenced the toll revenue.

In the first half of 2016, the national and regional economic growth became stable and the main economic indicators became better. The growth rate of national GDP in the first half of the year is 6.7%, and the GDP growth rate of Anhui province in the first half of year is 8.6%. The influence of the slow growth of economy is that the growth of the goods vehicles volumes is slower than the passenger vehicles volumes, and thus the percentage of the passenger vehicles becomes larger. During the reporting period, passenger vehicles volumes and goods vehicles volumes has grown by 16.42% and 4.55% respectively compared with that of the corresponding period of last year.

During the Reporting Period, it continued to implement all toll-free policies. The total amount of all deductions of favorable policies of the Group was RMB 324,410 thousand (the corresponding period of 2015: RMB308,170 thousand), representing an increase of 5.27% compared with that of the corresponding period of last year. Among which are:

The exempted amount of green passing cars was about RMB175,320 thousand (the corresponding period of 2015: RMB163,530 thousand), representing an increase of 7.21%, the number of the exempted cars reached 564,000;

The exempted amount in the Spring Festival, Qing Ming Festival and the International Labor Day was RMB118,800 thousand (the corresponding period of 2015: RMB114,820 thousand), representing an increase of 3.47%, the number of the exempted cars reached 2,970,100;

Anhui transportation card holders have enjoyed credit card preference amounting to approximately RMB 16,630 thousand off (the corresponding period of 2015: RMB15,200 thousand), which has increased 9.41% compared with last year;

The amount of other policy exemptions was RMB13,660 thousand (the corresponding period of 2015: RMB14,630 thousand), representing a decrease of 6.63%.

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

Operation of each road in the first half of 2016:

Items	Interests	Converted average daily traffic volumes for entire journey (vehicle)			Toll income (RMB'000)		
		First half of 2016	First half of 2015	Flux (%)	First half of 2016	First half of 2015	Flux (%)
Hening Expressway	100%	25,950	25,087	3.44	475,399	470,820	0.97
New Tianchang Section of National Trunk 205	100%	5,027	4,762	5.56	27,235	24,262	12.25
Gaojie Expressway	100%	14,047	11,810	18.94	270,275	239,931	12.65
Xuanguang Expressway	55.47%	21,715	19,762	9.88	229,357	216,651	5.86
Lianhuo Expressway Anhui Section	100%	12,856	11,146	15.34	103,645	103,199	0.43
Ninghuai Expressway Tianchang Section	100%	34,076	30,255	12.63	51,594	48,432	6.53
Guangci Expressway	55.47%	21,892	18,982	15.33	39,035	35,271	10.67
Ningxuanhang Expressway	51%	3,903	2,578	51.40	21,901	12,844	70.52

Items	Interests	Ratio of passenger vehicles to goods vehicles		Toll income per vehicle (RMB)		Flux (%)
		First half of 2016	First half of 2015	First half of 2016	First half of 2015	
		Hening Expressway	100%	76:24	75:25	
New Tianchang Section of National Trunk 205	100%	34:66	36:64	4,988	4,468	11.64
Gaojie Expressway	100%	65:35	65:35	13,500	12,051	12.02
Xuanguang Expressway	55.47%	77:23	77:23	15,002	14,250	5.28
Lianhuo Expressway Anhui Section	100%	74:26	71:29	10,546	10,559	-0.12
Ninghuai Expressway Tianchang Section	100%	81:19	80:20	20,249	19,113	5.94
Guangci Expressway	55.47%	81:19	81:19	15,320	13,919	10.07
Ningxuanhang Expressway	51%	84:16	83:17	1,399	1,543	-9.33

Notes:

1. Ningxuanhang Expressway (Ningguo to Qianjiuguan section) was officially open to traffic on 19 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.
3. All of toll income above include tax.

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 Hening Expressway increased by 0.97% 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 previously diverged to Ninghuai Expressway due to traffic limit of Nanjing Yangtze River Second Bridge had been reflowed to National Trunk 205. On the other hand, because of the effect of the increasing strength of the government overtaking Ninghuai Expressway, vehicles diverged to National Trunk 205. Thus, the toll revenue of New Tianchang Section of National Trunk 205 increased by 12.25% compared with that of the corresponding period of last year.

Yuwu Expressway and Tongnanxuan Expressway opened to traffic at the end of 2015 and the passage from Hangzhou and Shanghai etc. to Wuhan through our province has been linked. The created positive effect on the profitability of Xuanguang Expressway, Guangci Expressway and Gaojie Expressway. During the Reporting Period, the toll revenue of the preceding three expressways increased by 5.86%, 10.67% and 12.65% respectively compared with those of the corresponding period of last year.

During the Reporting Period, the vehicle volume and toll revenue of Lianhuo Expressway increased by 15.34% and 0.43% respectively compared with those of the corresponding period of last year as the number of goods vehicles decreased as a result of the influence of regional economy. The increase of vehicle volume was mainly due to increase in passenger vehicles.

During the Reporting Period, under the positive influence of diversion due to the opening of Ningqian Section at the end of 2015 and that the Xuanning Section was benefited from the opening of Ningji Expressway and Lihu Expressway Jiangsu Section, the toll revenue of Ningxuanhang Expressway increased by 70.52% compared with that of the corresponding period of last year.

General achievements of the pawn business

In June 2012, the Company and Huatai 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 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 had no revenues mainly because the Company suspended loan services and focused on collecting outstanding pawn loans. The provision for impairment for the period under review reached RMB 2,770 thousand, which is the main reason of the loss, and the accumulated provision for impairment as at the end of the Reporting Period reached RMB99,970 thousand. During the Reporting Period, Wantong Pawn achieved a total profit of RMB-3,580 thousand (2015: RMB-10,950 thousand) with a decrease in deficit of 67.31% year-on-year. The net profit was RMB-2,710 thousand (2015: RMB-8,220 thousand) with a decrease in deficit of 66.99% year-on-year.

II. Main business analysis (in accordance with the PRC Accounting Standards)

1. Sheet of Variation Analysis of Related Subjects of financial statement

Unit:RMB

Items	Current period	Last year	Flux (%)
Operating income	1,250,002,931.80	1,201,948,179.40	4.00
Operating costs	512,618,843.06	490,454,872.17	4.52
Administrative expenses	41,871,542.84	49,864,490.25	-16.03
Finance costs	56,215,271.09	25,457,876.13	120.82
Cash flows from operating activities	868,455,029.00	733,239,039.01	18.44
Cash flows from investing activities	-271,157,900.62	-533,841,967.99	N/A
Cash flows from financing activities	272,282,960.26	-113,386,325.91	N/A

The change of operating income was mainly due to the increase of the toll revenue of the Group during the Reporting Period as compared with that of last year.

The change of operating costs was mainly because the Ningqian Section of Ningxuanhang Company began to depreciate and amortize since it has been opened to traffic in December 2015.

The change of administrative expenses was mainly due to the slight decline of the number of administrative staff member of the Company.

The change of finance costs was mainly because the interest on borrowings began to be expensing since the Ningqian Section of Ningxuanhang Company has been opened to traffic in December 2015.

The change of cash flows from operating activities was mainly due to the increase of toll revenue and the decrease of operating expense of the Company during the Reporting Period as compared with that of the corresponding period of last year.

The change of cash flows from investing activities was mainly due to the decrease of the investment amount since the project of the Ningqian Section of Ningxuanhang Company has been completed in 2015.

The change of cash flows from financing activities was because the Company borrowed the long-term loan of RMB0.6 billion.

(1) Operating income

During the Reporting Period, the Group achieved the operating income of RMB1,250,003 thousand, representing an increase of 4.00% over the corresponding period of the previous year. Among it, the toll income is the main revenue source of the Group. The concrete analysis about the revenue listed as follows:

Unit: RMB'000

Operating income	The first half of 2016	Percentage (%)	The first half of 2015	Percentage (%)	Flux (%)
Expressway business	1,250,003	100.00	1,194,497	99.38	4.65
Toll income	1,207,460	96.60	1,151,410	95.80	4.87
Service area income	16,763	1.34	17,085	1.42	-1.88
Other business income	25,780	2.06	26,002	2.16	-0.85
Pawn business	0.00	0.00	7,451	0.62	-100.00
Total	1,250,003	100.00	1,201,948	100.00	4.00

(2) Operating Cost

A. Cost analysis statement

Unit: RMB'000

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	Amount of the same period of the previous Year (%)	Amount of	Notes
						Compared with the same period over the last year (%)	
Tollways business	Depreciation and amortization	338,887	66.11	300,208	61.21	12.88	mainly because the maintenance cost for expressways decreased as compared to that of the corresponding period of last year
	Roads repairing expenses	58,686	11.45	86,640	17.67	-32.26	mainly because the maintenance cost for expressways decreased as compared to that of the corresponding period of last year
	Other cost	115,046	22.44	103,607	21.12	11.04	mainly due to the increase of the salaries of workers at the production line and networking operation management fees compared with those of the corresponding period of last year
	Total	<u>512,619</u>	<u>100.00</u>	<u>490,455</u>	<u>100.00</u>	<u>4.52</u>	
Pawn business		0	0	0	0	0	

Anhui Expressway Company Limited

In terms of products

Products	Cost structure items	Amount of current period	Percentage	Amount of the same period of the previous year	Amount of the same period of the previous Year (%)	Amount of current period	Notes
			of amount of current period over the total cost (%)			Compared with the same period over the last year (%)	
Tollways business	Depreciation and amortization	338,887	66.11	300,208	61.21	12.88	mainly because the Ningqian Section of Ningxuanhang Company began to depreciate and amortize since it has been opened to traffic in December 2015
	Roads repairing expenses	58,686	11.45	86,640	17.67	-32.26	mainly because the maintenance cost for expressways decreased as compared to that of the corresponding period of last year
	Other cost	115,046	22.44	103,607	21.12	11.04	mainly due to the increase of the salaries of worker at the production line and networking operation management fees compared with that of the corresponding period of last year
	Total	<u>512,619</u>	<u>100.00</u>	<u>490,455</u>	<u>100.00</u>	<u>4.52</u>	
Pawn business		0	0	0	0	0	
Total cost	Total	<u><u>512,619</u></u>	<u><u>100.00</u></u>	<u><u>490,455</u></u>	<u><u>100.00</u></u>	<u><u>4.52</u></u>	

Notes: For the reason that the products which the pawn industry operated are quite special, the financing expenditure related to the monetary is accounted in the main business cost, while daily operation expenditure is accounted in administrative expenses and other expenditure items. During the Reporting Period, Wantong Pawn did not get financing, thus no main business cost occurred.

B. Principal customers and suppliers information

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

(3) Expenses**Administrative expenses**

During the Reporting Period, the Group's administrative expenses were RMB41,872 thousand (2015: RMB 49,864 thousand), representing a decrease of 16.03% from the same period in 2015. Such decrease was mainly because the decrease of the number of administrative members of the Company.

Finance costs

During the Reporting Period, the Group's finance costs were RMB 56,215 thousand (2015: RMB25,458 thousand), representing an increase of 120.81% from the same period in 2015. The decrease of finance costs was mainly because the interest on borrowings began to be expensing since the Ningqian Section of Ningxuanhang Company has been opened to traffic in December 2015.

Income tax

During the Reporting Period, except for HK Subsidiary, applicable income tax of the Company, the Company's subsidiaries and affiliates were 25% (2015: 25%).

During the Reporting Period, income tax expenses of the Group were RMB159,586 thousand (2015: RMB137,725 thousand), representing an increase of 15.87% from the corresponding period in 2015. That was mainly caused by the increase of prime operating of the company during the Reporting Period compared with that of the corresponding period of last year.

Value-Added Tax

Since 1 May 2016, the Group has comprehensively implemented the replacement of business tax with value-added tax ("VAT"). The Company, Xuanguang Company, Ningxuanhang Company and Guangci Company charge a VAT through a simplified method on 3% and 5% of the toll income; a tax rate of 0% applies to road damage compensation income; the tax rates for roads assistance service income, expressway entrusted management income, service area operating income are all 6%; VAT charged through a simplified method on rental income is 5%; the tax rate for Wantong Pawn's interest income from pawn loans to customers is 6%.

(4) Cash flows

During the Reporting Period, the Group's net cash inflows from operating activities were RMB868,455 thousand (2015: RMB733,239 thousand), representing an increase of 18.44% compared with that of the corresponding period last year, mainly due to the increase of the operating income compared with that of the corresponding period of last year.

During the Reporting Period, the Group's net cash outflows from investing activities were RMB-271,158 thousand (2015: RMB-533,842 thousand), mainly due to the decrease of the investment amount since the project of the Ningqian Section of Ningxuanhang Company has been completed in December 2015.

During the Reporting Period, the Group's net cash outflows from financing activities were RMB272,283 thousand (2015: RMB-133,386 thousand), mainly because the Group borrowed bank loans of RMB0.6 billion from China Development Bank during the Reporting Period.

During the Reporting Period, the Group's bank loans were RMB672,030 thousand. At the end of the Reporting Period, the balance of bank loans was RMB1,835,463 thousand, of which the short-term loan balance was RMB0; the long-term loan balance was RMB1,835,463 thousand with annual interest rate between 1.2% and 4.9% which included a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway. The principal will be repaid between 2016 and 2035.

The Group was awarded with good credit ratings. As at 30 June 2016, the total credit facilities granted during the year was RMB8.217 billion, and the facilities not yet utilized were RMB7.127 billion.

2. Others

(1) Progress of the operating plan

The disclosure of annual plan in 2015 annual report of the Group is: assuming the operating environment will not experience a big change, the Group's overall toll revenue target set in 2016 is about RMB2.397 billion (actual toll revenue in 2015: RMB2.330 billion); In 2016, maintenance cost, labor cost and administrative cost raised in varying degrees compared with it in 2015 because of the opening of Ningqian Expressway.

	The plan of 2016	The actual number during the Reporting Period
	(RMB '00 000 000)	(RMB '00 000 000)
Toll revenue	23.97	12.07
Labor cost	3.16	1.27
Maintenance cost	1.20	0.59
	0.83	0.28

Analysis of principal business in terms of industries, products and areas (in accordance with the PRC Accounting Standards)

1. Principal operations by segment or by product

Unit: yuan Currency: RMB

By segment

By segment	Operating income	Operating cost	Operating profit margin (%)	Flux of	Flux of	Flux of
				operating income compared to the corresponding period of last year (%)	operating cost compared to the corresponding period of last year (%)	operating profit margin compared to the corresponding period of last year (%)
Toll road business	1,224,222,818.07	495,202,114.70	59.55	4.77	4.44	3.90
Pawn business	0	0	N/A	N/A	N/A	N/A

By product

By product	Operating income	Operating cost	Operating profit margin (%)	Flux of	Flux of	Flux of
				operating income compared to the corresponding period of last year (%)	operating cost compared to the corresponding period of last year (%)	operating profit margin compared to the corresponding period of last year (%)
Hening Expressway	479,982,948.89	154,214,691.28	67.87	0.07	-16.61	10.27
New Tianchang Section of National Trunk 205	26,807,619.76	19,677,090.51	26.60	10.49	7.82	5.75
Gaojie Expressway	273,639,835.23	86,769,557.67	68.29	11.32	3.25	6.31
Xuanguang Expressway	227,320,030.81	73,657,853.81	67.60	4.92	1.91	4.42
Lianhuo Expressway Anhui Section	103,815,642.31	47,429,348.57	54.31	-0.52	2.56	2.51
Ninghuai Expressway Tianchang Section	52,283,570.02	17,801,004.36	65.95	5.32	5.29	3.84
Guangci Expressway	38,692,181.87	9,594,940.76	75.20	9.70	1.22	5.64
Xuanming Expressway	16,143,090.44	45,875,042.14	-184.18	25.69	9.20	46.79
Ningqian Expressway	5,537,898.74	40,182,585.60	-625.59	N/A	N/A	N/A
Wantong Pawn	0	0	N/A	N/A	N/A	N/A
Total	1,224,222,818.07	495,202,114.70	59.55	4.77	4.44	3.90

2. *Principal business in terms of areas*

Unit: RMB'000

Area	Operating revenue	Change in operating revenue (%)
Anhui Province	1,224,222,818.07	4.77

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, quasifinancing 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 peoplebenefited 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.

IV. Investment Analysis

1. *External equity investment of the Company*

During the Reporting Period, there was no external equity investment (2015: Nil).

(1) Securities investment

Applicable Not applicable

(2) Equities held in other listed companies

Applicable Not applicable

(3) Equities held in financial companies

Applicable Not applicable

2. *Finance in trust and derivatives investment of non-financial companies*

(1) Finance in trust

Applicable Not applicable

(Unit: RMB)

Trustee	Type	Amounts	Start date	Expiry date	Method to determine payment	Anticipated profits	Principal amount of actual recovery	Actual profits	Through the prescribed procedure (yes/no)
Hefei High-tech Zone branch of China Bank	Pledgeable income	90,000,000	1 February 2016	22 February 2016	agreement protocol	155,342.47	90,000,000	155,342.47	Yes
Hefei Xinqiao branch of China Bank	Pledgeable income	20,000,000	2 February 2016	23 February 2016	agreement protocol	34,520.55	20,000,000	34,520.55	Yes
Hefei Northern Area branches of China Bank	Pledgeable income	10,000,000	2 February 2016	23 February 2016	agreement protocol	16,684.93	10,000,000	16,684.93	Yes
Hefei Changfeng South Road branch of China Bank	Pledgeable income	30,000,000	2 February 2016	23 February 2016	agreement protocol	50,054.79	30,000,000	50,054.79	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	52,000,000	3 February 2016	9 February 2016	agreement protocol	174,520.55	52,000,000	174,520.55	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	5,000,000	2 March 2016	7 April 2016	agreement protocol	18,739.73	5,000,000	18,739.73	Yes
Hefei Northern Area branches of China Bank	Break-even floating profit	10,000,000	29 February 2016	4 May 2016	agreement protocol	48,082.19	10,000,000	48,082.19	Yes
Hefei Changfeng South Road branch of China Bank	Break-even floating profit	30,000,000	26 February 2016	28 March 2016	agreement protocol	63,698.63	30,000,000	63,698.63	Yes
Hefei High-tech Zone branch of China Bank	Break-even floating profit	90,000,000	1 March 2016	22 March 2016	agreement protocol	129,452.05	90,000,000	129,452.05	Yes
Hefei Xinqiao branch of China Bank	Break-even floating profit	40,000,000	29 February 2016	28 March 2016	agreement protocol	76,712.33	40,000,000	76,712.33	Yes
Hefei Wang Jiang west Road branch of China Citic Bank	Break-even floating profit	10,000,000	4 March 2016	8 June 2016	agreement protocol	77,589.04	10,000,000	77,589.04	Yes
Hefei branch of China Citic Bank	Break-even floating profit	20,000,000	4 March 2016	8 April 2016	agreement protocol	52,739.73	20,000,000	52,739.73	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	50,000,000	22 March 2016	27 May 2016	agreement protocol	330,000	50,000,000	330,000	Yes
Hefei Xinqiao branch of China Bank	Break-even floating profit	40,000,000	11 April 2016	11 July 2016	agreement protocol	269,260.27	40,000,000	269,260.27	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	25,000,000	12 April 2016	23 May 2016	agreement protocol	89,863.01	25,000,000	89,863.01	Yes
Hefei High-tech Zone branch of China Bank	Pledgeable income	140,000,000	26 April 2016	29 June 2016	agreement protocol	711,890.41	140,000,000	711,890.41	Yes
Hefei branch of China Citic Bank	Break-even floating profit	40,000,000	29 April 2016	1 June 2016	agreement protocol	97,643.84	40,000,000	97,643.84	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	28,000,000	26 May 2016	30 June 2016	agreement protocol	85,917.81	28,000,000	85,917.81	Yes
Hefei Long River East Road branch of ICBC	Break-even floating profit	70,000,000	3 June 2016	7 July 2016	agreement protocol	181,232.88	70,000,000	181,232.88	Yes
Hefei branch of Jiujiang Bank	Break-even floating profit	50,000,000	1 June 2016	11 July 2016	agreement protocol	164,383.56	50,000,000	164,383.56	Yes
Hefei Changfeng South Road branch of China Bank	Pledgeable income	20,000,000	28 June 2016	2 August 2016	agreement protocol	57,534.25	20,000,000	57,534.25	Yes
Total	/	870,000,000	/	/	/	2,885,863.02	870,000,000	2,885,863.02	Yes

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 RMB500 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		Lending		Securities or Guarantor	Whether it has fallen due	Whether it is a connected transaction	Whether there is roll-over	Whether there is litigation	Capital source and whether there is	Anticipated profits	Whether the investment results in a profit or loss
	Loan Period	Rates	Use of the loan									
Ningxuanhang Company	1,009	10 years	4.9%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	equity funds owned subsidiary	494.41	profit
Ningxuanhang Company	3,825	10 years	4.41%	construction of Ningxuanhang Expressway	Nil	No	No	No	No	equity funds owned subsidiary	1,686.83	profit

Details of the entrusted loans

According to the investment plan of Ningxuanhang Company and having obtained approval at the 14th meeting of the 7th Board held on 25 March 2016, according to the investment plan for 2016 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 RMB250 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 RMB48,340 thousand to Ningxuanhang Company. The aggregate amount of entrusted loans provided amounted to RMB716,572.3 thousand.

(3) Other wealth management and derivatives investment

Applicable Not applicable

3. Investment of fund-raising

(1) Overall use of investment of fund-raising

Applicable Not applicable

(2) Commitment of investment of fund-raising

Applicable Not applicable

(3) Alteration of investment of fund-raising

Applicable Not applicable

4. Analysis of main subsidiaries and joint stock companies

Unit: RMB'000

Company	Equity interest the Group possesses	Registered Capital	31 December 2016		January – June 2016		Main business
			Total assets	Net assets	Operating income	Net profit	
Xuanguang Company	55.47%	111,760	1,003,689	530,447	228,422	95,843	The construction, management and operation of Xuanguang Expressway
Ningxuanhang Company	51%	300,000	4,464,571	829,939	21,934	-119,533	Highway's construction, design, supervision, toll, maintenance, management, technology consultation and related advertisement service
Guangci Company	55.47%	56,800	252,179	210,157	39,592	20,693	The construction, management and operation of Guangci Expressway
Expressway Media	38%	50,000	362,342	250,837	55,810	11,922	Design, making, publication of and agency for domestic advertisements
Xin'an Financial	6.62%	1,900,000	3,504,197	2,674,113	183,906	123,294	Financial investment, equity investment, management consulting
Xin'an Capital	6.62%	1,120,000	1,289,629	1,276,883	57,241	37,062	Internet financial services, network information services, pawn business, etc.
Wantong Pawn	71.43%	157,500	122,909	118,976	0	-2,710	Personal property mortgage pawn service, proprietary right mortgage pawn service and real estate mortgage pawn service
Wantong MicroCredit	10%	150,000	132,033	130,171	2,939	1,644	Distributing petty loans, small size enterprises management consulting and financial advisory
Anhui Expressway (H.K.) Limited	100%	1,981	2,082	1,974	0	54	

5. *Non Fund-raising Projects*

Applicable Not applicable

Unit: '00,000,000 Currency: RMB

Name of project	Project amount	Progress of the project	Amount of investment during the Reporting Period	Aggregate amount of investment	Revenue from the project
Ningxuanhang Expressway Liqiao-Xuancheng Section	21.33	Construction has begun in January 2015	1.38	4.98	under construction
Total	21.33	/	1.38	4.98	/

Remark on the non-fund raising projects

Ningxuanhang Expressway Liqiao-Xuancheng Section is about 31 km in length, with the total investment of the project being RMB2.133 billion.

6. *Outlook*

At present, China's economy continued to undergo adjustment and division. Certain core indicators have improved slightly, the positive factors are increasing, and the effects of steady growth policy have appeared, while the overall downward trend of economic operation has not experienced a turnaround yet. Under pressure of the economic downturn, the Company is also facing problems like slow development of the main roads industry, short supply in high-quality road projects, and insufficient development in business diversification, which have specifically reflected in following aspects: firstly, the scales of the main business assets are small, toll periods of parts of the core roads are expiring and the problems of sustainable development become increasingly prominent; secondly, the income of new operating road sections is low which contributed little to the revenue, coupled with the expenses in depreciation, amortization and interest on borrowings which affected the overall performance of the Company quite substantially; thirdly, traffic flow growth has been maintained but the growth rate of goods vehicles is slow, and the increase in toll rates is slower than that of the traffic flow growth; fourthly, the exempted amount for green channels, holidays, and Anhui transportation cards etc. to the total toll income is of a ratio which can no longer be ignored; fifthly, as affected by the economic situation, diversification of business is slow and the investment areas are limited.

At the same time, we perceive that the monetary policy and fiscal policy are expected to remain accommodative in the second half of this year, and the macroeconomic is expected to stabilize; the reform of state-owned enterprises will continue, and the Company will have bright prospects in the aspects of reform, innovation, mergers and acquisitions, capital operation as well as other aspects. The policies of highway industry become clear gradually, and the Company is facing a new opportunity with the long-term benefit arising from the amendment of the "Management Regulations on Toll Roads".

In the second half of this year, we will continue to steadily undergo the third phase of Ningxuanhang Expressway and procure the project for widening of Henning Expressway to be carried out as soon as possible; strengthen highway operation management, maintenance management, smiling service management and network marketing campaigns; actively supervise and deal with the non-performing loans of the pawn company as well as strengthen management of all joint stock companies; continue to adjust and optimize the company organization in order to build a scientific organization and management system with governance structure for the corporate entity; continue to explore new financing channels, domestic and foreign financing instruments with low costs and risks so as to reduce financing costs; continuously search for high-quality investment projects; and plan in advance in the areas of diversified investment, overseas investment, business expansion and capital operation, in order to make the Company, with unremitting efforts, bigger and stronger.

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

1. *The implementation and adjustment of the cash dividend and distribution policy during the Reporting Period.*

The 2015 profit appropriation plan of the Company was approved by the 2015 annual general meeting of the Company held on 20 May 2016, details are as follows: To pay a final dividend of RMB381,480.30 thousand on the basis of RMB2.3 for every 10 shares (tax inclusive) based on the total number of 1,658,610,000 shares.

According to the authorization given by the general meeting, the Board of the Company published the resolutions of 2016 annual general meeting of the Company on 21 May 2016 in the Shanghai Securities News, China Securities Journal and on 21 May 2016 on the website of SEHK, and determined a dividend for H shares of HK\$0.2734 (tax inclusive) each, which was priced in RMB and paid in HK\$. The registration date of the H Shareholders was 1 June and the dividend payout date was 20 July. On 12 July 2016, the Company published the 2015 profit appropriation implement announcement in the Shanghai Securities News and China Securities Journal and determined that the Domestic Shareholders' registration date was 18 July, the ex-dividend date was 19 July and the dividend payout date was 19 July.

The 2015 profit appropriation proposal has been implemented on July 2016.

III. Other information of disclosure

1. *Warnings and instructions of forecast that the final cumulative net profit for the period commencing on 1 January 2016 and up to the end of the next reporting period may be a loss or substantial change of year-on-year*

Applicable Not applicable

2. *The notes of "non-standard audit report" prepared by certified public accountants by the Board and board of Supervisors*

Applicable Not applicable

IV. Capital flow, financial resources and capital structure (in accordance with Hong Kong accounting standards)

The Group's capital management policy, is to ensure the Group can operate continuously, to provide returns to the shareholders and other stakeholders. The Group will make timely adjustment to the capital structure and make the necessary adaptations in response to the change of the external economic environment. In order to maintain or adjust the capital structure, the Group may issue new shares or control capital expenditures if necessary to reduce the debt ratio. The Group will use capital debt ratio to monitor its capital, and the ratio will be calculated according to the net debt divided by the total capital. Net debt equals to total borrowing (including current and non-current borrowing in the consolidated balance sheet) minus the cash and cash equivalents. Total capital equals to equity (as listed in the consolidated balance sheet) plus net debt. During the Reporting Period, Capital debt ratio of the Group was 14.57% (31 December 2015: 15.87%).

During the Reporting Period, the Group's net cash inflows from operating activities were RMB595,585 thousand, representing an increase of 90.47% compared with that of the corresponding period last year, mainly due to the increase of the toll revenue compared with that of the corresponding period of last year.

During the Reporting Period, the Group's net cash outflows from investing activities were RMB-47,249 thousand, mainly due to the decrease of the investment amount since the project of the Ningqian Section of Ningxuanhang Company has been completed in December 2015.

During the Reporting Period, the Group's net cash outflows from financing activities were RMB321,129 thousand, representing an increase of 534.60% compared with that of the corresponding period last year, mainly because the Group borrowed bank loans of RMB0.6 billion from China Development Bank during the Reporting Period.

During the Reporting Period, the Group's bank loans were RMB0.672 billion (2015: RMB0.25 billion). At the end of the Reporting Period, the balance of bank loans was RMB1.835 billion (31 December 2015: RMB1.415 billion), of which the short-term loan balance was RMB0 (31 December 2015: RMB0.25 billion); the long-term loan balance was RMB1.835 billion (31 December 2015: RMB1.165 billion) with annual interest rate between 1.2% and 4.9% (31 December 2015: 1.758% and 5.535%) which included a floating rate loan borrowed from a bank for the construction of Ningxuanhang Expressway. The principal will be repaid between 2016 and 2035.

At the end of the Reporting Period, the cash and the long-term bank balance used for bank credit collateral of the Group amounted to RMB0.197 billion, it was regarded as pledge against a loan of the Group (31 December 2015: RMB0.197 billion) and there was no contingent liabilities (31 December 2015: nil).

The Group was awarded with good credit ratings. As at 30 June 2016, the total credit facilities granted during the year was RMB 8.217 billion, and the facilities not yet utilized were RMB7.127 billion.

Since the revenue, expenditure and cash being held of the Group are mainly in RMB, the Group does not expect to incur significant currency risk in the operational activities. The Group did not enter into any foreign exchange hedging arrangements to manage the foreign exchange risk (in the same period in 2015: nil).

SECTION V MAJOR EVENTS

I. Material Litigation and Arbitration

The Company was not involved in any material litigation or arbitration during the Reporting Period.

II. Bankruptcy Reorganization

There was not involved in any bankruptcy reorganization during the Reporting Period.

III. Assets Trading and Business Combination

There was not involved in any assets trading and business combination during the Reporting Period.

IV. Implementation of Share Incentive Scheme

The Company has not complemented the share incentive scheme.

V. Material Connected Transactions

1. Connected transactions in relation to daily operations

(1) Items which has been disclosed without further changes

Item overview	query indexes (being the date of uploading respective announcements on the website of SSE)
Provide Expressway networking toll system services	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
Provide service area rental services	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
To receive management service of project construction	29 April 2016 《Connecting Connected Transactions》 , 28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
Provide the house of Wantong park rental services	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
To receive management service of project construction	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
To receive supervisory service of project construction	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
To receive construction test	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
To receive property management service	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》
Provide vehicles and machinery rental services	28 March 2016 《the Announcement of estimating daily Connected Transactions of 2016》

(2) Items which haven't been disclosed in the temporary announcement

Applicable Not applicable

2. Related debtor and creditor account

Items which haven't been disclosed in the temporary announcement

Unit: RMB'000

Related parties	Connected relation	The Company provides capital to related parties			Related parties provide capital to the Company		
		Initial Balance	Amount incurred	Closing Balance	Initial Balance	Amount incurred	Closing Balance
ATHC	Controlling shareholder	0	0	0	978,957	0	978,957
XCIC	Other connected persons	0	0	0	501,200	-16,476	484,724
Total		0	0	0	1,480,157	-16,476	1,463,681
Amount of money provided by the Company to the controlling shareholders and its subsidiary (RMB)							0
Remaining balance of the money provided by the Company to the controlling shareholders and its subsidiary (RMB)							0
The circumstances under which the connection is formed	The joint investment amount of ATHC and XCIC exceeded the registered capital of the Company. The difference will be counted towards the long-term payables and such an amount is unsecured and without fixed repayment date.						

VI. Material Contracts and their Implementation

1. Material custody, subcontracting and leasing items

Applicable Not applicable

2. Implementation of guarantee

Applicable Not applicable

(RMB'00,000,000)

Guarantees provided by the Company to its subsidiaries

Total amount of guarantees provided for the subsidiaries by the Company during the Reporting Period	-0.01
Total balance of guarantees provided for the subsidiaries as at the end of the Reporting Period (B)	1.76

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

Total guarantee amount (A+B)	1.76
Total guarantee amount as a percentage of net asset value (%)	2.14
Thereinto:	
Provide amount of guarantee for shareholders, actual controllers and their affiliates (C)	0
Provide amount of debt guarantee directly or indirectly for the guaranteed objects with the ratio of liabilities to assets exceeding 70% (D)	0
Guarantee 50% total net worth more than the sum of the parts (E)	0
The total of the above three amount of guarantee (C+D+E)	0
Outstanding guarantees may bear several and joint liability clarification on guarantee	

The Company would provide a guarantee of RMB500 million for the Company's subsidiary Ningxuanhang Company as approved at the 18th meeting of the 5th Board, held on 18 August 2010. As of the end of the Reporting Period, balance of guarantees provided by the Company to RMB0.176 billion.

VII. Fulfillment of Commitments

Applicable Not applicable

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

Background of Commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Whether there is the time limit for performance or not	Whether strictly comply in a timely manner or not
Commitment Related to the share reform	other	Anhui Transportation Group	Continue to support the Company's future acquisition of the good road assets owned by the Anhui Transportation Group and focus on the protection of shareholders' interests as always.	13 February 2006, long-term effective	No	yes
	other	Anhui Transportation Group, China Merchants Highway	After the completion of the split-equity reforming, the Board 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 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

Background of Commitment	Type of commitment	Commitment party	Content of commitment	Time and term of commitment	Whether there is the time limit for performance or not	Whether strictly comply in a timely manner or not
Commitment Related to IPO	Solve the competition	Anhui Transportation Group	Promise not to participate in any of the Company's from time to time actual businesses or other business activities which may constitute direct or indirect competition to the Company	12 October 1996, long-term effective	No	yes
Other Commitment	other	Anhui Transportation Group	From now to future 6 months, it doesn't reduce shareholding through the secondary market. Actively fulfill their duties of big shareholders and strive to improve the quality of listed companies, listed companies establish and improve the investors return for a long-term mechanism, continuously improve the level of investor returns	Not to reduce shareholding during the six months from 10 July 2015	yes	yes

VIII. Appointment and Dismissal of auditor

Applicable Not applicable

PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co. Ltd and PricewaterhouseCoopers Certified Public Accountants were approved to be appointed as the PRC auditors and Hong Kong auditors for 2016 respectively at the 2015 annual general meeting of the Company.

IX. Punishment by the Regulatory Authorities on the Company, Directors, Supervisors, Senior Management, Shareholders who hold more than 5% of shares of the Company, the Real Controller of the Company and Acquirer

Applicable Not applicable

X. Convertible debt

Applicable Not applicable

XI. Corporate Governance

The Company has strictly complied with requirements of laws, regulations and regulatory documents including the Company Law, the Securities Law, the Code of Corporate Governance of Listed Companies and the Guidelines on Articles of Association of Listed Companies in the PRC since its establishment and continued to enhance its corporate governance standards. During the Reporting Period, the Company continued to enhance the corporate system and operation procedures in terms of work arrangement of the regulatory authorities and the latest regularities. There were no deviation from the actual conditions of the Company's corporate governance and the requirements of the China Securities Regulatory Commission related laws and regulations. The Company had also fully adopted the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules").

Corporate Governance Code

During the Reporting Period, save and except that both the duties of a remuneration committee and a nomination committee are performed by the Company's Human Resources and Remuneration Committee (as the Company considers the long established mode of Human Resources and Remuneration Committee has so far been effective and suits the needs of the Company better, and most of the members of the Human Resources and Remuneration Committee are independent non-executive Directors and Directors who do not take up operating managerial roles, which can ensure the protection of the interests of shareholders), the Company has always complied with Corporate Governance Code in order to maintain a high standard of corporate governance so as to improve the corporate transparency and protect the interests of the Company's shareholders.

Revise articles of the Company

In order to fully protect investors' interests and further standardize and complete our company's governance structure, in accordance with relevant regulations in Corporation Law, Securities Law, The Guidelines on Articles of Association of Listed Companies (Revised in 2014) by China Securities Regulatory Commission, laws and regulations of latest Listing Rules and so on, combined with the actual situation of the Company's operation and development, upon the review and approval of the 14th Session of 7th Board Meeting held on 25 March 2016, the Company revised some clauses in the Corporation Articles, which has been examined and approved by the annual general meeting of stockholders in 2015.

Diversification Policy of the Members of the Board

According to the latest requirements of the Corporate Governance Code, the Company has amended the work duties of the Human Resources and Remuneration Committee of the Board. The Company also adopted a diversification policy of the Board members, which was passed at the sixth session of the Board of the twentieth Board meeting.

Liability Insurance for Directors, Supervisors

According to the SEHK's latest regulations of the Corporate Governance Code, during the Reporting Period, it has completed the arrangement of selection of the insurance undertaker of the liability insurance for Directors, supervisors and senior executives in 2016, providing the guarantee of the performance for Directors, supervisors and senior executives.

Audit Committee

During the Reporting Period, the audit committee of the Company convened three meetings, which reviewed the 2015 Annual Results Report and Financial Statement prepared in accordance with the PRC accounting standard and HKAS, the 2016 First Quarterly Report, as well as the 2016 Interim Results Report and Unaudited Financial Statement prepared in accordance with the PRC accounting standard and HKAS.

Independent Non-executive Director

The Company has appointed enough independent non-executive Directors with professional knowledge in accordance with Rules 3.10(1), 3.10(2) and 3.10(A) of Listing Rules. The Company appointed 3 independent non-executive Directors, one of which is specialized in accounting and financial management.

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

For the six months ended 30 June 2016, 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, who confirmed that they fully complied with the "Model Code for Securities Transactions".

Internal Control

A comprehensive and practicable internal control system is fundamental to a good corporate governance. The Board 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.

During the Reporting Period, the Board, 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.

The Internal Audit Department of our Group plays an important role in reinforcing internal monitoring system, which periodically reviews all the operation projects of our group in a circulation form, so as to assist the Board with supervising whether the internal monitoring system is effective and accords with established procedures and standards. The annual audit plan (including annual audit objectives and audit frequency) was formulated based on the independent risk assessment of the department, and the audit committee of the Company will discuss and approve the annual audit plan at the beginning of every fiscal year. All the major internal audit findings will be submitted to the audit committee of the Company for check and approve, and all the suggestions of the Internal Audit Department will be properly followed up, so as to make sure that the suggestions can be executed within reasonable time.

It is considered by the Board that the internal monitoring system of our group is efficient and effective. Our Group will keep checking and updating the system to safeguard the investment of shareholders and assets of our Group.

XII. Other Major Events

1. *Analysis of the causes and effects on the changes to accounting policies and accounting estimates or accounting methods by the Board*

Applicable Not applicable

2. *Analysis of the causes and effect by the Board on correcting important error previously made*

Applicable Not applicable

3. *other*

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 at its 12th meeting convened on 22 January 2016 approved the proposed issue of ultra short-term financing bonds of RMB1 billion with a term of 270 days by the Company. The registration and issuance of the ultra short-term financing bonds have been approved by shareholders at the general meeting of the Company held on 20 May 2016 and are pending for registration with the National Association of Financial Market Institutional Investors.

Adjust the preferential policies of the toll for road truck

According to the "Implementation of Views on Cost Reduction to Reduce the Financial Burden of Real Economy of People's Government of Anhui Province" and the "Notice on Conscientiously Implementing the Preferential Policies for Truck Toll issued by Anhui Provincial Department of Transportation", the trucks using by toll roads of Anhui Province with Anhui transportation card can enjoy a 10% discount further to the current 5% discount. This great favor will last for three years which from 12 July 2016 to 11 July 2019 temporarily.

SECTION VI CHANGE OF SHARE CAPITAL AND SHAREHOLDERS

I. Change of Share Capital

1. Change of shares

During the Reporting Period, the total share capital and capital structure of the Company have not changed.

2. Change of restricted shares

During the Reporting Period, there were no restricted shares.

II. Shareholders

1. Number of shareholders and the situation of shareholdings

Number of shareholders as at the end of the Reporting Period 31,032

2. As of the end of the Reporting Period, the top 10 shareholders, the top ten circulation shareholders shareholdings or infinite sale conditions

Unit: share

Name of shareholders	The Ten largest shareholders of the Company						
	Change during the reporting period	Total shareholding as at the end of the year	Shareholding Percentage (%)	Number of restricted shares	Pledged or locked-up		Nature of shareholders
					State of shares	Number of shares	
Anhui Transportation Group	0	524,644,220	31.63	0	Nil	0	State
HKSCC NOMINEES LIMITED	-87,999	488,935,899	29.48	0	Unknown	0	Overseas legal person
China Merchants Highway	0	404,191,501	24.37	0	Nil	0	State-owned legal person shares
Zhang Jian	7,796,321	7,000,000	0.42	0	Nil	0	Domestic natural person
Wu Juhong	14,720	6,428,867	0.39	0	Nil	0	Domestic natural person

The Ten largest shareholders of the Company

Name of shareholders	Change during the reporting period	Total shareholding as at the end of the year	Shareholding Percentage (%)	Number of restricted shares	Pledged or locked-up		Nature of shareholders
					State of shares	Number of shares	
Pan Zhihong	0	5,685,300	0.34	0	Nil	0	Domestic natural person
Wu Mujun	-76,365	5,316,070	0.32	0	Nil	0	Domestic natural person
Liu Qiuxi	68,038	4,637,418	0.28	0	Nil	0	Domestic natural person
Ding Xiuling	Unknown	4,242,900	0.26	0	Nil	0	Domestic natural person
Dai Kang	-434,950	3,837,850	0.23	0	Nil	0	Domestic natural person

The ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares	
		Type	Number
Anhui Transportation Group	524,644,220	Renminbi-denominated ordinary shares	524,644,220
HKSCC NOMINEES LIMITED	488,935,899	Overseas listed foreign shares	488,935,899
China Merchants Highway	404,191,501	Renminbi-denominated ordinary shares	404,191,501
Zhang Jian	7,000,000	Renminbi-denominated ordinary shares	7,000,000
Wu Juhong	6,428,867	Renminbi-denominated ordinary shares	6,428,867
Pan Zhihong	5,685,300	Renminbi-denominated ordinary shares	5,685,300
Wu Mujun	5,316,070	Renminbi-denominated ordinary shares	5,316,070

The ten largest unrestricted shareholders

Name of shareholders	Number of unrestricted circulating shares	Type and Number of shares	
		Type	Number
Liu Qiuxi	4,637,418	Renminbi-denominated ordinary shares	4,637,418
Ding Xiuling	4,242,900	Renminbi-denominated ordinary shares	4,242,900
Dai Kang	3,837,850	Renminbi-denominated ordinary shares	3,837,850

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

There is no connected relationship between the Stateowned 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".

Note: The H Shares held by HKSCC NOMINEES LIMITED are held as agent for and on behalf of many clients

3. *Strategic investors, or general entities top 10 shareholders as a result of placing of new shares*

Applicable Not applicable

III. **Changes of controlling shareholders and actual controller**

Applicable Not applicable

IV. Persons who have interests of short positions disclosable under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance

As at 30 June 2016, so far is known to, or can be ascertained after reasonable enquiry by the Directors, the persons who were, directly or indirectly, interested or had short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or was directly or indirectly, to be interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were set out as follows:

Name of shareholders	Total shareholding as at the end of the Reporting Period	Change during the Reporting Period	Type of shares	Shareholding percentage (%)	Pledged or locked-up
China Merchants Highway (Note 1)	89,160,000 (L)	+15,506,000	H shares	18.08%	Not known
Jiaxuan Holding Co., Ltd (Note 1)	89,160,000 (L)	+15,506,000	H shares	18.08%	Not known
HSBC Holdings plc (Note 2)	98,525,221 (L)	0	H shares	19.98%	Not known
	99,825,933 (S)	0		20.25%	
JPMorgan Chase & Co. (Note 3)	29,602,292 (L)	+419,600	H shares	6.00%	Not known
	546,000 (S)	-118,000		0.11%	
	27,869,000	+495,600		5.65%	
	(shares that may be lent)				
JPMorgan Chase Bank N.A. (Note 3)	29,602,292 (L)	+419,600	H shares	6.00%	Not known
UBS Group AG	24,455,538 (L)	-1,410,063	H shares	4.96%	Not known
	818,000 (S)	-322,000		0.17%	
FIL Limited	25,068,000 (L)	+658,000	H shares	5.08%	Not known

Notes:

1. Jiaxuan Holding Co., Ltd has registered and holds the shares while China Merchants Highway holds 100% equity of Jiaxuan Holding Co., Ltd.
2. According to related data, the shares is held through some sub-companies of HSBC Holdings plc.
3. According to related data, JPMorgan Chase Bank N.A..has registered and holds the shares while JPMorgan Chase & Co. holds 100% equity of JPMorgan Chase Bank N.A.

Except as disclosed in this report, the register maintained in accordance with Part XV, Section 336 of the Securities and Futures Ordinance on 30 June 2016 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 30 June 2016.

V. Purchase, Sale and Redemption of the Company's Shares

For the six months ended 30 June 2016, the Company or any of its subsidiaries did not repurchase, purchased or re-sold any of the listed shares of the Company.

VI. Pre-emptive Rights

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

SECTION VII RELATED INFORMATION OF PREFERRED STOCK

Applicable Not applicable

SECTION VIII DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND STAFF

I. Changes of Shareholdings

1. *Shareholdings of Directors, Supervisors and Senior Management*

Applicable Not applicable

2. *Director, Supervisor, Senior Management during the Reporting Period being awarded equity incentive*

Applicable Not applicable

II. Change in Directors, Supervisors and Senior Management during the Reporting Period

Name	Position	Change	Reasons of Change
Zhou Renqiang	Chairman	Resign	Retirement
Li Junjie	Deputy chairman, executive Director	Resign	Work moves
Wu Xinhua	Deputy chairman, non-executive Director	Resign	Work accommodation
Ni Shilin	Non-executive Director	Resign	Work accommodation
Qiao Chuanfu	Chairman	Election	Work requirement
Xu Zhen	Executive Director	Election	Work requirement
Wang Xiufeng	Non-executive Director	Election	Work requirement
Du Jian	Non-executive Director	Election	Work requirement
Qian Dongsheng	Supervisory board chairman	Resign	Work requirement
He Kun	Supervisor	Resign	Work accommodation
Liu Youcai	Supervisory board chairman	Election	Work requirement
Jiang Yue	Supervisor	Election	Work accommodation

III. Other Information Notes

In January 2016, Mr. Li Junjie applied to resign as a deputy chairman and an executive Director of the Company due to work adjustment. With the approval of the twelfth meeting of the seventh Board held on 22 January 2016, the Board agreed to nominate Mr. Xu Zhen to be the candidate for new Director.

In April 2016, Mr. Zhou Renqiang would not serve as the Chairman of the Company for resignation for retirement; due to work demand, Mr. Qian Dongsheng would not serve as the supervisory board chairman of the Company. ATHC nominated Mr. Qiao Chuanfu to be the candidate of the new Director and Mr. Liu Youcai to be the candidate of the new supervisor. Due to work adjustment, Mr. Wu Xinhua and Ni shilin would not serve as the Director and Ms. He Kun would not serve as the supervisor of the Company, China Merchants Highway nominated Mr. Wang Xiufeng and Mr. Du Jian to be the candidate of the new Director and Mr. Jiang Yue to be the candidate of the new supervisor.

The Company convened the 2015 annual general meeting on 20 May 2015 to elect Mr. Qiao Chuanfu, Mr. Xu Zhen, Mr. Wang Xiufeng and Mr. Du Jian as the Directors, and elect Mr. Liu Youcai and Mr. Jiang Yue as the supervisor, the terms of whom would be from the date of election to 16 August 2017.

It was approved at the 17th meeting of the seventh Board and 11th meeting of the seventh board of supervisors on 20 May 2015 that, The Board and the supervisory committee elected Mr. Qiao Chuanfu and Mr. Liu Youcai to be the chairman and supervisory board chairman of the Company respectively.

Mr. Hu Bin, independent Director applied for resignation because of his work. It is approved in the 18th meeting of the seventh board committee on 19 August 2016 that, the human resources and remuneration committee of Board nominated Ms. Jiang Ju to be the candidate of the new Director, the terms of whom would be from the date of election to 16 August 2017.

Mr. Xu Yiming, deputy general manager of the Company applied for resignation for work moves. It is approved in the 18th meeting of the seventh Board committee on 19 August 2016 that, according to the nomination of the general manager Mr. Xu Zhen, Mr. Chen Jiping be appointed as the deputy general manager of the Company by the Board. His term from the date of appointment to 16 August 2017.

IV. Interests to be disclosed by Directors, Supervisors and Senior Management

As at 30 June 2016, none of the Directors, supervisors of the Company or their associates 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 SEHK pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests which he was taken or deemed to have under such provisions of the Securities and Futures Ordinance) or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Companies and the Hong Kong Code on Takeovers and Mergers.

V. Employees remuneration and training

As at 30 June 2016, the Group employed approximately 2,323 employees (including main subsidiaries), which included 1,667 production staff, 110 technicians, 36 financial staff and 510 administrative staff (as at 30 June 2015: 1,389, 45, 39 and 503 respectively).

The Company carried out the reform of the remuneration system with the introduction of broadband pay system to formulate remuneration sequences according to the different positions, making different classifications according to the characteristics of each sequence. By making close connections among the labor remuneration of employees, post value, accumulated contributions, work performance and many others, it has built multiple channels for career development of employees and pay promotion. Through the establishment of pay promotion standards, the enthusiasm of employees has been mobilized and the incentive effect on the implementation of the remuneration system has been ensured. During the Reporting Period, staff salaries amounted to RMB127,170 thousand (same period in 2015: RMB124,510 thousand). The Company strictly complies with the State's social insurance policies. According to the relevant State's stipulation, the Company has arranged the old-age insurance, basic medical insurance, unemployment insurance, injury insurance and child-bearing insurance for the staff.

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. The quality and efficiency of training program are fully elevated, and the educational and training levels improved constantly. During the Reporting Period, combining the actual job requirements and business functions of the Company and various departments, the Company and its various departments have carried out trainings in operational management, engineering techniques, safety management and information technology, etc to effectively enhanced skills and professional knowledge of employees. Regarding integrated management, the Company has held topic-specific training courses for leading cadres based on the current situation of the Company and with a focus on how to resolve difficulties faced by entities under revolution and development. Regarding internet learning, the Company has encouraged the employees to participate in self-learning through internet platform to promote E-learning. It upgraded the learning system by utilising new functions such as mobile phone and interactive functions, to improve the online education platform.

SECTION IX FINANCIAL REPORT

Anhui Expressway Company Limited

Condensed consolidated interim Financial Information

For the six months ended 30 June 2016

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited	
		Six months ended 30 June	
		2016	2015
Revenue	18	1,358,149	1,418,259
Cost of sales	19	(659,625)	(756,989)
Gross profit		698,524	661,270
Other gains – net	17	38,658	55,439
Administrative expenses	19	(48,659)	(67,839)
Operating profit		688,523	648,870
Finance costs	20	(65,015)	(31,923)
Share of profit of an associate		4,530	4,249
Profit before income tax		628,038	621,196
Income tax expenses	21	(158,146)	(136,285)
Profit for the period		469,892	484,911
Attributable to:			
Owners of the Company		477,422	466,655
Non-controlling interests		(7,530)	18,256
		469,892	484,911
Basic and diluted earnings per share			
(expressed in RMB per share)	22	0.2878	0.2814

The notes on pages 57 to 84 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited 30 June 2016	Audited 31 December 2015
ASSETS			
Non-current assets			
Concession intangible assets	7	9,070,848	9,245,876
Land use rights	7	10,972	11,450
Property, plant and equipment	7	988,034	1,046,208
Investment properties	7	347,349	354,011
Intangible assets	7	2,841	2,388
Investments in an associate		95,318	90,788
Deferred income tax assets		53,737	51,860
Available-for-sale ("AFS") financial assets	8	229,611	221,126
		<u>10,798,710</u>	<u>11,023,707</u>
Current assets			
Inventories		5,511	5,287p
Trade and other receivables	9	367,495	310,835
Restricted cash	25	197,000	197,000
Cash and cash equivalents	25	1,578,826	709,246
		<u>2,148,832</u>	<u>1,222,368</u>
Total assets		<u>12,947,542</u>	<u>12,246,075</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary share capital	10	1,658,610	1,658,610
Share premium	10	1,415,593	1,415,593
Other reserves	11	123,940	118,083
Retained earnings		5,094,661	4,998,212
		<u>8,292,804</u>	<u>8,190,498</u>
Non-controlling interests		<u>722,811</u>	<u>789,927</u>
Total equity		<u>9,015,615</u>	<u>8,980,425</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

LIABILITIES	Note	Unaudited 30 June 2016	Audited 31 December 2015
Non-current liabilities			
Long-term payables	16	920,188	956,264
Borrowings	13	1,717,876	1,052,649
Deferred income tax liabilities		133,784	152,014
Deferred income	15	34,019	35,105
		<u>2,805,867</u>	<u>2,196,032</u>
Current liabilities			
Trade and other payables	12	941,588	632,538
Current income tax liabilities		59,989	67,397
Provision	14	6,896	6,896
Borrowings	13	117,587	362,787
		<u>1,126,060</u>	<u>1,069,618</u>
Total liabilities		<u>3,931,927</u>	<u>3,265,650</u>
Total equity and liabilities		<u>12,947,542</u>	<u>12,246,075</u>

The notes on pages 57 to 84 are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 50 to 84 were approved by the Board on 19 August 2016 and the interim condensed balance sheet was signed on its behalf by:

Director (Qiao Chuanfu)

Director (Xu Zhen)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Unaudited	
		Six months ended 30 June	
		2016	2015
Profit for the period		469,892	484,911
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Change in value of AFS financial assets, net of tax	8	<u>6,364</u>	<u>(37,500)</u>
Total comprehensive income for the period		<u>476,256</u>	<u>447,411</u>
Total comprehensive income attributable to:			
Owners of the Company		483,786	429,155
Non-controlling interests		<u>(7,530)</u>	<u>18,256</u>
		<u>476,256</u>	<u>447,411</u>

The notes on pages 57 to 84 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Attributable to equity holders of the Company				Non-controlling Interests	Total
		Ordinary share capital (Note 10)	Share premium (Note 10)	Other reserves (Note 11)	Retained earnings		
Balance at 1 January 2015 (audited)		1,658,610	1,415,593	161,060	4,449,189	847,613	8,532,065
Comprehensive income							
Profit for the period (unaudited)		—	—	—	466,655	18,256	484,911
Other comprehensive loss (unaudited)							
– Fair value losses on AFS financial assets, net of tax	8	—	—	(37,500)	—	—	(37,500)
Total comprehensive (loss)/income for the period ended 30 June 2015 (unaudited)		—	—	(37,500)	466,655	18,256	447,411
Others (unaudited)		—	—	(507)	507	—	—
Transactions with owners							
Dividends relating to 2014 (unaudited)		—	—	—	(381,480)	—	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2014 (unaudited)		—	—	—	—	(83,125)	(83,125)
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)	16	—	—	—	—	2,709	2,709
Balance at 30 June 2015 (unaudited)		1,658,610	1,415,593	123,053	4,534,871	785,453	8,517,580

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Attributable to equity holders of the Company				Non-controlling Interests	Total
		Ordinary share capital (Note 10)	Share premium (Note 10)	Other reserves (Note 11)	Retained earnings		
Balance at 1 January 2016 (audited)		1,658,610	1,415,593	118,083	4,998,212	789,927	8,980,425
Comprehensive income							
Profit/(loss) for the period (unaudited)		—	—	—	477,422	(7,530)	469,892
Other comprehensive income (unaudited)							
– Fair value gains on AFS financial assets, net of tax	8	—	—	6,364	—	—	6,364
Total comprehensive income/(loss) for the period ended 30 June 2016 (unaudited)		—	—	6,364	477,422	(7,530)	476,256
Others (unaudited)		—	—	(507)	507	—	—
Transactions with owners							
Dividends relating to 2015 (unaudited)	23	—	—	—	(381,480)	—	(381,480)
Dividends paid to a non-controlling interest of subsidiaries relating to 2015 (unaudited)		—	—	—	—	(88,127)	(88,127)
Difference between the carrying amount and undiscounted amount of interest free loan received from a non-controlling interest, net of tax (unaudited)	16	—	—	—	—	28,541	28,541
Balance at 30 June 2016 (unaudited)		1,658,610	1,415,593	123,940	5,094,661	722,811	9,015,615

The notes on pages 57 to 84 are an integral part of this condensed consolidated interim financial information.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2016

(All amounts in Renminbi thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2016	2015
Cash flows from operating activities			
Cash generated from operations		841,728	575,735
Interest paid		(48,846)	(39,531)
Income tax paid		(197,297)	(223,516)
		<u>595,585</u>	<u>312,688</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(2,347)	(5,593)
Purchase of intangible assets	7	(916)	(87)
Net increase in restricted cash	25	—	(50,000)
Net increase in financial products	9	(95,000)	(100,000)
Proceeds from sales of property, plant, equipment and investment properties		160	423
Interest received	17	7,834	2,435
Dividends received from AFS financial assets	9(c)	43,020	—
		<u>(47,249)</u>	<u>(152,822)</u>
Cash flows from financing activities			
Proceeds from bank borrowings		722,730	431,578
Repayments of bank borrowings		(323,302)	(443,126)
Dividends paid to the non-controlling interests		(78,299)	(62,342)
		<u>321,129</u>	<u>(73,890)</u>
Net cash generated from/(used in) financing activities			
		<u>869,465</u>	85,976
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		709,246	462,945
Exchange gains on cash and cash equivalents		115	35
		<u>1,578,826</u>	<u>548,956</u>
Cash and cash equivalents at end of the period	25	<u>1,578,826</u>	<u>548,956</u>

The notes on pages 57 to 84 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

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 30 June 2016, 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 29 July 2004 to 29 July 2029
Ningxuanhang Expressway Anhui Section	122	Under construction as at 30 June 2016*

* 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 30 June 2016, the remaining road section is still under construction.

The condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was reviewed by audit committee of the Company and approved for issue by the Board of Directors on 19 August 2016.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) *New amendments and interpretation of HKFRS effective in 2016 adopted by the Group*

The following amendments have been adopted by the Group for the first time for its financial year beginning on 1 January 2016:

- HKFRS 14 "Regulatory Deferral Accounts".
- Amendment to HKFRS 11 "Accounting for Acquisitions of Interests in Joint Operation".
- Amendments to HKAS 16 and HKAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation".
- Amendment to HKAS 27 "Equity Method in Separate Financial Statements".
- Annual Improvements in 2014, 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".
- Amendments to HKAS 1 "Disclosure Initiative".

The adoption of above new amendments and interpretations of HKFRS did not have any any significant impact on the condensed consolidated interim financial information.

3 Accounting policies (Continued)

(b) New amendments of HKFRS effective in 2016 but not relevant to the Group

- Amendments to HKAS 16 and HKAS 41 "Agriculture: bearer plants".

(c) New standards and amendments of HKFRS issued but are not yet effective for the financial year beginning on 1 January 2016 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 2016 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:

- Amendments to HKAS 12 "Income Taxes", effective for annual accounting periods beginning on or after 1 January 2017.
- Amendments to HKAS 7 "Statement of Cash Flows", effective for annual accounting periods beginning on or after 1 January 2017.
- HKFRS 15 "Revenue from Contracts with Customers", effective for annual accounting periods beginning on or after 1 January 2018.
- HKFRS 9 "Financial Instruments", effective for annual accounting periods beginning on or after 1 January 2018.
- HKFRS 16 "Leases", effective for annual accounting periods beginning on or after 1 January 2019.
- Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed.

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

5 Financial risk management and financial instruments

5.1 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 interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to 31 December 2015, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

The table 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 30 June 2016 and 31 December 2015.

As at 30 June 2016 (unaudited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
AFS financial assets	—	—	229,611	229,611
As at 31 December 2015 (audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
AFS financial assets	—	—	221,126	221,126

6 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 organised 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 six months ended 30 June 2016 and 2015 are set out as follows:

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Toll roads services	1,358,149	1,410,808
Including: revenue from construction or upgrade work under Service Concessions	108,146	216,311
Pawn services	—	7,451
	1,358,149	1,418,259

6 Segment information (Continued)

(b) Segment information

The segment information provided to the strategic steering committee for the reportable segments for the six months ended 30 June 2016 is as follows:

	For the six months ended 30 June 2016 (unaudited)		
	Toll roads services	Pawn services	Total
Revenue			
Segment revenue	1,358,149	—	1,358,149
Inter-segment sales	—	—	—
Revenue from external customers	1,358,149	—	1,358,149
Results			
Segment gross profit/(loss)	698,529	(5)	698,524
Other gains - net	38,482	176	38,658
Administrative expenses	(44,909)	(3,750)	(48,659)
Finance costs	(65,015)	—	(65,015)
Share of profits of an associate	4,530	—	4,530
Profit/(loss) before income tax	631,617	(3,579)	628,038
Other information			
Amortisation of concession intangible assets	283,174	—	283,174
Depreciation of property, plant and equipment	60,114	65	60,179
Depreciation of investment properties	6,662	—	6,662
Amortisation of land use rights	478	—	478
Amortisation of intangible assets	463	—	463
As at 30 June 2016 (unaudited)			
	Toll roads services	Pawn services	Total
Total assets	12,824,633	122,909	12,947,542
Total liabilities	3,927,994	3,933	3,931,927

6 Segment information (Continued)

(b) Segment information

The segment information provided to the strategic steering committee for the reportable segments for the six months ended 30 June 2015 is as follows:

	For the six months ended 30 June 2015 (unaudited)		
	Toll roads services	Pawn services	Total
Revenue			
Segment revenue	1,410,808	7,451	1,418,259
Inter-segment sales	—	—	—
Revenue from external customers	<u>1,410,808</u>	<u>7,451</u>	<u>1,418,259</u>
Results			
Segment gross profit	<u>654,245</u>	<u>7,025</u>	<u>661,270</u>
Other gains - net	54,109	1,330	55,439
Administrative expenses	(48,533)	(19,306)	(67,839)
Finance costs	(31,923)	—	(31,923)
Share of profits of an associate	<u>4,249</u>	<u>—</u>	<u>4,249</u>
Profit/(loss) before income tax	<u>632,147</u>	<u>(10,951)</u>	<u>621,196</u>
Other information			
Amortisation of concession intangible assets	251,562	—	251,562
Depreciation of property, plant and equipment	50,772	64	50,836
Depreciation of investment properties	8,912	—	8,912
Amortisation of land use rights	478	—	478
Amortisation of intangible assets	<u>363</u>	<u>1</u>	<u>364</u>

	As at 30 June 2015 (unaudited)		
	Toll roads services	Pawn services	Total
Total assets	<u>11,587,537</u>	<u>184,590</u>	<u>11,772,127</u>
Total liabilities	<u>3,251,105</u>	<u>3,442</u>	<u>3,254,547</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 30 June 2016 and 31 December 2015, all non-current assets of the Group are located in the PRC.

7 Capital Expenditures

	Concession intangible assets	Intangible assets	Property, plant and equipment	Investment properties	Land use rights
Six months ended 30 June 2015					
Opening net book amount as at 1 January 2015 (audited)	9,222,294	1,698	888,336	372,172	12,407
Additions	216,311	87	5,593	—	—
Transfer	(42,654)	—	42,654	—	—
Disposals	—	—	(2,250)	(348)	—
Depreciation/amortisation (Note 19)	<u>(251,562)</u>	<u>(364)</u>	<u>(50,836)</u>	<u>(8,912)</u>	<u>(478)</u>
Closing net book amount as at 30 June 2015 (unaudited)	<u>9,144,389</u>	<u>1,421</u>	<u>883,497</u>	<u>362,912</u>	<u>11,929</u>
Six months ended 30 June 2016					
Opening net book amount as at 1 January 2016 (audited)	9,245,876	2,388	1,046,208	354,011	11,450
Additions	108,146	916	2,347	—	—
Disposals	—	—	(342)	—	—
Depreciation/amortisation (Note 19)	<u>(283,174)</u>	<u>(463)</u>	<u>(60,179)</u>	<u>(6,662)</u>	<u>(478)</u>
Closing net book amount as at 30 June 2016 (unaudited)	<u>9,070,848</u>	<u>2,841</u>	<u>988,034</u>	<u>347,349</u>	<u>10,972</u>

As at 30 June 2016, the toll roads under the Service Concessions and their respective concession periods granted are disclosed in Note 1.

Borrowing costs of RMB4,502 thousand have been capitalised in the six months ended 30 June 2016 at an average annual interest rate of 5.077 % (same period of 2015: RMB28,167 thousand; 5.931%).

8 AFS financial assets

	Equity interest in unlisted companies			Total
	AXFG (a)	AXCM (a)	WTMC (b)	
Opening balances (audited)	129,682	76,444	15,000	221,126
Fair value gains on AFS financial assets recognised in other comprehensive income (unaudited)	6,155	2,330	—	8,485
Closing balances (unaudited)	<u>135,837</u>	<u>78,774</u>	<u>15,000</u>	<u>229,611</u>

- (a) As at 30 June 2016, AFS financial assets represented 6.62% 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") with a fair value of RMB135,837 thousand (31 December 2015: 6.62% and fair value of RMB129,682 thousand) and 6.62% equity interests in 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") with a fair value of RMB78,774 thousand (31 December 2015: 6.62% and fair value of RMB76,444 thousand) respectively.
- (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").

9 Trade and other receivables

	30 June 2016 (unaudited)	31 December 2015 (audited)
Pawn loans to customers (a)	181,887	182,487
Financial products	180,000	85,000
Toll roll income receivable(b)	59,000	103,523
Interest receivable	13,363	8,552
Dividends receivable (c)	—	18,212
Others	34,748	11,797
	<u>468,998</u>	<u>409,571</u>
Less: provision for impairment	(101,503)	(98,736)
– provision for impairment of pawn loans (a)	(99,769)	(97,119)
– provision for other impairment (d)	(1,734)	(1,617)
	<u>367,495</u>	<u>310,835</u>

9 Trade and other receivables (Continued)

(a) Pawn loans to customers

As at 30 June 2016 and 31 December 2015, the analysis of pawn loans to customers is as follows:

	30 June 2016 (unaudited)	31 December 2015 (audited)
Pawn loans to customers		
– principle	181,887	182,487
– interest	—	—
	<u>181,887</u>	<u>182,487</u>
Less: Impairment allowances		
– individually assessed	(80,707)	(80,707)
– collectively assessed	(19,062)	(16,412)
	<u>(99,769)</u>	<u>(97,119)</u>
Pawn loans to customers, net	<u>82,118</u>	<u>85,368</u>

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 period ended at 30 June 2016 (31 December 2015: bore fixed interest rates ranging from 21.60% to 26.40%). The Group ceased interest accrual once pawn loans were over due.

As at 30 June 2016, the Group's pawn loans to certain third party customers with carrying amounts of RMB18,694 thousand (31 December 2015: RMB20,743 thousand) were secured by their trade receivables of RMB83,230 thousand (31 December 2015: RMB83,230 thousand), 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 the Anhui Transportation Holding Group Co., Ltd. ("安徽省交通控股集團有限公司", "ATHC").

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

	For the six months ended 30 June	
	2016	2015
At beginning of the period (audited)	(97,119)	(71,043)
Impairment losses recognised (unaudited)	(2,650)	(17,959)
	<u>(99,769)</u>	<u>(89,002)</u>

9 Trade and other receivables (Continued)

- (b) As at 30 June 2016, toll roads income receivable mainly represented receivable from 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) of RMB57,367 thousand (31 December 2015: RMB101,983 thousand) for uncollected toll roads income.
- (c) AXFG declared a cash dividend of RMB24,809 thousand to the Company in 2016. The above dividend together with the dividends declared in 2015 of RMB43,020 thousand had been received by the Company.
- (d) As at 30 June 2016, other receivables of RMB 2,845 thousand (31 December 2015: RMB2,758 thousand) were impaired. The according provision was amounted to RMB 1,734 thousand (31 December 2015: RMB1,617 thousand). The individually impaired receivables mainly related to customers of from Hefei Wan Tong Pawn Co., Ltd. (“合肥皖通典當有限公司”, “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:

	30 June 2016 (unaudited)	31 December 2015 (audited)
Up to 1 year	242	584
1 to 2 years	2,603	2,174
	2,845	2,758

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

	For the six months ended 30 June	
	2016	2015
Beginning of the period (audited)	(1,617)	—
Impairment losses recognised (unaudited)	(117)	—
End of the period (unaudited)	(1,734)	—

9 Trade and other receivables (Continued)

(e) As at 30 June 2016 and 31 December 2015, the ageing analysis of the trade and other receivables is as follows:

	30 June 2016 (unaudited)	31 December 2015 (audited)
Up to 1 year	281,749	240,215
1 to 2 years	25,751	41,738
2 to 3 years	127,289	108,552
Over 3 years	34,209	19,066
	468,998	409,571

As at 30 June 2016 and 31 December 2015, all trade and other receivables balances were denominated in RMB. Except for pawn loans to customers which are analysed in Note (a) and (d), all trade and other receivables balances were fully performing.

As at 30 June 2016 and 31 December 2015, 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.

10 Ordinary share capital and share premium

	Number of A shares (thousands)	Number of H shares (thousands)	Ordinary Share capital	Share premium	Total
At 1 January 2015 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2015 (unaudited)	<u>1,165,600</u>	<u>493,010</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>
At 1 January 2016 (audited)	1,165,600	493,010	1,658,610	1,415,593	3,074,203
Changes in the period (unaudited)	—	—	—	—	—
At 30 June 2016 (unaudited)	<u>1,165,600</u>	<u>493,010</u>	<u>1,658,610</u>	<u>1,415,593</u>	<u>3,074,203</u>

The total authorised and issued number of ordinary shares is 1,658,610,000 shares with a par value of RMB1 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.

11 Other reserves

	Capital surplus	Statutory surplus reserve fund	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 8)	Total
Balance at 1 January 2015 (audited)	2,243	955,881	658	52,311	(186,362)	(710,116)	46,445	161,060
Usage of enterprise safety fund (unaudited)	—	—	—	(507)	—	—	—	(507)
Changes in fair value of AFS financial assets, net of tax (unaudited)	—	—	—	—	—	—	(37,500)	(37,500)
Balance at 30 June 2015 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>51,804</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>8,945</u>	<u>123,053</u>
Balance at 1 January 2016 (audited)	2,243	955,881	658	51,185	(186,362)	(710,116)	4,594	118,083
Usage of enterprise safety fund (unaudited)	—	—	—	(507)	—	—	—	(507)
Changes in fair value of AFS financial assets, net of tax (unaudited)	—	—	—	—	—	—	6,364	6,364
Balance at 30 June 2016 (unaudited)	<u>2,243</u>	<u>955,881</u>	<u>658</u>	<u>50,678</u>	<u>(186,362)</u>	<u>(710,116)</u>	<u>10,958</u>	<u>123,940</u>

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.

11 Other reserves (Continued)

- (a) The merger reserve as at 30 June 2016 and 31 December 2015 represented the excess of consideration over the Company's share of paid-in capital of Xuancheng Guangci Expressway Co., Ltd. ("宣城市廣祠高速公路有限責任公司", "Guangci") acquired under common control.

	30 June 2016 (unaudited)
The Company's share of paid-in capital of Guangci	28,968
Less: consideration paid to the then equity owner for acquisition of Guangci under common control	(215,330)
Merge reserve	(186,362)

- (b) The reserve of excess of the consideration over carrying amount of the non-controlling interests acquired represented RMB699,147 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.

12 Trade and other payables

	30 June 2016 (unaudited)	31 December 2015 (audited)
Dividends payable	395,761	4,453
Payables on acquisition of concession intangible assets	319,061	443,265
Deposits for construction projects	67,882	70,016
Staff salaries and welfare	58,962	27,004
Current portion of long-term payables (Note 16)	31,078	31,078
Other taxation payables	13,418	23,254
Interest payable	11,038	9,227
Toll road fees collected on behalf	10,497	5,983
Payables on repair and maintenance projects	7,711	3,715
Others	26,180	14,543
	941,588	632,538

As at 30 June 2016, trade and other payables of RMB197,623 thousand were aged over one year (31 December 2015: RMB 227,638 thousand). These payables were mainly for construction projects and will be settled after project is completed.

As at 30 June 2016 and 31 December 2015, all trade and other payables were denominated in RMB.

As at 30 June 2016 and 31 December 2015, the fair values of trade and other payables, except for staff salaries and welfare, approximated their fair values.

13 Borrowings

	30 June 2016		31 December 2015	
	Interest rate per annum (unaudited)	Amount	Interest rate per annum (audited)	Amount
Non-current				
Long-term bank borrowings				
denominated in RMB - secured				
- guaranteed (a)	4.655%-4.900%	839,564	4.655%-5.150%	774,578
- pledged (b)	1.200%	600,000	—	—
Long-term bank borrowings				
denominated in HKD - secured				
- pledged (RMB equivalents) (c)	1.998%	105,896	1.998%	103,802
Long-term bank borrowings				
denominated in RMB				
- unsecured (a)	4.410%-4.635%	172,416	4.410%-5.535%	174,269
		<u>1,717,876</u>		<u>1,052,649</u>
Current				
Short-term bank borrowings				
denominated in RMB - unsecured	—	—	4.815%	250,000
Current portion of long-term				
bank borrowings denominated				
in HKD - secured				
- pledged (c)	1.758%	102,564	1.758%	100,536
Current portion of long-term bank				
borrowings denominated in RMB				
- guaranteed (a)	4.655%-4.900%	11,810	4.900%	9,532
- unsecured (a)	4.410%-4.635%	3,213	5.535%-5.895%	2,719
		<u>117,587</u>		<u>362,787</u>
Total borrowings		<u><u>1,835,463</u></u>		<u><u>1,415,436</u></u>

13 Borrowings (Continued)

- (a) The bank borrowings of RMB 214,400 thousand were guaranteed by Xuancheng Communication Investment Co., Ltd. (“宣城市交通投資有限公司”, “XCIC”), a non-controlling interest of subsidiaries; RMB636,974 thousand were guaranteed by the ATHC and RMB 175,629 thousand were guaranteed by the Company as at 30 June 2016 (31 December 2015: RMB203,700 thousand were guaranteed by XCIC; RMB580,410 thousand were guaranteed by the ATHC; and RMB176,988 thousand were guaranteed by the Company).
- (b) As at 30 June 2016, the bank borrowings of RMB600,000 thousand was guaranteed by estimated future toll roads cash inflow from the completion of reform and expansion of Hening Expressway.
- (c) The bank borrowings of HKD243,898 thousand (equivalent to RMB 208,460 thousand) were pledged by bank deposits of RMB197,000 thousand as at 30 June 2016 (31 December 2015: HKD243,898 thousand (equivalent to RMB204,338 thousand) were pledged by bank deposits of RMB197,000 thousand).

As at 30 June 2016 and 31 December 2015, the Group’s borrowings are repayable as follows:

	Bank borrowings	
	30 June 2016 (unaudited)	31 December 2015 (audited)
Within 1 year	117,587	362,787
Between 1 and 2 years	126,417	121,596
Between 2 and 5 years	540,680	377,906
Over 5 years	1,050,779	553,147
	<u>1,835,463</u>	<u>1,415,436</u>

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

	30 June 2016 (unaudited)	31 December 2015 (audited)
Expiring within one year	<u>7,126,902</u>	<u>7,435,670</u>

14 Provision - maintenance/resurfacing obligation

Balance at 1 January 2016 (audited)	6,896
Additions (unaudited)	30,049
Utilisation of provision (unaudited)	(30,049)
Balance at 30 June 2016 (unaudited)	6,896

15 Deferred income

	30 June 2016 (unaudited)	31 December 2015 (audited)
Government grants	34,019	35,105

Deferred income represents government grants relating to assets and is amortised over 25 years.

16 Long-term payables

The carrying amounts and fair values of long-term payables are as follows:

	Carrying Amounts		Fair values	
	30 June 2016 (unaudited)	31 December 2015 (audited)	30 June 2016 (unaudited)	31 December 2015 (audited)
Long-term payables to ATHC (a)	625,881	656,349	674,707	707,055
Long-term payables to XCIC (b)	325,385	330,993	349,464	356,746
Less: Current portion of long-term payables	(31,078)	(31,078)	(31,413)	(31,413)
	920,188	956,264	992,758	1,032,388

16 Long-term payables (Continued)

- (a) Long-term payables to ATHC represents ATHC's share of total investment in Anhui Ningxuanhang Expressway Investment Company Limited ("安徽寧宣杭高速公路投資有限公司", "Ningxuanhang") in excess of ATHC's equity contribution in Ningxuanhang. This amount is non-guaranteed. As at 30 June 2016, the balances represented interest-free loans of RMB593,347 thousand and interest-bearing loans of RMB385,610 thousand.
- (b) Long-term payables to XCIC represents XCIC's share of total investment in Xuan Guang Expressway Company Limited ("宣廣高速公路有限責任公司", "Xuan Guang") and Ningxuanhang in excess of XCIC's equity contribution in Xuan Guang and Ningxuanhang. This amount is non-guaranteed. As at 30 June 2016, the balances represented interest-free loans of RMB484,724 thousand.

As at 30 June 2016, the undiscounted amount of long-term payables to XCIC and ATHC was RMB484,724 thousand and RMB978,957 thousand respectively (31 December 2015: RMB501,200 thousand and RMB978,957 thousand respectively).

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 30 June 2016 (31 December 2015: 4.90%).

17 Other gains - net

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Dividends income	24,808	50,000
Interest income	12,821	6,481
Amortisation of government grants relating to assets	1,086	1,086
Net losses from disposal of property, plant and equipment	(181)	(2,176)
Others	124	48
	38,658	55,439

18 Revenue

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Toll roads income, rental income and others	1,250,003	1,194,497
Revenue from construction or upgrade work under Service Concessions	108,146	216,311
Interest income from pawn loans to customers	—	7,451
	<u>1,358,149</u>	<u>1,418,259</u>

19 Expenses by nature

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

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Depreciation and amortisation expenses (Note 7)	350,956	312,152
Employee benefit expenses	127,171	124,509
Costs payable to vendors for construction or upgrade work under the Service Concessions	108,146	216,311
Tax related to revenues (a)	33,103	44,465
Repair expenses	30,049	57,795
Impairment for pawn loans to customers (Note 9)	2,650	17,959
Auditor's remuneration - annual audit services	1,240	1,200
Impairment for other receivables (Note 9)	117	—
Others	54,852	50,437
	<u>708,284</u>	<u>824,828</u>

19 Expenses by nature (Continued)

(a) Taxes related to revenue

From 1 January 2016 to 30 April 2016, the Group is subject to Business Tax ("BT") at the rate of 3% for toll roads income and of 5% for others respectively.

From 1 May 2016, the above BT was replaced by Value-added Tax ("VAT") thoroughly. The tax rate of toll roads income is 3% or 5% under simple collection method. The tax rate of road-damaged compensation income is 0%. The tax rate of rental income is 5% under simple collection method. The tax rate of pawn loan interest income from Wan Tong Pawn is 6%. The tax rate of all other income is 5%.

Revenue from construction or upgrade work under the Service Concessions is not subject to BT or VAT.

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 or VAT payable.
- (ii) Local Education Surcharge - levied at 3% of BT payable or VAT payable.

20 Finance costs

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Interest expenses on:		
- bank borrowings	46,704	18,005
- amortisation of long-term payables	18,311	13,918
	65,015	31,923

21 Income tax expenses

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

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Current taxation - CIT (a)	189,889	162,477
Deferred taxation credited to the consolidated income statement	(31,743)	(26,192)
	158,146	136,285

21 Income tax expenses (Continued)

(a) Hong Kong profits tax and the PRC Corporate Income Tax ("CIT")

The Company and its subsidiaries, associated companies determine and pay the PRC 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 Anhui Expressway (H.K.) Limited ("安徽皖通高速公路股份(香港)有限公司", "AEHK")), associated companies is 25%. And the CIT rate applicable to AEHK is 16.5%.

(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 2015 which was paid to foreign shareholders until 30 June 2016.

22 Earnings per share

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

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Profit attributable to equity holders of the Company	477,422	466,655
Weighted average number of ordinary shares in issue (thousands)	1,658,610	1,658,610
Basic earnings per share (expressed in RMB per share)	0.2878	0.2814

23 Dividends

The final dividend in respect of 2015 of RMB0.23 per share, amounting to a total dividend of RMB381,480 thousand was approved at the Annual General Meeting in May 2016.

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2016 (same period of 2015: nil).

24 Commitments

(a) Capital commitments

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

	30 June 2016 (unaudited)	31 December 2015 (audited)
Contracted but not provided for		
- concession intangible assets	359,401	398,386
- property, plant and equipment	93	1,063
	<u>359,494</u>	<u>399,449</u>

25 Cash and cash equivalents and restricted cash

	30 June 2016 (unaudited)	30 June 2015 (unaudited)
Cash at bank and on hand	1,775,826	695,956
Less: restricted cash	(197,000)	(147,000)
Cash and cash equivalents at end of the period	<u>1,578,826</u>	<u>548,956</u>

As at 30 June 2016, the restricted cash represented bank deposits with original maturities over three months, including bank deposits of RMB197,000 thousand (31 December 2015: RMB197,000 thousand) pledged as collateral for the Group's borrowings of HKD243,898 thousand (equivalent to RMB208,460 thousand) (31 December 2015: HKD243,898 thousand, equivalent to RMB204,338 thousand) (Note 13(b)).

26 Related party transactions

(a) Name of related party and relationship

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.

Name	Relationship with the Group
ATHC	Parent company
XCIC	Non-controlling interest of the Group
Anhui Expressway Advertisement Co., Ltd. ("安徽高速傳媒有限公司", "AEAC")	Associate
WTMC	Subsidiary of ATHC
Anhui Yida Toll Road Service Sector Management Co., Ltd. ("安徽省驛達高速公路服務區經營管理有限公司", "YTMC")	Subsidiary of ATHC
Anlian Expressway Co., Ltd. ("安徽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 Petrochemical Co., Ltd. ("安徽省高速石化有限公司", "AEPC")	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 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

26 Related party transactions (Continued)

(a) Name of related party and relationship (Continued)

Name	Relationship with the Group
AECH	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 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
China Merchants Hua Jian Highway Investment Co., Ltd. ("招商局華建公路投資有限公司", "HJHI")	Shareholder of the Company

(b) Related party transactions

(i) Service income from management of toll roads

	Unaudited	
	For the six months ended 30 June	
	2016	2015
ATHC	9,417	9,598
ALEC	1,225	1,249
AFEC	492	501
AWEC	83	85
	<u>11,217</u>	<u>11,433</u>

26 Related party transactions (Continued)

(b) Related party transactions (Continued)

(ii) Rental income

	Unaudited	
	For the six months ended 30 June	
	2016	2015
AEPC	12,930	13,178
YTMC	5,439	5,610
ATHC	1,621	1,144
AECH	1,415	954
MTFC	510	378
ALEC	361	292
AWFC	219	220
WTMC	110	111
BNMC	14	14
AEAC	—	368
	<u>22,619</u>	<u>22,269</u>

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

	Unaudited	
	For the six months ended 30 June	
	2016	2015
BNMC	1,479	1,656
AERC	1,301	308
APEMC	1,085	1,242
MTFC	679	3,354
	<u>4,544</u>	<u>6,560</u>

26 Related party transactions (Continued)

(b) Related party transactions (Continued)

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

	Unaudited	
	For the six months ended 30 June	
	2016	2015
ATHC	<u>11,304</u>	<u>10,083</u>

(v) Guarantee received

As at 30 June 2016, long-term bank borrowings of RMB214,400 thousand were guaranteed by XCIC and RMB 636,974 thousand were guaranteed by ATHC (Note 13).

(vi) Key management compensation

Key management includes directors (executive and non-executive) and the Company secretary. The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	For the six months ended 30 June	
	2016	2015
Salaries and other short-term employee benefits	<u>836</u>	<u>646</u>

(c) Related party balances

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

	30 June	31 December
	2016	2015
	(unaudited)	(audited)
AEPC	12,823	—
ATHC	8,906	—
ALEC	1,135	—
YTMC	—	156
AEAC	—	150
	<u>22,864</u>	<u>306</u>

26 Related party transactions (Continued)

(c) Related party balances (Continued)

(ii) Trade payables

	30 June 2016 (unaudited)	31 December 2015 (audited)
MTFC	5,981	8,366
AEPMC	2,128	2,840
AERC	1,487	1,249
AEPC	960	960
AEAC	85	85
ATCD	16	63
BNMC	4	30
	<u>10,661</u>	<u>13,593</u>

(iii) Other payables

	30 June 2016 (unaudited)	31 December 2015 (audited)
YTMC	5,711	6,611
ATHC	666	832
MTFC	655	640
ATPEC	100	100
WTMC	100	100
AEPMC	39	39
AEPC	6	6
AEAC	2	2
AERC	—	3
	<u>7,279</u>	<u>8,333</u>

26 Related party transactions (Continued)

(c) Related party balances (Continued)

(iv) Dividends payable

	30 June 2016 (unaudited)	31 December 2015 (audited)
ATHC	120,668	—
HJHI	92,964	—
XCIC	14,281	4,453
	<u>227,913</u>	<u>4,453</u>

(v) Long-term payables (including current portion) (Note 16)

	30 June 2016 (unaudited)	31 December 2015 (audited)
ATHC	625,881	656,349
XCIC	325,385	330,993
	<u>951,266</u>	<u>987,342</u>

As at 30 June 2016 and 31 December 2015, amounts due from and due to the related parties as aforementioned, except for long term payables as disclosed in Note 16, 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 repayable within 1 year.

SECTION X RELATED INFORMATION OF CORPORATE BONDS

Applicable Not applicable

SECTION XI DOCUMENTS AVAILABLE FOR INSPECTION

I. Including the following documents:

1. The original copy of the 2016 Interim Report signed by the chairman of the Company;
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 copies of corporate documents and announcements published in the Shanghai Securities News and the China Securities Journal;
4. The articles of association of the Company;
5. Original copies of the Interim Report published in other securities markets;
6. Other related information.

Chairman: **Qiao Chuanfu**

The date agreed to submit the report by the Board: 2015-08-19

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



Anhui Expressway Company Limited